

Congress of the United States
Washington, DC 20515

May 31, 2006

The Honorable Mark McClellan
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator McClellan,

As Members of the House Rural Health Care Coalition, we are writing today to express our concern with the Centers for Medicare & Medicaid Services (CMS) interpretative guidelines that would obstruct Critical Access Hospitals (CAHs) from rebuilding or relocating their facilities.

On November 14, 2005, CMS issued interpretive guidelines on the relocation of CAHs. Along with reinforcing the "75 percent test" – serving 75 percent of the same population, providing 75 percent of the same services and employing 75 percent of the same staff – for CAHs that relocate (established in the FY 2006 Hospital Inpatient Prospective Payment System Final Rule), the guidelines change the definition of "mountainous terrain" and "secondary road." We have significant concerns that the modified definitions of "mountainous terrain" and "secondary road" pose a threat to hospitals' CAH designation, if they choose to relocate.

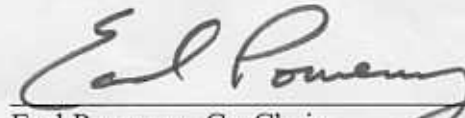
Many CAHs are old, built 40-50 years ago, and are well past their useful service life. These facilities no longer meet modern health care code and service requirements and the hospital's structure is often not suitable for major remodeling to correct the deficiencies. Relocation proves to be the most appropriate and sometimes the only alternative.

Facilities need to, or choose to, rebuild on a new site to be closer to a highway, connect to municipal water and sewer, because of seismic safety concerns, or other reasons that will improve patient safety and the quality of care provided. Since many CAHs are landlocked with little or no room for expansion, they rebuild where there is affordable land available or at a location where land has been donated to them. CMS's guidelines, especially the new definition of "mountainous terrain" and "secondary road," fail to take into consideration these factors.

We are concerned that CMS has not fully considered the potential impact of the changes to terrain and road definitions on our constituents' access to acute-care health services. We urge CMS to reconsider the overly restrictive requirements, especially for hospitals moving only a short distance, and establish reasonable criteria to ensure that the hospitals can continue to serve patients in their service area.


Greg Walden, Co-Chair
House Rural Health Care Coalition

Sincerely,


Earl Pomeroy, Co-Chair
House Rural Health Care Coalition

Jim Matheson

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Clayton

Shelley Moore Capito

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Bill Shuster

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Marilyn Musgrave

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Page 1

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Page 2

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Page 3

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Chip Pickering

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Page 4

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Page 5

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