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## TALKING POINTS

### OIG Report: Most Critical Access Hospitals Would Not Meet the Location Requirements If Required to Re-enroll in Medicare

#### Background

On Aug. 15, the Health and Human Services Office of Inspector General (OIG) issued a report related to certification of critical access hospitals (CAHs). OIG makes several recommendations to the Centers for Medicare & Medicaid Services (CMS) regarding CAH location requirements and certification that it believes will decrease spending for both Medicare and its beneficiaries.

#### Talking Points

- This report demonstrates an unfortunate lack of understanding of how health care is delivered in rural America. If the recommendation were implemented, many of these facilities may be forced to close and patients could lose their access to essential medical services.
- **The OIG's recommendation** that CMS seek legislative authority to remove necessary provider CAHs' permanent exemption from the distance requirement **would negatively affect Medicare beneficiaries who would otherwise be unable to access hospital services.** The recommendation would impact approximately 75 percent of currently existing CAHs.
- **OIG inappropriately focused on potential savings Medicare could realize, rather than the needs of individuals in rural communities.** The necessary provider exemption allowed states to take into account more than arbitrary geographic factors – including, but not limited to, unemployment and poverty rates – when determining how to provide the best access to health care services for its residents.
- CAHs have been able to provide essential high-quality medical care to the 19.3 percent of the U.S. population that resides in rural areas.
- Each year, CAHs treat approximately 7 million patients in their emergency departments and an additional 38 million in their outpatient departments.
- **Most CAHs serve the most vulnerable patients and are the only source of care in the area.** They are the family doctor for the uninsured and underinsured and serve as patient-centered medical homes and safety net providers delivering emergency services to distant communities.

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- CAHs are often the economic engines of rural communities and any loss could be disastrous to future economic development of the community.
- Additionally, the AHA has concerns regarding OIG's findings and will be investigating further to determine whether OIG's analysis of whether CAHs would meet the distance requirement is accurate.
- The savings identified by OIG for Medicare and its beneficiaries fail to reflect actual changes in practice patterns (i.e., an increased demand on emergency services or attrition of clinical professionals in communities without a hospital) that will increase other costs or reduce access to Medicare and its beneficiaries.
- The AHA continues to strongly advocate to maintain the current CAH program, and also for fixes to payment and administrative limitations that constrain the efficiency and effectiveness of these essential health care providers.