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**STATEMENT ON CENTERS FOR MEDICARE & MEDICAID SERVICES' FINAL
RULES ON CONDITIONS OF PARTICIPATION, REGULATORY RELIEF**

**Rich Umbdenstock
President and CEO
American Hospital Association
May 10, 2012**

Today's announcement provides some much-needed regulatory relief for an overburdened health care system. But CMS misses some important opportunities to further modernize the rules to better reflect how care is organized and delivered today.

We are pleased that CMS has streamlined management of outpatient departments. Eliminating an extra layer of bureaucracy will allow hospitals to run more efficiently and effectively. In addition, Critical Access Hospitals (CAHs) are now able to provide certain services, such as diagnostic, therapeutic, laboratory, radiology and emergency services, under service arrangements. Previously, CAHs were required to provide these services directly.

We're also pleased the new Medicare Conditions of Participation (CoPs) allow multi-hospital systems to have one governing board that can provide comprehensive oversight across all participating hospitals. However, we are disappointed that CMS did not allow hospitals in such systems to have single integrated medical staff structures if that's how those providers choose to be organized. Hospitals and medical staff members across the country are working together to streamline all areas of operation and CMS should not let antiquated organizational structures stand in the way.

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Today's rules provide some regulatory relief and better recognize the way health care can be delivered efficiently. But more can be done to reduce the regulatory burden and help foster coordination among doctors, hospitals and other caregivers on behalf of patients. We will continue to work with CMS on further refinements to the CoPs and reduce regulatory burden that gets in the way of patient care.

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