
CMS Manual System

Pub. 100-07 State Operations Provider Certification

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 153

Date: March 25, 2016

SUBJECT: Revisions to the State Operations Manual (SOM) Chapter 9 Exhibits

I. SUMMARY OF CHANGES: SOM Exhibit 356 has been revised to include additional instructions.

NEW/REVISED MATERIAL - EFFECTIVE DATE: March 25, 2016

IMPLEMENTATION DATE: March 25, 2016

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	9/Exhibits/Exhibit 356 Critical Access Hospital (CAH) Recertification Checklist

III. FUNDING: No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 20xx operating budgets.

IV. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Unless otherwise specified, the effective date is the date of service.**

Exhibit #356

(Rev.153, Issued: 03-25-16, Effective: 03-25-16, Implementation: 03-25-16)

CRITICAL ACCESS HOSPITAL (CAH) RECERTIFICATION CHECKLIST:
Rural and Distance or Necessary Provider Verification

Date: _____

CCN: _____

CAH Name: _____

Address: _____

City/State/Zip/County: _____

Administrator: _____

Last Survey Date: _____

If deemed: Accrediting Organization (AO): _____

Accreditation expiration date: _____

Rural Status:

Does the Office of Management and Budget (OMB) Metropolitan Statistical Area (MSA) List adopted by the CMS indicate that the county is designated as rural? Yes_____ No_____

If no, does the Division of Financial Management (DFM) confirm alternative rural status?
Yes_____ No_____ Date confirmed by the DFM: _____

Distance from other CAHs or Hospitals:

Necessary Provider Designation: Yes_____ No_____ [Source: _____]

If NO, conduct a distance analysis to all nearby CAHs/Hospitals.

Driving Distance ≥ 35 miles? Yes_____ No_____

If no, does the CAH qualify for the ≥ 15 mile standard, based on secondary roads/mountainous terrain?
Yes_____ No_____ [Source: _____]

Describe why the 15 mile standard does/does not apply:

List name(s) and address(es) of all other CAHs and/or hospitals considered in the analysis:

PROCEDURES:

1. Annually the Regional Office (RO) designee contacts the State Agency (SA) to request a list of all Medicare-certified CAHs that are scheduled for a recertification survey over the next 12 months. The list should include and identify both deemed and non-deemed CAHs. For CAHs that are deemed, the SA consults the deemed status tab in ASPEN for the accreditation end dates of those CAHs. **NOTE:** AOs conduct reaccreditation surveys every 3 years.
2. Prior to the survey, the RO must:
 - a. **Follow the guidance in SOM Section 2256A for determining rural status.**
 - i. If the CAH is located outside a Metropolitan Statistical Area (MSA), as determined by consulting the latest Office of Management and Budget (OMB) MSA list **adopted by CMS**, the CAH has rural status.
 - ii. If the CAH is located in an MSA but the Division of Financial Management (DFM) has reclassified it as rural, place a copy of DFM's determination in the CAH's file. The CAH is considered to have rural status.
 - iii. If the CAH's location was previously outside an MSA, but subsequently CMS adopted a revised OMB MSA list that places the CAH inside an MSA, the CAH has two years from the effective date of CMS's adoption of the OMB MSA list to attempt to reclassify as rural. Alternatively, the CAH may convert to Medicare IPPS hospital status.
 - iv. If the CAH's location was previously outside an MSA, but was not determined during the prior recertification, consult with RO management on the length of time to be provided to the CAH to either attempt to reclassify or convert to hospital status. (Generally up to one year can be provided.)

NOTE – if the CAH is not located in an area that is considered rural, a termination enforcement action must be undertaken. Depending on the facts of the case, the termination action may become effective in one or two years. The CAH may opt to convert to an IPPS hospital which would require the submission of an amended CMS Form 855A and a subsequent certification survey demonstrating compliance with the hospital CoPs at CFR 482.

- b. **Determine whether the CAH was certified prior to January 1, 2006, in order to determine if the CAH is a Necessary Provider (NP) CAH.** (A CAH that was *Medicare*-certified as a CAH after January 1, 2006 is not eligible to be an NP CAH.) NP CAHs are exempt from the distance requirement.
 - i. If the *NP* CAH was certified *by CMS* prior to January 1, 2006, review the CAH file to confirm there is evidence of NP CAH status (for example, an NP Designation letter issued by the State prior to January 1, 2006).

- ii. If there is no *documentation* in the *CAH's* file, the RO *may* ask the State if there is *documentation of* State NP designation *performed* prior to **January 1, 2006**.
 - iii. If the State provides *the RO with* a copy of the *CAH's necessary provider* designation *documentation demonstrating State designation* prior to January 1, 2006, the CAH is an NP CAH.
 - iv. **If the RO designee determines that the CAH is an NP CAH, proceed to step 3. Otherwise, proceed to step 2.c.**
- c. **If the CAH is not an NP CAH, evaluate the road mileage distance and road characteristics** using ASPEN (ACO) and Google Maps for each identified CAH and nearby CAHs/Hospitals and *make* screen-prints *of* the findings. The RO also checks whether the mountainous terrain criteria apply. (See Section 2256A for details.)
- d. Attach all documentation from the above steps to this completed *Checklist*.
3. The RO saves the completed *Checklist* and attachments in the RO records. The RO program lead is notified of the results of the determination, so that appropriate follow-up action may be taken.
- a. **If the CAH is not an NP CAH and does not meet the distance and location requirements**, the RO enters the case in the RO tracking system (e.g. Auto Tally Millennium). The RO sends the CAH a letter indicating its CAH status will be terminated. The CAH *may* be allowed time (generally one year) to convert to hospital status in lieu of having its Medicare provider agreement terminated. *The letter will include appropriate appeal rights. The letter also will provide that CMS will review the NP CAH status determination if the CAH timely submits a request that contains qualifying supplementary information to the RO within 60 days of the date of the CMS letter, consistent with the requirements and procedures in step 4 of this Exhibit.* The SA and AO are copied on the letter. The RO also notifies CMS Central Office at CAHSCG@cms.hhs.gov.
 - b. **If the CAH is *either* an NP CAH *or* meets the distance requirements, but is located in an MSA and has not been reclassified as rural**, the RO enters the case in the RO tracking system (e.g. Auto Tally Millennium). The RO sends the CAH a letter indicating its *CAH status will be terminated unless it can be reclassified as rural* within the applicable timeframe. If the CAH is unable to be reclassified as rural within the applicable time frame, it may choose to convert to hospital status in lieu of having its Medicare participation terminated. The SA and AO are copied on the letter. The letter advises that CAH applications for reclassification must be submitted to the RO DFM, who evaluates and makes a determination regarding the CAH's rural status. The RO DFM sends the Division of Survey and Certification (DSC) a copy of their determination letter.
 - c. If the CAH **meets both the rural status and the distance and location requirements**, the RO notifies the SA/AO, which may then conduct a recertification/reaccreditation survey. **No notice is provided to the CAH (to avoid announcing the survey).**
 - d. The RO files the above correspondence in the CAH file in the RO system of records.

- 4. Process for Considering Supplementary Evidence of Necessary Provider Status:** A CAH may request the CMS RO to review the determination of its necessary provider CAH status if, within 60 days of the date of a CMS letter that communicates the agency's determination that the CAH distance requirements have not been met, it submits supplementary evidence to the CMS RO for consideration. The burden is on the CAH to provide qualifying evidence demonstrating that NP designation was made by the State prior to January 1, 2006 and that the designation was applicable to the specific facility in question. Note that a CAH does not need to wait before submitting supplementary evidence, but may do so before the CAH is due for a recertification survey or at any other prior time. Some examples of potentially qualifying evidence include:
- a. A letter, issued before January 1, 2006, from the appropriate State authority designating the CAH by name as a necessary provider.
 - b. An edition of the State's Rural Health Plan, published in 2005 or earlier, identifying the CAH by name as a necessary provider.
 - c. A State's Rural Health Plan, combined with supporting documented evidence that includes **all** of the following:
 - (i) An edition of the State's Rural Health Plan, published in 2005 or earlier, specifying the State's criteria for a CAH to qualify as a necessary provider; **and**
 - (ii) At the time of its CAH certification, which must have been prior to January 1, 2006, the CAH met the State's criteria to qualify as a necessary provider in accordance with the applicable edition of the State's Rural Health Plan (published in 2005 or earlier). Acceptable data sources used to support the documented evidence that the CAH met the necessary provider criteria in the State's Rural Health Plan includes, but are not limited to: Health Resources Services Administration (HRSA), U.S. Census Bureau, or data from the applicable State departments; **and**
 - (iii) A signed statement by the appropriate State authority that the State considers the CAH to have been designated as a necessary provider before January 1, 2006. This statement may be from a date before or after January 1, 2006 when combined with the documented evidence cited above.
 - d. A State law or regulation with supporting documented evidence that includes **all** of the following:
 - (i) The law or regulation, enacted prior to January 1, 2006, specifically describes the requirements for necessary provider designation by the State in order to become a CAH, **and**
 - (ii) At the time of its CAH certification, which must have been prior to January 1, 2006, the CAH met the criteria in the law or regulation to qualify as a necessary provider, **and**
 - (iii) A signed statement by the appropriate State authority that the State considers the CAH to have been designated as a necessary provider before January 1, 2006. This statement may be from a date before or after January 1, 2006.