

Scenario - CAH Mileage Phase In

It is 2016 and CMS has finalized rules that implement a progressively increasing distance restrictions for Critical Access Hospitals.

In 2017, CAHs within 10 miles of another hospital will compete for the reimbursement status.

- Any CAH within 10 miles of a PPS hospital will lose its CAH status.
- If they are near another CAH, criteria to determine the "winning" hospital will include volume and service area, as well as costs and quality indicators.
- Hospitals who have not been reporting CMS quality measures and HCAHPS will automatically be disqualified.

In 2018, hospitals within 20 miles will be included and at least one will lose its CAH status.

In 2020, hospitals within 30 miles will be included.

Beginning in 2018, Medicare dependent, rural referral center and sole community hospital reimbursement are also eliminated and replaced with incentives to population health management.

Questions/Comments:

- Has the Board discussed this option and developed strategic options?
- What is the financial consequences related to the loss of these "targeted" rural health payments?
- What additional funding options, if any, could replace the loss revenue?
- What is the impact on the local workforce (physicians, physician recruitment, etc)?
- What services would be reduced or eliminated?
- What "unintended" consequences would occur from the change in status (such as economic impact within the community)?
- Which hospitals (or provider groups) would be willing to partner with your hospital to continue to provide access to services?