

Necessary Provider Final Ruling

CMS has demonstrated its understanding of the need for CAHs, rural communities and capital markets to work together to improve the quality of care in rural America. As evidenced by the 75% rule, CMS has made the preservation of quality patient care its only requirement for the relocation/reconstruction of a CAH. The elimination of the time and distance requirements in the proposed rule enables rural communities, providers and financiers the ability to make the best decisions on a timely basis and absent of unrealistic time and distance restrictions.

FINAL NECESSARY PROVIDER RULING

CMS has removed the proposed distinction between a replacement and relocation of a necessary provider CAH. CMS also eliminated the proposed distance requirement for replacing a facility. As a result, all CAHs that construct a new facility will be considered to have relocated and may be able to maintain the necessary provider designation if they meet the requirements below. In addition, CMS eliminated the proposed date restrictions.

CMS relocation/replacement requirements:

- The facility continues to serve at least 75% of the same service area
- The facility continues to provide at least 75% of the same services
- The facility is staffed by 75% of the same staff