

Utah Rural Hospital Flexibility Grant/Critical Access Hospital Program

Program Objectives:

- 1) *to assist rural hospitals to become designated as "critical access hospitals."* Hospitals designated as Critical Access Hospitals (CAHs) are eligible for cost-based Medicare reimbursement for inpatient and outpatient services. Cost-based reimbursement will in most cases, help to improve the hospitals' financial viability and stability.
- 2) *foster network development.* Section 485.603, CFR defines rural health networks as including one CAH, and one hospital that furnishes acute care services; and requires that network members enter into agreements regarding patient referral and transfer, development and use of communications systems (including telehealth), emergency and non-emergency transportation among members, credentialing and quality assurance. These are minimum requirements. The Rural Hospital Flexibility Program (FLEX) encourages the development of more inclusive networks, with broad community membership.
- 3) *improve and integrate EMS services.* The FLEX Program assists with the establishment or expansion of programs to improve and integrate emergency medical services (EMS) in Utah's rural communities.
- 4) *improve quality of care.* CAHs are required to have agreements for credentialing or quality assurance with at least one hospital that is a member of the network to which the CAH belongs, one peer review organization or equivalent entity, or another qualified entity identified by the State.
- 5) *update State Rural Health Plan.* Utah's Rural Hospital Flexibility Plan has been approved by the Health Care Financing Administration.

Short Description and Background:

The Office of Primary Care and Rural Health is directing the activities of the Utah FLEX Program. The FLEX Program is authorized by Section 4201 of the Balanced Budget Act of 1997 (Public Law 105-33) and its amendments, the Balanced Budget Refinement Act of 1999, the Benefits Improvement and Protection Act of 2000, and the Medicare Prescription Drug and Modernization Act of 2003.

Program Activities and Accomplishments:

- 1) four (4) hospitals have converted to CAH, five (5) additional hospitals are considering conversion
- 2) completion of numerous financial feasibility studies to determine if conversion to CAH will improve financial performance and completing community needs assessments to determine if conversion will meet the needs of the community
- 3) mini-grants given to hospitals for FLEX/CAH development activities
- 4) developing State rule that sets the standards for the operation of a CAH, and a rule exempting CAHs from the moratorium on the Medicaid certification of new nursing facilities
- 5) completion of: EMS Medical Director courses, PHTLS courses, TEAM instructor course, leadership seminar for EMS agency providers on State and federal requirements
- 6) approval of FLEX Rural Health Plan by the Health Care Financing Administration

Fiscal Implications:

The Utah FLEX Program is funded entirely through the federal Office of Rural Health Policy grant. Ongoing funding is needed to assist rural hospitals with CAH conversion, to enhance EMS services in rural areas, to assist with network development, and for quality improvement activities.

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