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## Urgent!! Grass Roots needed to pursue Critical Access Designation for PPS Hospitals

1 message

theleadershipgrp@mindspring.com <theleadershipgrp@mindspring.com>

Wed, Jul 15, 2020 at 8:38 AM

To: theleadershipgrp@mindspring.com

HomeTown Health CEO's and Senior Staff:

Reference: Grass Roots needed to pursue Critical Access Designation for PPS Hospitals

### Given:

1. Critical Access Hospitals, as a designation, began in 1997
  - a. Congress created the Critical Access Hospital (CAH) designation through the Balanced Budget Act of 1997 (Public Law 105-33) in response to a string of rural hospital closures during the 1980s and early 1990s.
2. Georgia had more than thirty rural hospitals to apply at that time; they were granted the designation at that time
3. Their purpose was to offer reimbursement rates that were better than the PPS rates in an effort to save these rural hospitals. Hospital losses were rampant.
  - a. The newly created 30 plus Critical Access Hospitals were paid at 101% of cost versus the 85.6% of cost that was currently being paid in Georgia at the time
  - b. However, because they were mandatorily paid at cost only, they could not be paid above cost. This created occasional payment problems that required the newly created Critical Access Hospitals to be paid only at cost and no more. This created a new method of managing these hospitals where the driver was the cost to charge ratio. Most CAH hospitals have learned how to manage this phenomenon; but, it has occasionally caused some problems in cash flow.
4. As the industry has evolved, since about 2000, the hospital payor mixes have eroded; and, many PPS hospitals have continued to lose money in spite of the payment structure.
5. Consequently, the Critical Access Hospital Designation would be a major benefit to most PPS hospitals.
6. In order to convert to Critical Access Hospital Designation, congressional legislation would be required to open the definition to allow interested rural PPS hospitals to apply for this designation.
7. This proposed legislation has been calculated to affect the following Georgia Hospitals. Attached is the initial list of eligible rural PPS hospitals. Georgia has several, as you can see.
8. This list was calculated by national healthcare organizations.
9. **Rural hospitals that have a negative operating margin for the most recent 2 consecutive years, AND either 1) are in a county where poverty is greater than or equal to 150 FPL, OR 2) are in a health professional shortage area OR 3) serve a higher than average percent of Medicare/Medicaid beneficiaries**

15. Hospital ID	16. Name	17. City	18. State
19. 110002	20. UPSON REGIONAL MEDICAL CENTER	21. THOMASTON	22. GA
23. 110003	24. MEMORIAL SATILLA HEALTH	25. WAYCROSS	26. GA

27. 110027	28. ST. MARYS SACRED HEART HOSPITAL	29. LAVONIA	30. GA
31. 110032	32. STEPHENS COUNTY HOSPITAL	33. TOCCOA	34. GA
35. 110040	36. NORTHRIDGE MEDICAL CENTER	37. COMMERCE	38. GA
39. 110071	40. APPLING GENERAL HOSPITAL	41. BAXLEY	42. GA
43. 110073	44. DORMINY MEDICAL CENTER	45. FITZGERALD	46. GA
47. 110089	48. COFFEE REGIONAL MEDICAL CENTER	49. DOUGLAS	50. GA
51. 110100	52. JEFFERSON HOSPITAL	53. LOUISVILLE	54. GA
55. 110101	56. COOK MEDICAL CENTER	57. ADEL	58. GA
59. 110109	60. EMANUEL MEDICAL CENTER	61. SWAINSBORO	62. GA
63. 110128	64. MEADOWS REGIONAL MEDICAL CENTER	65. VIDALIA	66. GA
67. 110130	68. IRWIN COUNTY HOSPITAL	69. OCILLA	70. GA
71. 110142	72. EVANS MEMORIAL HOSPITAL	73. CLAXTON	74. GA
75. 110150	76. OCONEE REGIONAL MEDICAL CENTER	77. MILLEDGEVILLE	78. GA

9Ly:

9) Two Senators (Durbin and Lankford) have drafted a piece of legislation that would allow interested rural hospitals to apply for the CAH designation.

10) That proposed piece of legislation is attached and should be read for application.

11) The Senate is currently on recess until next week at which time this proposed legislation could be codified into a formal piece of legislation.

12) In order to underscore the importance of the bill, a grassroots effort must be engaged immediately by interested PPS Rural Hospitals and any other supportive Critical Access Hospitals; otherwise, time will have passed to achieve this legislation revision.

**Action required:**

1. Forasmuch as time is of the essence and if you have interest in congress redefining the Critical Access Hospital Designation to allow more PPS hospitals to apply to become Critical Access Hospitals; then, now is the time contact Georgia's two senators to ask them to sign on and support the Durbin/Lanford designation for passage (again, copy attached)

**Grassroots Senator Contact information**

1. Senator Kelly Loeffler

- a. Email Address - [klo@loeffler.senate.gov](mailto:klo@loeffler.senate.gov)

i. Legislative Assistant and Health Care Advisor – Gus Youmans -  
[Gus\\_Youmans@loeffler.senate.gov](mailto:Gus_Youmans@loeffler.senate.gov)

ii. State Administrative Director Office of Senate Kelly Loeffler – Sydne Smith - [Sydne\\_Smith@loeffler.senate.gov](mailto:Sydne_Smith@loeffler.senate.gov)

2. Senator David Perdue

a. Email: [info@perdue2020.com](mailto:info@perdue2020.com)

b. Legislative Assistant and Health Care Advisor– Charlotte Kaye

i. [Charlotte\\_Kaye@perdue.senate.gov](mailto:Charlotte_Kaye@perdue.senate.gov)

3. Immediate need is for you to send emails of support and need to the above email addresses...today if possible.

4. In your own words, write to cite the personal impact on your hospitals, and define the need as you see it.

**Additional commentary:**

1. Also, you will find attached a copy of the bill and the Bi-Partisan's Council endorsement. It will be devastating for most of the Georgia PPS facilities without CAH conversion within this next year. We have one week to make this happen. If you can ask Georgia's Senators to co-sponsor and lend your support to the Durbin/Lankford Bill, it would be ideal. Your endorsement would also encourage Senator Grassley to make this happen as well. You should know that the bill will come from the Senate Finance Committee. CMS is reportedly on board and will not block – we have to get the Senate Finance Committee to weigh in and help keep our Georgia rural PPS hospital facilities open. On behalf of the above rural hospitals in Georgia, your grassroots support for this bill will be very impactful and necessary. While there may be some isolated cases where the PPS designation may prevail as most important, it would still be good for all Georgia rural hospitals to support this legislation.

Let me know if you need anything else regarding this subject.

**Tell us what you think by responding to this email! Your input is highly valuable.**

Thanks,

*Jimmy Lewis*

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**"The Voice of Georgia's 55+ Rural Hospitals"**

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**4 attachments**



**NP - hospitals impacted by Durbin-Lankford bill 12-16-2019 (005).xlsx**  
20K



**KEL20407\_Rural Hospital Relief\_CMS TA.docx**  
19K



**BPC\_Rural-Health-Care-Report FINAL.pdf**  
7570K



**CAH LEGISLATION TAKING POINTS ju 2020\_20200713094733.PDF**  
1000K