

## Overview

Critical Access Hospitals (CAHs) are hospitals certified to receive cost-based reimbursement from Medicare. To qualify as a CAH, a hospital must be (1) rural and (2) at least 35 miles from the nearest hospital (the mileage is reduced to 15 miles in mountainous areas).<sup>1</sup> The reimbursement that CAHs receive from Medicare is intended to improve their financial performance and thereby reduce the likelihood of closure.<sup>2</sup> All states have CAHs except Connecticut, Delaware, Maryland, New Jersey and Rhode Island, where state reimbursement rules preempt participation in Medicare's CAH program.<sup>3</sup>

## CAH Participation in the Universal Service Rural Health Care Program

Both parts of the Rural Health Care Program, the traditional Primary Program and the Pilot Program, support CAHs. Most CAHs are not-for profit entities, and thus, eligible to receive support from the Rural Health Care Program.<sup>4</sup> Since 2000, the number of CAHs participating in the Rural Health Care Program has been increasing, as shown in Graph 1 below. As of December 31, 2011, there were approximately 1,329<sup>5</sup> CAHs in the United States, of which 1,170 (88%) had sought support from the Rural Health Care Program at some point.<sup>6</sup> At the same time, 1,020 CAHs (approximately 77%) were active in the Rural Health Care Program.<sup>7</sup>

Table 1 below shows the number of CAHs, including those CAHs active in the Rural Health Care Program, in each state. One hundred percent of CAHs in Alabama, New Hampshire and South Carolina participate in the Rural Health Care Program, and 14 other states have at least 85 percent participation.

---

<sup>1</sup> Rural Assistance Center, CAH Frequently Asked Questions, <http://www.raonline.org/topics/hospitals/cahfaq.php#whatis> (last visited Apr. 18, 2012).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

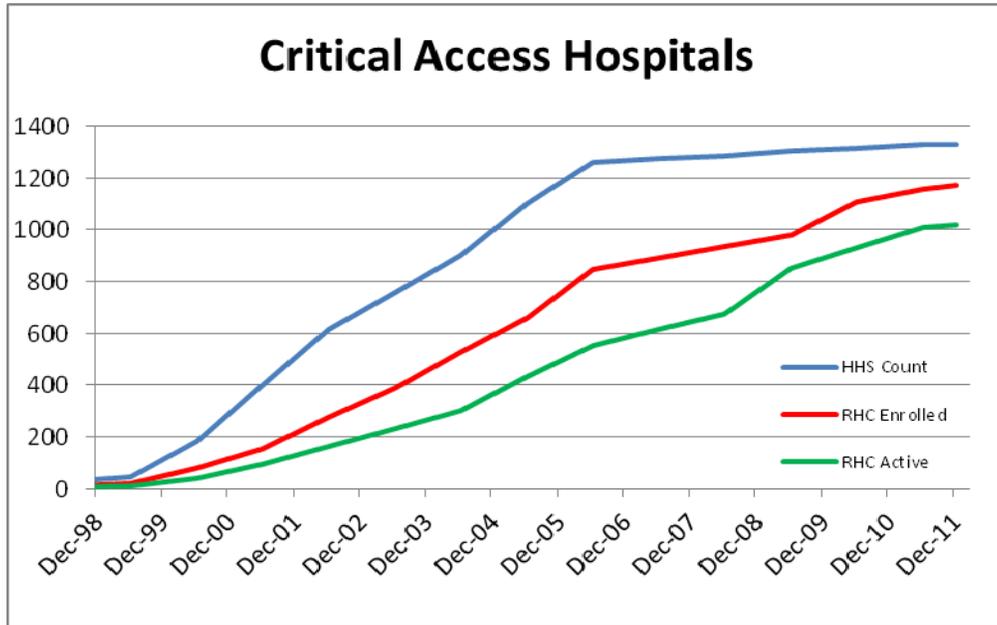
<sup>4</sup> Although for-profit hospitals are ineligible to participate in the Rural Health Care Program, there is an exception for hospital emergency rooms required to serve patients under the Emergency Medical Treatment and Labor Act (EMTALA). According to our records, 14 for-profit Critical Access Hospital Emergency Rooms participated in the Rural Health Care Program in 2011.

<sup>5</sup> The Flex Monitoring Team, CAH Information, <http://www.flexmonitoring.org/cahlistRA.cgi> (last visited April 26, 2012).

<sup>6</sup> USAC considers a CAH to have sought support from the Rural Health Care Program if it filed at least one FCC Form 465 application, "Description of Services Requested and Certification Form." The Form 465 is the first step a health care provider must take to participate and receive support through the Primary or Pilot Programs.

<sup>7</sup> CAHs are considered "active" in the Rural Health Care Program if they have received a funding commitment within the last 3 fund years (2008-2010) in the Primary Program, or if they are on a Form 465 Attachment indicating they are part of a Pilot Program network.

**Graph 1 - CAH Participation in the RHC Program  
December 1998 to December 2011**



**Table 1 - CAH Participation by State as of December 31, 2011**

<u>State</u>	<u>CAHs</u>	<u>Active RHC Participation</u>	<u>Percentage</u>
AK	13	12	92%
AL	2	2	100%
AR	29	25	86%
AZ	15	10	71%
CA	31	22	71%
CO	29	24	83%
FL	13	5	38%
GA	34	26	76%
HI	9	8	89%
IA	82	81	99%
ID	27	21	78%
IL	51	49	96%
IN	35	34	97%
KS	83	59	71%
KY	29	15	52%
LA	27	24	89%
MA	3	1	33%
ME	16	13	81%
MI	36	28	78%
MN	79	72	91%
MO	36	21	58%
MS	32	14	45%
MT	48	40	83%
NC	23	18	78%
ND	36	31	86%
NE	65	62	95%
NH	13	13	100%
NM	8	4	50%
NV	11	6	55%
NY	13	7	54%
OH	34	21	62%
OK	34	10	29%
OR	25	24	96%
PA	13	10	77%
SC	5	5	100%
SD	38	35	92%
TN	17	7	41%
TX	79	46	58%
UT	11	9	82%
VA	7	6	86%
VT	8	6	75%
WA	38	33	87%
WI	58	39	67%
WV	18	10	56%
WY	16	12	75%
<b><u>Totals</u></b>	1,329	1020	77%