



RURAL MATTERS

August 2004

Medicare Boosts Payments for Rural Ambulance Services; Includes "Super-Rural" Bonus

On June 30, the Centers for Medicare and Medicaid Services (CMS) issued an interim final rule that will increase Medicare payments to ambulance services by \$840 million between July 2004 and Dec. 31, 2009. The rule, which implements the ambulance provisions contained in Section 414 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("Medicare Modernization Act" or "MMA"), will benefit both hospital-based providers and freestanding suppliers of ground ambulance services to Medicare beneficiaries.

The rule is intended to ease the transition to a national fee schedule for ambulances operated by hospitals and other providers that went into effect April 1, 2002. Under the rule, payments will be increased by 2 percent for rural services provided through 2006. The rule also provides a 25 percent increase in mileage rates over 50 on trips of 50 miles or more made through 2008. For trips originating in "super-rural" areas, those with the lowest population densities, the rule provides a 22.6 percent bonus increase in the base rate through 2009.

The rule was published in the July 1 *Federal Register*, with comments accepted until August 30.

CMS Suspends Rural Health Clinic Changes

Action has been taken by the Centers for Medicaid and Medicare Services (CMS) in reaction to questions of the legality of the new rules recently proposed regarding the quality assessment performance improvement (QAPI) program and other changes to the rural health clinic program.

The suspension is in anticipation of the withdrawal of the rule. CMS intends to reissue the rule as a proposed rule and allow additional public comment. CMS has stated no clinics will be subject to decertification and clinics will not be required to adopt a QAPI program until the rulemaking process has been redone.

Rural Healthcare Outreach Grant Announced

The rural healthcare outreach grant program encourages the development of new and innovative healthcare delivery systems in rural communities that lack essential healthcare services.

The emphasis of this grant program is on service delivery through creative strategies requiring the grantee to form a consortium with at least two additional partners. Through consortia of schools, churches, emergency medical service providers, local universities and private practitioners, rural communities have created hospice care, brought health check-ups to children and provided prenatal care to women in remote areas.

The applicant must represent a consortium of three or more entities that deliver healthcare services in rural areas. Only the applicant organization needs to be a rural and public or not-for-profit entity. Applications are due September 13. Application information is available on the Internet at www.hrsa.gov/grants/preview/guidancerural/hrsa05011.htm.

Rural Health Network Development Planning Grant Program

The Office of Rural Health Policy will be awarding 10 to 15 planning grants of \$25,000 to \$85,000 for its rural health network development grant program.

The purpose of the program is to provide support to entities that need assistance to plan, organize and develop a healthcare network because they do not have a significant history of collaboration. Grantees will be eligible to apply for funding from the program in the future but are not required to do so.

Applications are due September 2004. For more information, go to <http://ruralhealth.hrsa.gov/funding/networkplanning.htm>.

Rural Health Resource Directory

The Rural Health Resource Center has created a rural health resource directory, which includes consultants, organizations and speakers located throughout the U.S. who provide services to rural hospitals, clinics and other healthcare organizations.

The directory is available online and free of charge to anyone looking for a rural consultant or other technical expert. Searchable categories include: type of service, state and rural organization. The information is available to more than 2,000 rural hospitals, thousands of medical clinics, local public health agencies and rural communities throughout the country, as well as the 50 state hospital associations, 59 state offices of rural health and various national health organizations.

For more information, including the directory application, visit the web site at www.ruralcenter.org/consult or contact Vicki Trauba at 218-727-9390, ext. 223, vtrauba@ruralcenter.org.

Upcoming Conferences and Meetings

- **THA Small or Rural Hospital Meeting:** Thursday, September 29, 2:30-3:45 p.m., Renaissance Nashville Hotel/Convention Center. For more information, contact Bill Jolley, bjolley@tha.com, 615-256-8240.
- **Basic Swing Bed Management Under PPS:** Tuesday, August 24, and **Advanced Swing Bed PPS Training,** Wednesday, August 25, at THA Headquarters. For more information, contact the THA education department, 615-256-8240.
- **Critical Access Hospital Workshop:** THA, in partnership with the state Office of Rural Health, will host a CAH workshop on Monday, August 23, THA headquarters, geared towards existing CAHs, hospitals considering this designation or any other facilities that want more information about CAHs. It is recommended that CEOs, CFOs and swing-bed coordinators attend. For more information, contact Bill Jolley, bjolley@tha.com, 615-256-8240.
- **3rd Annual Critical Access Hospital Conference:** *"Charting a Course for Rural Success,"* plus a rural health clinic preconference session on *"New Legislation...New Opportunities"* will be held October 6-8 at the Westin Crown Center Hotel, Kansas City, MO. Online registration for the conference as well as a full agenda of the sessions is available on the National Rural Health Association web site at www.NRHA rural.org/CAH/CAHAagenda.html.