

## Chapter 1

# State Approaches to the Certification of Necessary Providers In the Rural Hospital Flexibility Program

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## Introduction

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The Rural Hospital Flexibility Program (Flex Program) is funded by the federal government and administered by the states within the parameters set by the Balanced Budget Act of 1997. Regulations governing the Flex Program establish conditions of participation under which rural hospitals are certified as Critical Access Hospitals (CAHs). Among these conditions of participation are standards related to the location of the facility. Specifically, a hospital must be located more than a 35 mile drive (or, in the case of mountainous terrain or in areas with only secondary roads available, a 15 mile drive) from another hospital or CAH to be eligible for certification as a CAH. The regulations also provide an exception to these mileage requirements through the creation of a “Necessary Provider” provision.

Under this provision, states may certify hospitals that do not meet the federal mileage requirements, but are important to the delivery of health care services, as Necessary Providers thereby qualifying them for CAH conversion. The Flex Program regulations provide states with the flexibility to define their own criteria by which they will certify Necessary Providers. This provision recognizes that mileage alone is an inadequate measure of access needs. It further recognizes that states are in the best position to develop standards that correspond to their own assessments of the access needs and vulnerability of the health care infrastructure in their states.

Each state interested in establishing a Flex Program was required to submit an application to the Regional Administrator of the appropriate Center for Medicare and Medicaid Services (CMS) Regional Office. Each application was to include a description of the criteria used to certify Necessary Providers. CMS, through its Regional Offices, was responsible for reviewing and approving each application.

The development of Necessary Provider criteria was explored by members of the Tracking Project Team in the Year One and Two reports, primarily in the context of state policy decisions. Data collected during Years 1 and 2 of the Tracking Project indicate that most states have taken advantage of this provision to develop criteria under which hospitals can be certified as Necessary Providers. This status is granted under the premise that closure of these facilities would decrease access to services thereby threatening the health of the residents of the areas in which they are located and that the closure of these hospitals would have a disproportionate impact on vulnerable populations.

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The potential impact of the Necessary Provider exception on the number of small hospitals eligible for CAH conversion was raised in a January 1999 policy brief prepared by the Project HOPE Walsh Center for Rural Health Analysis (Blanchfield, Franco, & Mohr, 1999)<sup>1</sup>. The authors identified potential CAHs by applying the legislative criteria for CAH designation to a data set of Medicare rural hospitals created from the 1992-1995 Medicare Hospital Cost Report Information System files and the 1993 and 1995 Prospective Payment System Impact files. Using the 35 mile federal mileage requirement, the authors estimated that only 21 states would have hospitals eligible to participate as CAHs. They further estimated that the number of states with hospitals eligible to participate would more than double if mileage to the next closest hospital was not taken into account. Their analysis suggested that the number of potential hospitals would increase from 93 (based on the 35 mile requirement) to 864 if all the hospitals that might be eligible were certified by the states as Necessary Providers. The authors concluded that the effectiveness of the Flex Program would be hindered by the strict application of the federal mileage requirements.

The efforts of the Tracking Team in assessing the implications of the Necessary Provider criteria have been limited to the twenty site-visit states. To date, there has not been a comprehensive analysis of the Necessary Provider criteria adopted by participating states nor their implication for CAH conversion. This project is a first step in understanding the impact of this component of the Flex Program.

## Methodology and Approach

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This study is based on an analysis of the following sources of data:

1. State rural health plans and Flex Grant applications developed by the participating states;
2. CAH conversion and Necessary Provider data collected by the University of North Carolina;
3. Additional CAH conversion and Necessary Provider data obtained through telephone and/or e-mail contact with the state Offices of Rural to supplement the data collected by the University of North Carolina; and
4. State and hospital level site visit reports prepared by members of the Tracking Team since the beginning of the project.

This study identifies and compares state criteria for certifying Necessary Providers as well as the impact of those criteria on the number of hospitals that have been certified as CAHs. The project addresses the following key questions concerning the variations in the criteria adopted by the states to certify Necessary Providers.

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<sup>1</sup> Blanchfield, B.B., Franco, S.J., & Mohr, P.E. (1999). *How Many Small Rural Hospitals Meet the Requirements of Critical Hospital Designation*. Bethesda, MD: Project HOPE Walsh Center for Rural Health Analysis.

- What criteria are states using to certify Necessary Providers?
- What are the effects of differences in state criteria on the pool of potential CAHs in each state?
- How many hospitals were able to convert to CAH status by virtue of being certified as a Necessary Provider?

## Discussion

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### *Conversion Experience*

As can be seen from Table 1, the ability to certify Necessary Providers has substantially increased the number of hospitals eligible for participation in the Flex Program. As of June 30, 2002, 65 percent (368) of all CAHs (567) had been certified as Necessary Providers under the terms of their state plans.<sup>2</sup> Without this provision for making an exception to the federal mileage requirements, only 199 hospitals would have been able to convert to CAH status.

In 45 percent of the states, the majority (greater than 50 percent) of CAHs were certified as Necessary Providers.<sup>3</sup> In 12 of these 20 states, 100 percent of their CAHs had qualified for conversion as a result of being certified as Necessary Providers. As can be seen from Table 1, many of these states are located in the Midwest, the South, and the Northeast.

In comparison, 27 percent of the states had 50 percent or fewer CAHs that were certified as Necessary Providers. The range ran from a low of 4 percent in Montana to a high of 50 percent in Maine and Michigan. In the remaining 27 percent, none of their CAHs had been certified as Necessary Providers. Of these 12 states, Alabama, Connecticut, Maryland, and Utah had no CAHs at the time of our study.

### *Necessary Provider Certification Criteria*

Table 2 summarizes the Necessary Provider criteria for each state. Detailed information for each state is provided in Attachment 1. Forty six of the states participating in the Flex Program had developed criteria to certify Necessary Providers. The one exception is Maryland.

The most common criteria used by states to certify Necessary Providers require that the hospital be located in an area that:

- Is either a Health Professional Shortage Area (HPSA) or a Medically Underserved Area (MUA) and/or

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<sup>2</sup> We were unable to obtain data from Louisiana, North Dakota, and South Dakota on the number of hospitals that qualified for CAH conversion as a result of being certified as Necessary Providers.

<sup>3</sup> These state include Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Massachusetts, Missouri, Nebraska, New York, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Vermont, West Virginia, and Wisconsin.

- Meets some standard of demographic or economic hardship. These typically include location in an area with a higher percentage of elderly, low income individuals or families, and/or unemployed persons than the rest of the state. All but three states (Alaska, New Mexico, and Utah) use some or all of these criteria.

Various states have developed additional criteria to identify Necessary Providers although they are not as commonly used as the criteria listed above. Typically, these measures require the hospital, or the area in which it is located, to exceed statewide averages for one or more of the measures to qualify. These criteria include the following:

- Thirteen states include some measure of distance to other services. The typical distance is twenty miles or thirty minutes travel time. Three of these states include a minimum distance to trauma services under their access criteria.
- Eleven states use a measure of utilization of the hospital's services by Medicare, Medicaid, and/or uninsured patients.
- Eight states consider the hospital's role as the sole hospital or provider in its community.
- Eight states consider population-based measures of various health disparities. These may include chronic conditions such as diabetes, heart disease, and/or hypertension, public health problems, low birth weight, teen pregnancies, acute conditions, mortality levels, and injury/accident rates. In addition, New Hampshire includes measures of hospitalization or mortality by age group in its criteria.
- Four states consider linkages between the hospital and local EMS services. These linkages may include participation in a regional EMS network, demonstration of a collaborative relationship between the hospital and a local EMS provider, participation in EMS or trauma care systems, and either ownership of or provision of active support to local ambulance services.
- Four consider risk of the hospital's closure in designating Necessary Providers.
- Finally, 25 states include a variety of other criteria as part of their certification criteria. These criteria typically reflect situations and conditions unique to their state.

Although many of the criteria described above could be used relatively interchangeably among the states, a handful of states have taken advantage of the flexibility allowed under the regulations to develop criteria that address very specific access issues. Arizona, for example, has included the location of a hospital either on a tribal reservation or in an area with higher foreign in-migration due (e.g., a county adjacent to the U.S./Mexico border) in order to address the access issues of those populations. Massachusetts has included criteria to address physical barriers such as bodies of water that would affect access to health care services by the residents of Nantucket Island and Martha's Vineyard if their hospitals were to close. Similarly, Michigan has addressed seasonal access barriers in places like the Upper Peninsula by allowing a hospital to be certified as a Necessary Provider if it is located in an area that receives an average yearly snowfall of 80 inches or more. Oklahoma has created criteria to certify hospitals located in a seat of county government and are an essential part of the county government infrastructure as

Necessary Providers. Kansas, North Dakota, and Utah have developed criteria to address the needs of hospitals located in “frontier” areas with a population density of 6 or fewer people per square mile.

Most typically, hospitals have to meet between one and three of the Necessary Provider criteria to be certified. A limited number of states require that hospitals meet a greater number of criteria. Connecticut, for example, requires that a hospital meet eight criteria. Iowa requires a hospital to meet six criteria. In Illinois, a hospital must meet four criteria. In Wisconsin, hospitals between twenty and thirty four miles from another facility must meet two criteria. Hospitals less than twenty miles from another facility must meet five.

Our review of each state’s Necessary Provider criteria suggests that states have tended to be more rather than less inclusive in developing their criteria in order to maximize the number of hospitals that are eligible for CAH conversion. This latter conclusion is supported by our site-visit interviews with state-level respondents conducted during the first two years of the Flex Program. It would be a mistake, however, to focus too heavily on the number of criteria that must be met to determine whether states are more or less inclusive in the development of their Necessary Provider criteria. Many of the criteria are likely to be highly correlated. For example, areas designated as either HPSAs or MUAs are also likely to be areas with higher rates of poverty, unemployment, and/or Medicaid enrollment. Without further study, it would be inaccurate and possibly misleading to classify states by their degree of inclusiveness based solely on the number of criteria a hospital must meet.

The number and range of Necessary Provider criteria developed by the participating states clearly illustrate the complexity of developing federal program standards that will meet the needs of all states. The variation in the criteria also suggest the extent to which states tried to develop criteria that would address their unique geographic, community, and population characteristics and access barriers.

## Conclusions

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The Flex Program established mileage requirements that must be met by hospitals wishing to be certified as CAHs. In recognition of the fact that these mileage requirements may exclude some hospitals that are essential parts of the local health care infrastructure, states were given the flexibility to develop criteria to certify these hospitals as Necessary Providers. Once certified as a Necessary Provider under the appropriate state criteria, a hospital is eligible for certification as a CAH by CMS. With the exception of Maryland, all states participating in the Flex Program have developed their own criteria. These criteria were developed as part of each participating state’s Flex Program application and approved by a CMS Regional Office.

The ability to certify Necessary Providers has expanded the number of hospitals that have been able to become CAHs. As of June 30, 2002, 65 percent (368) of all CAHs qualified for conversion as a result of being certified as Necessary Providers by the states in which they are located. Without this Necessary Provider provision, only 199 hospitals would have been able to do so.

The reliance by states on the Necessary Provider provision shows clear regional patterns. In a number of states in the Midwest, South, and Northeast, the majority, if not all, CAHs were able to convert as a result of their status as Necessary Providers. This pattern suggests that federal mileage requirements may have been more appropriate to Western states and those states with fewer, more geographically isolated hospitals.

The flexibility inherent in the program regulations has been used by states to develop criteria specific to their needs. Most use a core set of criteria involving either shortage area designations and/or standards of demographic, economic, or health-related hardship. These are supplemented in many, but not all, cases by criteria specific to a state's health care infrastructure. For the most part, states have been inclusive in the development of their Necessary Provider criteria to maximize the number of hospitals eligible for conversion.

Concerns have been raised that the relatively inclusive nature of the criteria established by the states allow for the certification of hospitals that are not truly "Necessary Providers" based on their proximity to other facilities. Whether or not these concerns are warranted must be viewed in the context of the health care infrastructure in each state, the infrastructure of the communities in which these hospitals are located, the services rendered by them, the populations served by them, and the traditional health care utilization patterns of the local residents. These concerns must also be considered in light of the intent of the Flex Program to support the transition of small hospitals from their traditional inpatient orientations to new and expanded service roles better suited to the needs of rural communities.

It should also be remembered that certification of a hospital as a Necessary Provider only exempts the facility from the federal mileage requirements. A hospital must meet all other regulatory requirements of the Flex Program to qualify for CAH certification. In addition, conversion must make financial sense as well. We already know from the Tracking Team's previous work that CAH conversion does not make sense for all hospitals that are potentially eligible.

As mentioned, further study is needed to assess the long-term impact of the certification of Necessary Providers on the success of the Flex Program. Given the variability of health care infrastructure from state to state, as well as the responsibility of each state to develop state-specific criteria, this may best be done as part of each state's Flex evaluation. We encourage states to incorporate this analysis into their evaluation plans. We also encourage the federal Office of Rural Health, the Technical Assistance and Service Center, and the Tracking Team to work with states to provide both incentives and technical assistance to support state evaluation efforts related to the Necessary Provider certification criteria.

**Table 1 State Critical Access Hospital Conversion Experience**

State	CAH Eligible Hospitals	Certified CAHs	CAHs Certified as Necessary Providers	% Certified as Necessary Providers
Alaska	6	4	0	0%
Alabama	64	0	0	0%
Arkansas	25	15	12	80%
Arizona	20	5	0	0%
California	26	11	1	9%
Colorado	38	14	2	14%
Connecticut	1	0	0	0%
Florida	29	7	7	100%
Georgia	68	24	24	100%
Hawaii	6	6	1	17%
Iowa	60	38	38	100%
Idaho	23	18	7	22%
Illinois	49	19	19	100%
Indiana	23	13	4	31%
Kansas	58	46	46	100%
Kentucky	34	13	13	100%
Massachusetts	9	2	2	100%
Maryland	1	0	0	0%
Maine	14	6	3	50%
Michigan	19	14	7	50%
Minnesota	87	38	5	13%
Missouri	31	13	10	77%
Mississippi	28	7	0	0%
Montana	41	26	1	4%
North Carolina	23	9	7	78%
Nebraska	64	55	48	87%
New Hampshire	11	4	0	0%
New Mexico	9	5	1	20%
Nevada	11	5	0	0%
New York	25	7	5	71%
Ohio	24	13	13	100%
Oklahoma	52	17	16	94%
Oregon	34	10	0	0%
Pennsylvania	14	8	3	38%
South Carolina	27	1	1	100%
Tennessee	43	6	6	100%
Texas	75	31	28	90%
Utah	22	0	0	0%
Virginia	3	2	0	0%
Vermont	12	3	3	100%
Washington	45	17	4	24%
Wisconsin	42	22	22	100%
West Virginia	22	11	9	82%
Wyoming	15	2	0	0%
<b>Total</b>	<b>1333</b>	<b>567</b>	<b>368</b>	<b>65%</b>

**Table 2 Summary of State Criteria for the Certification of Necessary Providers**

State	Required Criteria	HPSA and/or MUA	% Elderly	% Unemployed	% Low Income	Sole Hospital	Health Problems (1)	Distance to Services	Medicare, Medicaid, Uninsured Utilization	EMS Linkages	Risk of Closure	Other (2)
Alabama	1	X	X	X	200% FPL							
Alaska	1							X				X
Arizona	1	X		X	X		X					X
Arkansas	2	X	X	X	100% FPL							
California	3	X	X	X	100% FPL			50m from trauma center	X			
Colorado	2	X	X		200% FPL							X
Connecticut	8	X	X	X	200 FPL		X					X
Florida	1	X	X		100% FPL	X						
Georgia	1		X	X	X		X				X	X
Hawaii	2	X	X	X	100% FPL		X	20+ minute EMS response				X
Idaho	1	X							X			
Illinois	4	X	X		X					X		X
Indiana	1	X	X	X	100% FPL							
Iowa	6	X	X	X	X	X	X			X		X
Kansas	1	X	X		200% FPL							X
Kentucky	1		X	X	200% FPL				X			
Louisiana	1	X			100% FPL							X
Maine	1		X	X	100% FPL							
Maryland	N/A											
Massachusetts	Case by Case		X	X	200% FPL		X	20 miles				X
Michigan	1	X	X	X	100% FPL			30 minutes				X
Minnesota	1	X				X		20 miles				X
Mississippi	2	X	X	X	100% FPL				X			
Missouri	1	X	X	X	100% FPL							
Montana	2											X
Nebraska	1	X	X		100% FPL							
Nevada	1	X	X	X	100% FPL							
New Hampshire	3			X			X		X			X
New Mexico	Case by Case									X		X
New York	3	X	X	X	100% FPL			50m from trauma	X			X



								center				
North Carolina	1	X	X	X	200% FPL							
North Dakota	2	X	X		200% FPL					X		X
Ohio	1	X	X	X	100% FPL							X
Oklahoma	1	X					X	X				X
Oregon (3)	2	X						20 miles			X	X
Pennsylvania	2	X							X			
South Carolina	2	X	X	X	100% FPL	X						X
South Dakota	1	X						25 miles and sole hospital				
Tennessee	1	X	X	X	200% FPL							
Texas (4)	1	X	X	X	100% FPL	X		20 miles				
Utah	1								X			
Vermont (5)	3		X	X	150% FPL			30min or 20 miles	X			X
Virginia (6)	2	X	X	X	X	X			X			
Washington	1					X		20m/trauma	X		X	
West Virginia	1	X	X	X	100% FPL							X
Wisconsin (7)	2 or 5	X	X	X	100% FPL			X				X
Wyoming	All	X				X					X	

- (1) May include multiple health problems including, but not limited to, chronic health conditions, mortality rates, low birth weights, teen pregnancies, and traumatic injuries.
- (2) May include multiple other reasons.
- (3) In Oregon, a hospital must be 20 miles from another hospital and meet two additional criteria. The hospital also must show that it is in imminent risk for closure due to the loss of physician staff or fiscal crisis.
- (4) If in an Metropolitan Statistical Area, a hospital must meet at least three criteria: 1) located 35 miles from the urban center, 2) located in a rural census tract as defined by the US Census Bureau, 3) located in a county of 150,000 or less, 4) located in a county with a population density of 100 persons per square mile or less, 5) located in a community of 10,000 or less, and 6) designated as serving an underserved populations. In addition, a hospital must meet one of the additional criteria.
- (5) A hospital must be located 30 minutes or 20 miles from the next nearest provider or satisfy three of the remaining criteria.
- (6) A hospital must be a sole community provider and meet two of the remaining criteria.
- (7) Hospitals between 20 and 34 miles apart must meet two of the criteria. Hospitals less than 20 miles apart must meet five criteria.

### Attachment 1: Necessary Provider Criteria by State

<p><b>Alabama</b></p>	<p>A hospital must be located in area/county that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• A Health Professional Shortage Area (HPSA).</li> <li>• A Medically Underserved Area (MUA).</li> <li>• An employment rate higher than the state-wide rate.</li> <li>• The percentage of population age 65 years and older greater than the state average.</li> <li>• The percentage of families with incomes below 200% of the Federal Poverty Level (FPL) is higher than the state average for families with incomes below 200% of FPL.</li> </ul> <p>Taken from the Alabama Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<p><b>Alaska</b></p>	<p>A hospital must meet the following criterion:</p> <ul style="list-style-type: none"> <li>• The hospital is less than a 35 mile drive (or in mountainous terrain, or areas with only secondary roads, a 15-mile drive) from another hospital that provides services only to a certain population group or subgroup and does not routinely provide services to all members of the community. Examples of such hospitals may include facilities owned and operated by Native Health Corporations, the Indian Health Service, the U.S. military, or the U.S. Department of Veterans' Affairs.</li> </ul> <p>Taken from the Alaska Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<p><b>Arizona</b></p>	<p>A hospital must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Provide services to a population not otherwise serviced.</li> <li>• Located on a tribal reservation.</li> <li>• Located in an Arizona-designated MUA, federally-designated MUA, or federally-designated HPSA.</li> <li>• Serve a population which has one or more of the following criteria: 1) a median average household income which is less than the state average; 2) unemployment which is greater than the state average; 3) a disproportionate pattern of foreign in-migration from other areas of the state due to its location in a county adjacent to the U.S./Mexico border; and/or 4) a significantly higher-than-state-average morbidity, mortality, or low birth rate.</li> <li>• Designated by the Director of the Arizona Department of Health Services as being a necessary provider.</li> </ul> <p>Taken from the Arizona Rural Hospital Flexibility Grant Program application and supporting attachments dated May 3, 2001.</p>
<p><b>Arkansas</b></p>	<p>A hospital must be located in a county that is "at risk" for primary care under service. To be considered "at risk", a facility must be located in an area that meet two of the following criteria:</p> <ul style="list-style-type: none"> <li>• Meets the criteria for designation as a HPSA.</li> <li>• Meets the designation criteria for designation as an MUA.</li> <li>• A county where the percentage of families with incomes less than 100% of FPL is higher than the state average for families with incomes less than 100% of poverty.</li> </ul>

	<ul style="list-style-type: none"> <li>• A county with an unemployment rate that exceeds the state's overall unemployment rate.</li> <li>• A county with a percentage of population age 65 or older that exceeds the state's average.</li> </ul> <p>Taken from the Arkansas Rural Hospital Flexibility Grant application and supporting attachments dated April 24, 2001.</p>
<b>California</b>	<p>To qualify as a Necessary Provider, a hospital must meet at least three of the following:</p> <ul style="list-style-type: none"> <li>• Considered rural by the State.</li> <li>• Located in a HPSA.</li> <li>• Located in an MUA.</li> <li>• Located in a county where the percentage of families with incomes less than 100% of FPL is higher than the state average.</li> <li>• Located in a county with an unemployment rate that exceeds the state average.</li> <li>• Located in a county where the percentage of the population age 65 or older exceeds the state average.</li> <li>• Exceeds statewide average of inpatient self-pay and charity care charges as a percentage of total inpatient charges.</li> <li>• The hospital service area is beyond a fifty-mile radius of a certified level one trauma center.</li> </ul> <p>Taken from the California Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>
<b>Colorado</b>	<p>To qualify as a Necessary Provider, a hospital must meet at least two of the following criteria:</p> <ul style="list-style-type: none"> <li>• Meet the State licensure requirements as a rural primary care hospital (RPCH).</li> <li>• Located in a federal or state designated HPSA or MUA.</li> <li>• Part of an integrated network providing a continuum of care and the majority of the health care services provided by the facility are unique (not duplicated) within the network.</li> <li>• Located in a county or designated service area where the percentage of residents over age 65 is greater than 15%.</li> <li>• Located in a county or designated service area where the percentage of families with incomes less than 200% of FPL exceeds 15%.</li> </ul> <p>Taken from the Colorado Rural Hospital Flexibility Grant Program application and supporting attachments dated April 13, 2001.</p>
<b>Connecticut</b>	<p>A hospital must exceed statewide rates in at least eight of the following data elements:</p> <ul style="list-style-type: none"> <li>• Percent elderly population.</li> <li>• Median household income.</li> <li>• Percent population &lt;100% FPL.</li> <li>• Percent population &lt;200% FPL.</li> <li>• Unemployment rate.</li> <li>• Percent Medicaid enrollees.</li> <li>• Birth rate.</li> <li>• Teen birth percent.</li> <li>• Percent late or no prenatal care.</li> <li>• Percent inadequate prenatal visits.</li> <li>• Infant death rate/1,000 live births.</li> <li>• Mortality rate for all causes of death.</li> </ul>

	<ul style="list-style-type: none"> <li>• Mortality rate from diseases of the heart.</li> <li>• Mortality rate from malignant neoplasms.</li> <li>• Mortality rate from cerebrovascular disease.</li> <li>• Mortality rate from chronic obstructive pulmonary disease.</li> <li>• Mortality rate from pneumonia and influenza.</li> <li>• Area without VNA visiting nurses.</li> <li>• Area without VNA well child clinics.</li> <li>• Area without school based health clinics.</li> <li>• Area without public health dental service sites.</li> <li>• Area without CHCs.</li> <li>• Area without family planning clinics.</li> <li>• MUA designation in analysis area.</li> <li>• MUP designation in analysis area.</li> <li>• HPSA designation in analysis area.</li> <li>• HPSP designation in analysis area.</li> <li>• Net need for primary care physicians.</li> </ul> <p>Taken from the Connecticut Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>Florida</b></p>	<p>A hospital must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in a primary care HPSA.</li> <li>• Located in a county in which the percentage of the population age 65 and over is higher than the percentage of the population age 65 and over residing in the state.</li> <li>• Located in a county in which the percentage of the county population under 100% of FPL is higher than the percentage of the state population under 100% of FPL.</li> <li>• The facility is the sole acute care hospital in the county.</li> </ul> <p>Taken from the Florida Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>
<p><b>Georgia</b></p>	<p>A hospital must qualify for designation in one of the following categories:</p> <ul style="list-style-type: none"> <li>• Located in a county targeted by the Georgia Primary Care Access Plan as being in need of primary care resources based on indicators such as infant mortality, low birth weight, cardiovascular and cancer deaths, poverty, and percent elderly; or</li> <li>• Considered at high or medium/high risk of closure using Georgia hospital data to “predict” risk for closure based on factors that include smaller hospital size, lower inpatient occupancy rates, lower Medicare days, higher Medicaid days, higher area wages, and more local competition; or</li> <li>• Located in a county in which greater than 50% of the individuals fall in Claritas Lifestyle Clusters with environmental, lifestyle, and biological characteristics that make them at high risk for poor health. The “at risk” criteria include those in which the individuals in the cluster are at higher risk than others in the State of Georgia for: 1) the top four chronic disease causes of hospitalization; 2) higher out-of-pocket medical expenditures; 3) higher tobacco expenditures; 4) lower socioeconomic characteristics such as income, occupation, education, and home value.</li> </ul> <p>Taken from the Georgia Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>

<p><b>Hawaii</b></p>	<p>A hospital must be located in an area/community that meets at least two of the following criteria:</p> <ul style="list-style-type: none"> <li>• The percentage of the population age 65 and older exceeds the state average.</li> <li>• The percentage of families with incomes less than 100% of FPL is higher than the state average.</li> <li>• The rate of unemployment exceeds the state average.</li> <li>• The infant mortality rate exceeds the state average.</li> <li>• An area that is designated as an MUA or HPSA.</li> <li>• A community that the state EMS agency has determined is subject to delayed access to EMS (i.e. EMS response times exceed the state-established standard of 20 min.)</li> </ul> <p>Taken from the Hawaii Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>
<p><b>Idaho</b></p>	<p>A hospital must meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>• The hospital is located in a Primary Care Population or Geographic HPSA.</li> <li>• Combined acute inpatient days for Medicare and Medicaid beneficiaries account for at least 50% of its total acute inpatient days in the last full year for which data is available.</li> </ul> <p>Taken from the Idaho Rural Hospital Flexibility Grant Program application and supporting attachments dated April 25, 2001.</p>
<p><b>Illinois</b></p>	<p>A hospital must:</p> <ul style="list-style-type: none"> <li>• Be located in an eligible rural county having either a federal or state designation as a physician shortage area, in a county where poverty levels exceed the state level, or in a county where the proportion of residents over 65 years of age exceed the state proportion.</li> <li>• Be an affiliated hospital in a regional EMS network.</li> <li>• Have completed or have agreed to complete the fiscal assessment included in <i>Transforming Health Care for the 21<sup>st</sup> Century: A Resource Manual for Rural Hospitals</i>.</li> <li>• Have participated or have agreed to offer to participate in the local public health department's IPLAN process.</li> </ul> <p>Taken from the Illinois Rural Hospital Flexibility Grant Program application and supporting attachments dated April 20, 2001.</p>
<p><b>Indiana</b></p>	<p>A hospital must be located in an area/county that meets one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Designated as a HPSA.</li> <li>• Designated as an MUA.</li> <li>• A county where the percentage of families with incomes less than 100% of the FPL is higher than the state average for population with incomes less than 100% of poverty.</li> <li>• A county where the rate of unemployment exceeds the state average.</li> <li>• A county with the percentage of population age 65 years or older exceeds state average.</li> </ul> <p>Taken from the Indiana Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>

<p><b>Iowa</b></p>	<p>A hospital must score 6 out of a total of 11 points, including at least two from the facility subsection. Each possible characteristic equals 1 point.</p> <ul style="list-style-type: none"> <li>• Population Characteristics (of the hospital’s service area) <ul style="list-style-type: none"> <li>○ A three-year average poverty rate greater than/equal to the three-year state average.</li> <li>○ A two-year average unemployment rate greater than/equal to the state two-year average.</li> <li>○ An elderly population (65 and older) percentage greater than/equal to the state average.</li> <li>○ Demonstrate that 30% of the hospital catchment area is in a shortage area.</li> </ul> </li> <li>• Geographic Characteristics ( of the hospital’s service area) <ul style="list-style-type: none"> <li>○ A motor vehicle accident rate or farm injury rate greater than/equal to the state average.</li> <li>○ Be located on or near a Department of Transportation categorized C or D level road.</li> </ul> </li> <li>• Facility Characteristics <ul style="list-style-type: none"> <li>○ An Essential Community Provider as defined by the Iowa Department of Public Health, Office of the Director, Administrative Directive 95-25 April 20, 1995.</li> <li>○ A participant in the Medicare program.</li> <li>○ An emergency medical services (EMS) provider or demonstrate a cooperative and collaborative relationship with the local EMS provider and/or meet one or more of the following criteria: a) a hospital representative is on the EMS Board or an EMS representative is on the hospital board, b) the hospital provides medical control for the EMS provider, and/or 3) the hospital shares financial responsibility for EMS.</li> </ul> </li> <li>• Applicant must be an obstetric and /or prenatal service provider.</li> <li>• Applicant is the only hospital in the county.</li> </ul> <p>Taken from the Iowa Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<p><b>Kansas</b></p>	<p>A hospital must be located in an area/county that meets one of the following criteria:</p> <ul style="list-style-type: none"> <li>• The percentage of population age 65 or older exceeds the current state average of 13.83%.</li> <li>• Meets the federal criteria for designation as a <u>Health Care Professional Shortage Area</u>.</li> <li>• The percentage of families with incomes less than 200% of FPL is higher than the current State average of 31.2%.</li> <li>• Population density meets the federal "Frontier" definition of less than 6 persons/square mile.</li> </ul> <p>Taken from the Kansas Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>Kentucky</b></p>	<p>A hospital must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in a county where the percentage of the population with incomes less than 200% of poverty is greater than the state average.</li> <li>• Located in a county that has an unemployment rate higher than the state average unemployment rate.</li> <li>• Located in a county with a greater number of people age sixty-four (64) or older than the state average.</li> <li>• Treat on average a higher than state average percentage of Medicare patients.</li> <li>• Treat on average a higher than state average percentage of Medicaid patients.</li> </ul> <p>Taken from the Kentucky Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>

<p><b>Louisiana</b></p>	<p>A hospital must be located in an area/parish that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• A primary care HPSA or MUA.</li> <li>• The percentage of Medicare beneficiaries is higher than the percentage of Medicare beneficiaries residing in the state.</li> <li>• The percentage of the population under 100% of FPL is higher than the percentage of the state population under 100% of FPL.</li> </ul> <p>Taken from the Louisiana Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>Maine</b></p>	<p>A hospital must be located in a Hospital Analysis Area that meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>• The percentage of families with income less than 100% of FPL is higher than the state average for population with incomes less than 100% of poverty.</li> <li>• The rate of unemployment exceeds the state’s overall unemployment rate.</li> <li>• The percentage of population age 65 years or older exceeds state average.</li> </ul> <p>Taken from Maine Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>Maryland</b></p>	<p>Maryland has not developed criteria to designate Necessary Providers as they have identified only one hospital that meets the federal criteria for CAH designation.</p> <p>Taken from the Maryland Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<p><b>Massachusetts</b></p>	<p>Decisions are made on a case by case basis with the State Office of Rural Health making an initial determination of a hospital’s compliance with the appropriate criteria, with review by the Core Group. Factors used to determine Necessary Provider status include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Hospitals whose service area has a higher percentage of residents over age 65 than statewide.</li> <li>• Hospitals whose service area has a higher unemployment rate than statewide.</li> <li>• Hospitals whose service area has a higher percentage of residents with incomes less than 100% of FPL than statewide.</li> <li>• Hospitals whose service area has a higher percentage of residents with incomes less than 200% of FPL than statewide.</li> <li>• Hospitals that are at least 20 miles distant from the next closest full-service hospital.</li> <li>• Hospitals located in communities with physical barriers to accessing care, such as distance, mountain ranges, or bodies of water.</li> <li>• Hospitals that exceed statewide rates in at least three of the health outcome indicators.</li> </ul> <p>Taken from the Massachusetts Rural Hospital Flexibility Grant Program application and supporting attachments dated April 25, 2001.</p>
<p><b>Michigan</b></p>	<p>To qualify as a “critical provider”, a hospital must meet any one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in an area that meets criteria for designation as a HPSA or an MUA.</li> <li>• Located in a county where the percentage of families with incomes less than 100% of FPL is</li> </ul>

	<p>higher than the state average.</p> <ul style="list-style-type: none"> <li>• Located in a county where the unemployment rate exceeds the state unemployment rate.</li> <li>• Located in a county with the percentage of population 65 or older exceeds the state average.</li> <li>• Located beyond a 30-minute drive from another hospital, as determined by the Michigan Department of Transportation or the Michigan Department of Public Health Data.</li> <li>• Located in a county that receives an average yearly snowfall of 80 inches or more.</li> <li>• The only hospital in the county.</li> </ul> <p>Taken from the Michigan Rural Hospital Flexibility Grant Program application and supporting attachments dated April 25, 2001.</p>
<b>Minnesota</b>	<p>A hospital must meet one of the two following criteria:</p> <ul style="list-style-type: none"> <li>• Located more than 20 miles, defined as official mileage reported by the Minnesota Department of Transportation, from the next nearest hospital.</li> <li>• Being the sole hospital in the county.</li> <li>• Located in a county with a designated MUA or HPSA.</li> <li>• Located in a county contiguous to a county with a designated MUA or HPSA.</li> </ul> <p>Taken from the Minnesota Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001 and updated supporting documents received from Jill Zabel, Minnesota Office of Rural Health by e-mail on June 27, 2002.</p>
<b>Mississippi</b>	<p>A hospital must meet at least two of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in a county that is a federally designated HPSA.</li> <li>• Located in a county that is federally designated as an MUA.</li> <li>• Located in a county where the percentage of families with incomes less than 100% of FPL is higher than the state average for families with incomes less than 100% of poverty.</li> <li>• Located in a county with an unemployment rate higher than the state-wide rate of unemployment.</li> <li>• Located in a county with a percentage of population age 65 years and older exceeds the state average.</li> <li>• The number of Medicare admissions to the hospital exceeds 50% of the facility’s total number of admissions as reported in the most recent Hospital Annual Report for the facility.</li> </ul> <p>Taken from the Mississippi Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<b>Missouri</b>	<p>A hospital must be located in an area/county that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• A current federally designated primary care HPSA.</li> <li>• A federally designated MUA.</li> <li>• The percentage of families with incomes less than 100% of FPL is higher than the State average for families with incomes less than 100% of FPL.</li> <li>• An unemployment rate that exceeds the 1997 12 month average state unemployment rate.</li> <li>• A percentage of population age 65 or older that exceeds the state average.</li> </ul> <p>Taken from the Missouri Rural Hospital Flexibility Grant Program application and supporting attachments dated April 25, 2001.</p>



<p><b>Montana</b></p>	<p>A hospital must meet the criteria of the statutory definition of a Medical Assistance Facility as follows:</p> <p>A facility that meets both of the following: (a) provides inpatient care to ill or injured individuals before their transportation to a hospital or that provides inpatient medical care to individuals needing care for a period of no longer than 96 hours unless a longer period is required because transfer to a hospital is precluded because of inclement weather or emergency conditions and either is located in a county with fewer than six residents per square mile or is located more than 35 road miles from the nearest hospital.</p> <p>Taken from the Montana Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>
<p><b>Nebraska</b></p>	<p>A hospital must be located in an area/county that meets one of the following criteria:</p> <ul style="list-style-type: none"> <li>• At least partially designated as a HPSA or an MUA.</li> <li>• The percentage of families with incomes less than 100% of FPL is higher than the state average.</li> <li>• The percentage of the population aged 65 or older exceeds the state average.</li> </ul> <p>Taken from the Nebraska Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<p><b>Nevada</b></p>	<p>A hospital must be located in an area/county that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• A federally designated HPSA.</li> <li>• A federally designated MUA.</li> <li>• The percentage of families with incomes less than 100% of FPL is higher than the state average for families with incomes less than 100% of poverty.</li> <li>• An unemployment rate higher than the state’s overall rate of unemployment.</li> <li>• A percentage of population age 65 years and older greater than the state average.</li> </ul> <p>Taken from the Nevada Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>
<p><b>New Hampshire</b></p>	<p>A hospital must exceed statewide rates in at least three of the following data elements:</p> <ul style="list-style-type: none"> <li>• Percent receiving Medicaid (1997-1998) Children (age&lt;19).</li> <li>• Percent receiving Medicaid (1997-1998) Adult (age 19+).</li> <li>• Unemployment 1995.</li> <li>• Low birth weight.</li> <li>• Late/no prenatal care.</li> <li>• Child (age 1-14) hospitalization rate/100,000—all admissions.</li> <li>• Adolescent (age 15-17) hospitalization rate/100,000—all admissions.</li> <li>• Young adult (age 18-24) hospitalization rate/100,000—all admissions.</li> <li>• Adult (age 25-44) mortality rate/100,000—all causes.</li> <li>• Adult (age 25-44) hospitalization rate/100,000—all admissions.</li> <li>• Middle age (age 45-64) mortality rate/100,000—all causes.</li> <li>• Middle age (age 45-64) hospitalization rate/100,000—all admissions.</li> <li>• Senior (age 65-74) mortality rate/100,000—all causes.</li> </ul>

	<ul style="list-style-type: none"> <li>• Senior (age 65-74) hospitalization rate/100,000—all admissions.</li> <li>• Elderly (age 75+) mortality rate/100,000—all causes.</li> <li>• Elderly (age 75+) hospitalization rate/100,000—all admissions.</li> <li>• Percent of Medicare inpatient hospital admissions &gt; state average.</li> </ul> <p>Taken from the New Hampshire Rural Hospital Flexibility Grant Program application and supporting attachments dated May 7, 2001.</p>
<p><b>New Mexico</b></p>	<p>New Mexico considers the following criteria in designating Necessary Providers:</p> <ul style="list-style-type: none"> <li>• Population/bed ratios.</li> <li>• Participation in EMS and trauma care systems.</li> <li>• Coordination of primary care systems.</li> <li>• Indigent care arrangements.</li> <li>• Consistency with other managed care networks.</li> <li>• Consistency with planned regional referral networks.</li> <li>• Differential requirements for rural/frontier areas.</li> </ul> <p>Taken from the New Mexico Rural Hospital Flexibility Grant Program application and supporting attachments dated April 30, 2001.</p>
<p><b>New York</b></p>	<p>A hospital must meet 3 of the following criteria:</p> <ul style="list-style-type: none"> <li>• Defined as a rural hospital according to state regulation.</li> <li>• Located in a HPSA.</li> <li>• Located in a county where the ratio of primary care physicians/10,000 population is below the state average.</li> <li>• Located in a county where the percentage of families with incomes less than 100% of FPL is higher than the state average.</li> <li>• Located in a county with an unemployment rate that exceeds the state average.</li> <li>• Located in a county where the percentage of the population age 65 or older exceeds the state average.</li> <li>• The hospital exceeds statewide average of inpatient self-pay and charity care charges expressed as a percentage of total inpatient charges.</li> <li>• The hospital's service area is beyond a fifty-mile radius of a certified trauma center.</li> </ul> <p>Taken from the New York Rural Hospital Flexibility Grant Program application dated April 2001 and supporting documents received from Karen Madden, New York Office of Rural Health by e-mail on June 24, 2002.</p>
<p><b>North Carolina</b></p>	<p>A hospital must be located in an area/county that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Meets the federal criteria for designation as a geographic HPSA.</li> <li>• The percentage of families with incomes less than 200% of FPL is higher than the state average for families with income less than 200% of poverty.</li> <li>• An unemployment rate that exceeds the state's latest annual unemployment rate.</li> <li>• A percentage of population age 65 or older that exceeds the state average.</li> </ul> <p>Taken from the North Carolina Rural Hospital Flexibility Grant Program application and supporting attachments dated April 17, 2001.</p>

<p><b>North Dakota</b></p>	<p>A hospital must operate a licensed ambulance service or provide active support to ambulance services in its service area and be located in a county meeting at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• The percentage of population age 65 older exceeds the current state average.</li> <li>• Meets the federal criteria for designation as a HPSA or an MUA.</li> <li>• The percentage of families with incomes less than 200% of FPL is higher than the state average.</li> <li>• The population density meets the federal “frontier” definition of less than 6.0 persons per square mile.</li> </ul> <p>Taken from the North Dakota Rural Hospital Flexibility Grant Program application and supporting attachments dated April 30, 2001.</p>
<p><b>Ohio</b></p>	<p>A hospital must be located in a county/community that meets one of the following criteria:</p> <ul style="list-style-type: none"> <li>• A federally designated HPSA or an MUA.</li> <li>• The percentage of families with incomes less than 100% of FPL is higher than the state average for families with incomes less than 100% of poverty.</li> <li>• An unemployment rate higher than the state’s overall rate of unemployment.</li> <li>• A percentage of population age 65 years and older greater than the state average.</li> <li>• The community that lacks 24-hour public transportation to the nearest hospital.</li> </ul> <p>Taken from the Ohio Rural Hospital Flexibility Grant Program application and supporting attachments dated April 27, 2001.</p>
<p><b>Oklahoma</b></p>	<p>A hospital must be located in an area/county that meets one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>• A federally designated HPSA.</li> <li>• A federally designated MUA.</li> <li>• A seat of county government is an integral part of its county government infrastructure, and is essential to the continued availability of public health and safety services in the area.</li> <li>• A distance of more than 35 miles by primary road, or more than 15 miles by secondary road, from the closest hospital in the direction of patient flow, based on documented patient origin patterns for the geographic area.</li> <li>• A death rate higher than state averages on at least three of the five leading causes of death: heart disease, cancer, chronic obstructive pulmonary disease, stroke, and unintentional injuries.</li> <li>• A death rate that exceeds the state average for all causes of death.</li> </ul> <p>Taken from the Oklahoma Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>Oregon</b></p>	<p>A hospital must meet both of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in an area that is defined as “rural” by the Office of Rural Health.; and</li> <li>• Located 20 or more highway miles from another acute inpatient care facility;</li> </ul> <p>and meet one of the following additional criteria:</p> <ul style="list-style-type: none"> <li>• The Office of Rural Health has determined that the facility is located in an “area of unmet</li> </ul>

	<p>health care need” through its authority granted by ORS 442.555(4); or</p> <ul style="list-style-type: none"> <li>• The hospital is located in an area that meets the criteria for designation as a HPSA or MUA.</li> </ul> <p>In addition, it must demonstrate that it is substantially at risk for imminent closure due to loss of physician staff or fiscal crisis.</p> <p>Taken from the Oregon Rural Hospital Flexibility Grant Program application and supporting attachments dated April 30, 2001.</p>
<p><b>Pennsylvania</b></p>	<p>A hospital must meet both of the following criteria:</p> <ul style="list-style-type: none"> <li>• The hospital service area includes a primary care and/or dental HPSA and the hospital can demonstrate that it serves this population, as indicated in the most recent Pennsylvania Health Care Cost Containment Council hospital market share report.</li> <li>• The combined percentage of Medicare and Medical Assistance inpatient and outpatient admissions is greater than or equal to the state average for Medicare and Medical Assistance inpatient an outpatient admissions as indicated in the most recent Pennsylvania HealthCare Cost Containment Council hospital cost report.</li> </ul> <p>Taken from the Pennsylvania Rural Hospital Flexibility Grant Program application and supporting attachments dated April 30, 2001.</p>
<p><b>South Carolina</b></p>	<p>A hospital must meet two of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in an area that meets the criteria for designation as a HPSA.</li> <li>• Located in or serves a substantial population from an area that meets the criteria for designation as an MUA.</li> <li>• Located in or serves a substantial population from a county where the percentage of families with incomes less than 100% of FPL is higher than the state average for families with incomes less than 100% of poverty.</li> <li>• Located in a county with an unemployment rate that exceeds the state’s overall unemployment rate.</li> <li>• Located in a county where the percentage of the population age 65 or older exceeds the state average.</li> <li>• Located in a county that lacks 24-hour public transportation to the next nearest hospital or CAH.</li> <li>• The hospital is the sole acute care hospital in the county.</li> </ul> <p>Taken from the South Carolina Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>South Dakota</b></p>	<p>A hospital must meet one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in a current federally designated primary medical care HPSA.</li> <li>• Located in a current federally designated MUA.</li> <li>• The hospital is the only hospital in the county and is located at least 25 road miles from the closest hospital.</li> </ul> <p>Taken from the South Dakota Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
	<p>A hospital must meet one of the following criteria:</p>

<p><b>Tennessee</b></p>	<ul style="list-style-type: none"> <li>• Located in a county where the percentage of the population aged 65 or older exceeds the state average.</li> <li>• Located in a county where the percentage of families with incomes less than 200% of FPL is higher than the state average for families with incomes less than 200% of FPL.</li> <li>• Located in a county where the percentage of unemployment exceeds the state average.</li> <li>• Located in a county that exceeds the state average for poverty.</li> <li>• The hospital trade/service area includes an MUA.</li> <li>• The hospital trade/service area includes a HPSA.</li> </ul> <p>Taken from the Tennessee Rural Hospital Flexibility Grant Program application and supporting attachments dated April 24, 2001.</p>
<p><b>Texas</b></p>	<p>A hospital that is not located in a rural county and does not meet federal mileage requirements must meet the state requirements for MSA hospital certification.</p> <p>A hospital located in an MSA county, must meet three of the following criteria:</p> <ul style="list-style-type: none"> <li>• The hospital is at least 35 miles from the urban center (in accordance with Texas State Mileage Guide) for their MSA; or</li> <li>• Located in a rural census tract as defined by the U.S. Census Bureau; or</li> <li>• Located in a county of 150,000 persons or less; or</li> <li>• Located in a county with a population density of 100 persons per square mile or less; or</li> <li>• Located in a community of 10,000 persons or less; or</li> <li>• Is designated as serving a Medically Underserved Population.</li> </ul> <p>A hospital must also meet at least one of the following four bulleted items to be eligible:</p> <ul style="list-style-type: none"> <li>• The hospital is the only acute care hospital in the county; or</li> <li>• Located in a county that has death rates higher than state averages on at least three of the five leading causes of death: heart diseases, cancer, chronic obstructive pulmonary disease, stroke, and unintentional injuries; or</li> <li>• Located in a county that has a death rate that exceeds the state average for all causes of death; or</li> <li>• Is at least 20 miles from another hospital <b>and</b> is located in one of the following: 1) a HPSA; 2) an MUA; 3) a county where the percentage of families with incomes less than 100% of FPL is higher than the State average for families with incomes less than 100% of poverty; 4) a county with an unemployment rate that exceeds the state’s overall unemployment average; 5) a county with a percentage of population age 65 or older that exceeds the state average.</li> </ul> <p>Taken from the Texas Rural Hospital Flexibility Grant Program application and supporting attachments dated April 30, 2001.</p>
<p><b>Utah</b></p>	<p>A hospital must meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Combined acute inpatient days for Medicare, Medicaid, and un-reimbursed care patients account for at least 50% of the hospital’s total acute inpatient data in the last full year for which data was available, or</li> <li>• The hospital is located in an area that is defined as “rural” (less than 100 propel/square mile) or “frontier” ( 6 or fewer people per square mile).</li> </ul> <p>Taken from the Utah Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>

<p><b>Vermont</b></p>	<p>A hospital must:</p> <ul style="list-style-type: none"> <li>• Be located 30 minutes or 20 miles from the next nearest provider; or</li> <li>• Satisfy any 3 of the following criteria: <ul style="list-style-type: none"> <li>○ Serves more Medicare patients, as measured by average Medicare gross patient revenue, relative to the state average. (1998 State Average: 37%)</li> <li>○ Serves more Medicaid patients, as measured by average Medicaid gross patient revenue, relative to the state average. (1998 State Average: 9%)</li> <li>○ Located in a service area where the percentage of population age 65 or older exceeds the state average. (1998 State Average: 14%)</li> <li>○ Located in a service area where the percentage of families or individuals with incomes less than 150% of FPL is more than 15%.</li> <li>○ Located in a service area where the unemployment rate exceeds the state average. (1998 State Average: 3.4%)</li> <li>○ Located in a service area where the seasonal population, as measured by seasonal/vacation housing units, exceeds the state average. (1997 Average: 20%)</li> </ul> </li> </ul> <p>Taken from the Vermont Rural Hospital Flexibility Grant Program application and supporting attachments dated April 23, 2001.</p>
<p><b>Virginia</b></p>	<p>A hospital must be the sole provider in a county and meet two of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in a non-metropolitan county that is a federally designated MUA or HPSA.</li> <li>• Located in a county where the percentage of poverty exceeds the state percentage.</li> <li>• The percentage of the hospital's revenue from Medicare exceeds the state average for Medicare reimbursement.</li> <li>• Located in a county where the percentage of population 65 and older exceeds the state average.</li> <li>• Located in a county whose most recent three-year unemployment rate average exceeds the same three-year average for the state.</li> </ul> <p>Taken from the Virginia Rural Hospital Flexibility Grant Program application and supporting attachments dated April 30, 2001.</p>
<p><b>Washington</b></p>	<p>A hospital must meet one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>• The hospital: 1) has Medicare/Medicaid inpatients comprising more than 50% of total patient days for the last available twelve months of CHARS data, or, 2) qualifies as a Medicare or Medicaid Disproportionate Share Hospital, or, 3) is identified as an approved sole community hospital by CMS.</li> <li>• The hospital is located on an interstate highway and is more than 20 miles or 30 minutes from the next designated emergency trauma facility.</li> <li>• The hospital is: considered at risk of imminent closure due to the loss of physician staff or “Financially Vulnerable” as calculated by DOH from the Hospital Financial Data Set, <u>and</u>, closure of the hospital would result in Medicaid residents of the county or public hospital district losing access to 24 hour emergency room care within 20 miles or 30 minutes travel distance of their residence.</li> <li>• The hospital is located in a county with a higher percentage of Medicaid residents than the state average.</li> </ul> <p>Taken from the Washington Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>

<p><b>West Virginia</b></p>	<p>A hospital must be located in a county that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• A federally designated HPSA.</li> <li>• A federally designated MUA.</li> <li>• The percentage of families with incomes less than 100% of FPL is higher than the state average for families with incomes less than 100% of poverty.</li> <li>• An unemployment rate higher than the state overall rate of unemployment.</li> <li>• A percentage of population age 65 years and older greater than the state average.</li> </ul> <p>Taken from the West Virginia Rural Hospital Flexibility Grant Program application and supporting attachments dated April 26, 2001.</p>
<p><b>Wisconsin</b></p>	<p>Hospitals between 20 and 34 miles apart must satisfy at least two of the following criteria and hospitals less than 20 miles apart must meet at least five of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in a trade/service area that includes a HPSA.</li> <li>• Located in a trade/service area that includes an MUA or MUP.</li> <li>• Located in a county, or serves patients in townships of such county, where the average for individuals with incomes less than 100% of FPL is higher than the state average.</li> <li>• Located in a county where the percentage of unemployment exceeds the state average.</li> <li>• Located in a county, or serves patients in townships of such county, where the percentage of population age 65 years and older exceeds the overall state percentage.</li> <li>• Located in a trade/service area where, during certain seasons of the year, the number of persons in the county increases by at least 30 percent above the population base.</li> <li>• The hospital trade/service area shows a skewed population center, (patient origin location), that is, distance away from the CAH or other hospitals, that affects access to service.</li> <li>• Timely access to health care in the hospital trade/service area is reduced because of unusual geographic obstacles, a network of poor and/or secondary roads, and seasonal weather patterns increasing the length of travel time.</li> <li>• Access to health care services is delayed due to: a) insufficient availability emergency transport resources in the applicant trade/service area, b) location of services, c) travel distances, and/or 4) length of response time.</li> <li>• Access to health care services would be severely limited if the hospital's services were not available, affecting access to primary care services, significantly increasing travel distances, and disproportionately affecting vulnerable populations (e.g., the poor, the unemployed, and the elderly) in the applicant's service and adjoining areas.</li> </ul> <p>Taken from the Wisconsin Rural Hospital Flexibility Grant Program application and supporting attachments dated April 25, 2001.</p>
<p><b>Wyoming</b></p>	<p>A hospital must meet all of the following criteria:</p> <ul style="list-style-type: none"> <li>• Located in an area that meets the criteria for designation as a HPSA or an MUA.</li> <li>• The facility has been designated a Sole Community Provider, by CMS.</li> <li>• The board has determined that the ongoing operation of the facility is questionable and has passed a board resolution allowing the facility to apply for a CAH designation.</li> </ul> <p>Taken from Wyoming Rural Hospital Flexibility Grant Program application and supporting attachments April 28, 2001.</p>