



Sole Community Hospital



A HOSPITAL IS ELIGIBLE TO BE CLASSIFIED AS A SOLE COMMUNITY HOSPITAL (SCH) if it is located more than 35 miles from other like hospitals. A hospital may also be classified as a SCH if it is located in a rural area AND it meets at least ONE of the following three conditions:

- 1) The hospital is located between 25 and 35 miles from other like hospitals AND meets ONE of the following criteria:
 - No more than 25 percent of residents who become hospital inpatients or no more than 25 percent of the Medicare beneficiaries who become hospital inpatients in the hospital's service area are admitted to other like hospitals located within a 35-mile radius of the hospital or, if larger, within its service area;
 - The hospital has fewer than 50 beds and would meet the 25 percent criterion above were it not for the fact that some beneficiaries or residents were forced to seek specialized care outside of the service area due to the unavailability of necessary specialty services at the hospital; or
 - Other like hospitals are inaccessible for at least 30 days in each of two out of three years because of local topography or prolonged severe weather conditions;
- 2) The hospital is located between 15 and 25 miles from other like hospitals but because



- of local topography or periods of prolonged severe weather conditions, the other like hospitals are inaccessible for at least 30 days in each of two out of three years; or
- 3) Because of distance, posted speed limits, and predictable weather conditions, the travel time between the hospital and the nearest like hospital is at least 45 minutes.

Sole Community Hospital Payments

Payments to SCHs are made under the Prospective Payment System (PPS), but PPS payments are determined based on which of the following yields the greatest aggregate payment for the cost reporting period:

- The Federal rate applicable to the hospital;
- The updated hospital-specific rate based on fiscal year (FY) 1982 costs per discharge;
- The updated hospital-specific rate based on FY 1987 costs per discharge;
- For purposes of payment to SCHs for which the FY 1996 hospital-specific

rate yields the greatest aggregate payment, payments for discharges during FYs 2001, 2002, and 2003 are based on a blend of the FY 1996 hospital-specific rate and the greater of the Federal rate or the updated FY 1982 or FY 1987 hospital-specific rate; or

- For discharges beginning in FY 2004, the hospital specific rate is 100 percent of the FY 1996 hospital-specific rate.

To find additional information about SCHs, see Chapter 3 of the **Medicare Claims Processing Manual** (Pub. 100-4) at <http://www.cms.hhs.gov/Manuals> on the Centers for Medicare & Medicaid Services website.

HELPFUL RURAL HEALTH WEBSITES

CENTERS FOR MEDICARE & MEDICAID SERVICES' WEBSITES

CMS Manuals

<http://www.cms.hhs.gov/Manuals>

Critical Access Hospital Center

<http://www.cms.hhs.gov/center/cah.asp>

Federally Qualified Health Centers Center

<http://www.cms.hhs.gov/center/fqhc.asp>

Hospital Center

<http://www.cms.hhs.gov/center/hospital.asp>

HPSA/PSA (Physician Bonuses)

http://www.cms.hhs.gov/hpsapsaphysicianbonuses/01_overview.asp

Medicare Learning Network

<http://www.cms.hhs.gov/MLNGenInfo>

MLN Matters Articles

<http://www.cms.hhs.gov/MLNMattersArticles>

Rural Health Center

<http://www.cms.hhs.gov/center/rural.asp>

Telehealth

<http://www.cms.hhs.gov/Telehealth>

OTHER ORGANIZATIONS' WEBSITES

American Hospital Association Section for Small or Rural Hospitals

http://www.aha.org/aha/key_issues/rural/index.html

Health Resources and Services Administration

<http://www.hrsa.gov>

National Association of Community Health Centers

<http://www.nachc.org>

National Association of Rural Health Clinics

<http://www.narhc.org>

National Rural Health Association

<http://www.nrharural.org>

Rural Assistance Center

<http://www.raconline.org>

U.S. Census Bureau

<http://www.Census.gov>

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The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare fee-for-service providers. For additional information visit the Medicare Learning Network's web page at <http://www.cms.hhs.gov/MLNGenInfo/> on the CMS website. April 2008 ICN: 006399