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## Senate of Pennsylvania

### MEMORANDUM

VETERANS AFFAIRS & EMERGENCY  
PREPAREDNESS, CHAIR  
COMMUNICATIONS & TECHNOLOGY,  
VICE CHAIR  
AGING & YOUTH  
APPROPRIATIONS  
ENVIRONMENTAL RESOURCES &  
ENERGY  
PUBLIC HEALTH & WELFARE

**TO:** All Senators  
**FROM:**  Senator Lisa Baker  
**RE:** Critical Access Hospital legislation  
**DATE:** January 26, 2011

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I plan to re-introduce Senate Bill 417 from last session to require the Commonwealth to pay Critical Access Hospitals in Pennsylvania under the Medicaid program using the same methodology that Medicare uses to pay these hospitals. The co-sponsors of that measure were KASUNIC, BROWNE, WASHINGTON, MUSTO, MELLOW, SCARNATI, WOZNIAK, YAW, EICHELBERGER, WONDERLING, PIPPY AND M.WHITE.

The revised amount included in the FY 2010-11 budget for this program was \$4.6 million. The Hospital and Health Care Association would like to see the language in statute to ensure continued funding.

Critical Access Hospitals were created by Congress to help improve rural health care access and reduce hospital closures. Eligible facilities must be rural hospitals participating in the Medicare program, be located more than 35 miles from another hospital and have an average daily census of no greater than 25.

While Critical Access Hospitals are entitled to receive cost-based reimbursement for Medicare claims, there is no such guarantee for Medicaid reimbursement. Twenty-two other states have adopted a Medicaid payment policy similar to that used for Medicare services provided by Critical Access Hospitals. Many of the Critical Access Hospitals in Pennsylvania are in financial distress, and Medicaid revenues represent an important share of their overall business.

In Pennsylvania, there are 13 hospitals classified as Critical Access Hospitals:

Barnes Kasson County Hospital  
Brookville Hospital

Susquehanna County  
Jefferson County

(over)

Bucktail Medical Center  
Charles Cole Memorial Hospital  
Corry Memorial Hospital  
Endless Mountains Health Center  
Fulton County Medical Center  
Jersey Shore Hospital  
Mid-Valley Hospital  
Muncy Hospital  
Meyersdale Medical Center  
Troy Community Hospital  
Tyrone Hospital

Clinton County  
Potter County  
Erie County  
Susquehanna County  
Fulton County  
Lycoming County  
Lackawanna County  
Lycoming County  
Somerset County  
Bradford County  
Blair County

If you wish to co-sponsor this legislation, please contact Liz Clancy at [lclancy@pasen.gov](mailto:lclancy@pasen.gov) or by phone at 787-7428.

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