

Hospital Report

Ellenville Hospital Receives Critical Access Designation

Ellenville Regional Hospital received official written confirmation of its designation as a Critical Access Hospital by the Department of Health & Human Services of the Federal Government on September 14, 2004. Hospital Administrator Steven



L. Kelley was elated to receive the official notification, which culminates a year of intensive planning and paperwork.

"This is just what the hospital needs," the jubilant CEO commented, praising the teamwork and support required to complete the long and arduous application process.

Only the day before, addressing an enthusiastic audience at

the *Ellenville Regional Hospital Auxiliary's* annual luncheon, Kelley (pictured above) cautiously reported verbal notification of the designation as one of the steps essential to the survival plan for the local hospital.

To understand the importance of Critical Access designation to the Ellenville area's hospital, knowledge of the broader scope of hospital funding throughout the country is helpful. The Balanced Budget Act of 1997 has a severe financial impact on hospitals throughout the United States. Small, rural hospitals, already struggling to survive, were especially affected.

To help alleviate the impact, the Balanced Budget Act (BBA) created the Medicare Rural Hospital Flexibility Program. The Flex Program allows rural hospitals to receive a higher reimbursement rate and have greater flexibility from federal rules and regulations. To receive these benefits, a rural hospital can convert to a Critical Access Hospital.

Critical Access Hospitals must provide the basic services necessary to their community, maintain a low average length of stay, and network with other healthcare providers to ensure that the healthcare needs of the community are met.

A Critical Access Hospital must provide inpatient care, 24-hour emergency services, laboratory and

radiology services, and emergency staff.

A Critical Access Hospital has a network agreement with at least one hospital to include patient referral and transfer, transportation services, both emergency and non-emergency, and the development of a communication system. The Kingston Hospital has agreed to serve as *ERH's* network hospital.

As of February 2004, forty-seven states had Critical Access Hospitals, a total of 886 at that time. In New York State, CAH hospitals include the Catskill Regional Medical Center's Grover Hermann Division in Callicoon, Margaretville Memorial Hospital, and several others in northern New York.

Although official confirmation arrived in September, the effective date of participation is retroactive to July 16, 2004.

The next step in *Ellenville Regional Hospital's* revitalization plan is consent of Kingston Regional Health Care to accepting *ERH* as part of their system. The Kingston Board of Directors has voted to take over operations at *Ellenville Regional*, provided Ulster County provides the hospital with \$600,000 and a federal bankruptcy court approves the deal. County legislators approved a short-term cash infusion of \$200,000 in June, but a second vote will be required before the remaining \$400,000 will be made available. (Additional funding from the Town of Wawarsing and Village of Ellenville, totaling \$150,000, has also been committed.) One of several conditions that must be met before a confirming vote was that *Ellenville* receive CAH designation, a condition that has now been met.

Each step in the recovery plan must be confronted as conditions are met, meetings take place, and the building blocks are put in place. As radio announcers of the past were wont to say, "Stay tuned..."



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