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Phoenix Area Hospitals First in IHS to Receive Critical Access Hospital Designation

The Phoenix Area Office of the Indian Health Service (IHS), an agency in the Department of Health and Human Services (HHS), has been commended for being the first within the IHS and tribal health system to have six health facilities designated as Critical Access Hospitals (CAH).

“The CAH designation and accreditation is a nationwide indication that these health facilities are meeting high performance standards and continuously improving services to provide better, safer care in response to the needs of the American Indian and Alaska Native population, and the changing environment of the health care system,” stated IHS Director Dr. Charles W. Grim.

In 1997, Congress enacted the Medicare Rural Hospital Flexibility Program. This program created a new provider category, the CAH, with unique Medicare conditions of participation that permit CAHs to be paid on a cost-based, rather than a flat-rate, reimbursement basis. Four IHS and two tribal facilities were surveyed and accredited for the CAH designation by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), with scores ranging from 92 to 97 out of 100. They will be resurveyed in a year to meet JCAHO requirements and will be up for recertification as CAHs in November 2003.

Don J. Davis, the IHS Area Director for the Phoenix Area, stated that “this accreditation helps us improve our performance, raise the level of health care services to American Indians and Alaska Natives, and provide another system for accountability. Accreditation of health care facilities in rural areas and improved financial status are major components in our ongoing efforts to expand patient care services in American Indian and Alaska Native communities.”

The advantage that CAH offers is that Centers for Medicare and Medicaid Services reimburses the facility based on the actual cost of care. The cost of doing business in the rural and remote areas of the country is substantially higher than in metropolitan areas; this cost reimbursement represents a significant source of revenue for Indian healthcare facilities. Under flat-rate reimbursement, for example, a small facility in a remote area would receive the same reimbursement amount for outpatient and inpatient visits as a large facility in a more easily accessible urban area. At a CAH facility, the actual cost of providing the same services would be reimbursed.

The Phoenix Area IHS network component organizations completing the conversion to CAH include the Hopi Health Care Center, the Whiteriver Hospital, the Parker Indian Hospital, and the Fort Yuma IHS Hospital, all located in Arizona. Two tribally managed facilities, the HuHuKam Memorial Hospital in Arizona and the Owyhee Community Health Center in Nevada, also converted to CAH status. The conversions were the first in the nation to be accomplished through the JCAHO CAH Accreditation Program, which was introduced in 2001.



NOTICE TO EDITORS: For additional information on this subject, please contact the IHS Public Affairs Office at 301-443-3593. Additional information about the IHS is available on the IHS website <http://www.ihs.gov> and <http://info.ihs.gov>

