

updated these data by the CPI-U (from 1982 to 1997) and then by the MEI (from 1998 to 2015) to compute the updated RCE limits. The RCE limits implemented by this final rule vary slightly from those in the proposed rule due to a more recent estimate of the MEI for 2015.

The chart below sets forth the final updated RCE limits on the amount of allowable compensation for services furnished by physicians to providers for cost reporting periods beginning on or after January 1, 2015, established using the same methodology that was used to calculate the original and previous updates to the RCE limits, but not applying an adjustment based on geographical classification.

FINAL CY 2015 RCE LIMITS

Total	\$211,500
General/Family Practice	179,000
Internal Medicine	197,500
Surgery	246,400
Pediatrics	169,700
OB/GYN	237,100
Radiology	271,900
Psychiatry	181,300
Anesthesiology	239,400
Pathology	260,300

In addition, we are adopting as final our proposed revision of § 415.70(b) of the regulations to eliminate consideration of the type of location as part of the methodology to establish RCE limits for cost reporting periods beginning on or after January 1, 2015.

D. Critical Access Hospitals (CAHs)

1. Background

Sections 1820 and 1861(mm) of the Act, as amended by section 4201 of the Balanced Budget Act (BBA) of 1997, replaced the Essential Access Community Hospitals and Rural Primary Care Hospitals (EACH/RPCH) program with the Medicare Rural Hospital Flexibility Program (MRHFP), under which a qualifying facility can be designated as a CAH. CAHs participating in the MRHFP must meet the conditions for designation by the State and be certified by the Secretary in accordance with section 1820 of the Act. Further, in accordance with section 1820(e)(3) of the Act, a CAH must meet other criteria that the Secretary specifies.

The regulations that govern the conditions of participation (CoPs) for CAHs under the statutory requirements of section 1820 are codified at 42 CFR Part 485, Subpart F.

2. Proposed and Final Policy Changes Related to Reclassification as Rural for CAHs

Under section 1820(c)(2)(B)(i) of the Act, a facility is eligible for designation as a CAH only if it is located in a county or equivalent unit of local government in a rural area (as defined in section 1886(d)(2)(D) of the Act), or is being treated as being located in a rural area in accordance with section 1886(d)(8)(E) of the Act. The regulations implementing this location requirement are located at § 485.610(b). The regulations governing the process for a facility located in an urban area to apply for reclassification as a rural facility under section 1886(d)(8)(E) of the Act are located at § 412.103.

As discussed in the FY 2015 IPPS/LTCH PPS proposed rule (79 FR 28054 through 28064), we proposed to implement the most recently published OMB delineations announced in OMB Bulletin No. 13–01. (We refer readers to section III.B. of the preamble of this final rule for a discussion of our final decision to implement the new OMB delineations announced in OMB Bulletin No. 13–01.) As previously stated, a facility must be located in a rural area in order to be eligible for designation as a CAH. Therefore, a new OMB delineation that redesignates an area from rural to urban, affects the status of a facility that is currently a CAH and had met the CAH location requirements prior to implementation of the new OMB delineation. A facility that is located in an urban area cannot remain a CAH unless it is reclassified as rural under § 412.103 of the regulations. In both the FY 2005 IPPS final rule (69 FR 49221 through 49222 and 69 FR 60242 and 60252) and the FY 2010 IPPS/LTCH PPS final rule (74 FR 43939 through 43940), we amended the regulations at § 412.103(a) and § 485.610(b) to provide for a transition period during which CAHs that had previously been located in rural areas but, as a result of new OMB delineations, were now located in urban areas, could reclassify as rural under § 412.103. Specifically, in both the FY 2005 IPPS final rule and the FY 2010 IPPS/LTCH PPS final rule, we provided for a 2-year period during which a CAH located in an urban area as a result of the new OMB delineations could continue participating without interruption as a CAH, thereby allowing the CAH sufficient time to reclassify as rural under § 412.103. If the facility did not reclassify as a rural facility by the end of that 2-year period, the CAH would not be able to retain its CAH status beyond that 2-year period.

However, under the FY 2005 IPPS final rule and the FY 2010 IPPS/LTCH PPS final rule, the application of the regulation was limited to October 1, 2004 through September 30, 2006, and October 1, 2009 through September 30, 2011, respectively. As a result, in the absence of a new amendment to the regulations each time there are new OMB delineations, a CAH that becomes located in an urban area as a result of those OMB delineations would not be given 2 years to reclassify as rural under § 412.103 of the regulations.

In the FY 2010 IPPS/LTCH PPS final rule (74 FR 43940), we stated that we would consider whether it would be appropriate to propose, in future IPPS rulemaking, to revise § 485.610 and § 412.103 to provide for a transition period any time a CAH that was formerly located in a rural area is designated as being located in an urban area as a result of the redesignation of its county from rural to urban. In the FY 2015 IPPS/LTCH PPS proposed rule (79 FR 28176), we stated that after further consideration, we believe that it is appropriate to propose to change the regulations to provide for a transition period that is not restricted to a timeframe, but rather can be applied any time a facility that is currently designated as a CAH becomes located in an urban area as a result of a new OMB delineation.

Therefore, in the FY 2015 IPPS/LTCH PPS proposed rule (79 FR 28176), we proposed that, effective October 1, 2014, a CAH that was previously located in a rural area but is now located in an urban area as a result of a new OMB labor market area delineation will continue to be treated as rural for 2 years from the date the OMB delineation is implemented. Accordingly, we stated in the proposed rule that if the OMB delineations announced in OMB Bulletin No. 13–01 on February 28, 2013 discussed in section III.B. of the preamble of the proposed rule are implemented in this FY 2015 IPPS/LTCH PPS final rule, effective October 1, 2014, any CAH affected by the new OMB delineations in OMB Bulletin No. 13–01 would retain its rural status through September 30, 2016. An affected CAH would be required to reclassify as a rural facility under § 412.103 within that 2-year period in order to continue participating in the Medicare program as a CAH after the 2-year transition period ends. Therefore, taking into consideration the example above, any CAH affected by a new OMB delineation that is implemented in this FY 2015 IPPS/LTCH PPS final rule would be required to reclassify as rural by September 30, 2016, in order to