

September 19, 2017

Kate Goodrich, M.D.  
Director, Center for Clinical Standards and Quality  
Centers for Medicare & Medicaid Services  
Mail Stop S3-02-01; Room S3-26-17  
7500 Security Blvd  
Baltimore, MD 21244

***RE: Guidance on CMS Co-location and shared space arrangements***

Dear Dr. Goodrich:

On behalf of the members of the American Hospital Association (AHA), we write to express our continued concern about the Centers for Medicare & Medicaid Services' (CMS) co-location policies and the lack of sufficient guidance outlining the agency's expectations for how hospitals can share space, services and staff with other providers. **The AHA again urges CMS to prioritize the release of co-location/shared space guidance.**

As you may recall, the AHA first requested clarification about co-location in the summer of 2015, after a CMS presentation created concern among hospitals that longstanding co-location arrangements would suddenly be declared non-compliant with CMS's rules. Conversations continued in 2016, and we understand that the Survey and Certification staff drafted guidance clarifying the circumstances under which such co-location arrangements would be allowed. However, the guidance has not been finalized. Representatives from AHA and the Federation of American Hospitals subsequently met with CMS in March of this year to urge the agency to prioritize its release.

Since then, the AHA has continued to hear mixed messages given to hospitals and health systems related to co-location. Hospital staffs have spent significant amounts of time trying to ascertain the rules and determine how to sustain the most effective patient care for their community while considering whether re-construction would be required in some circumstances. Out of an abundance of concern and in the absence of clear direction, some hospitals have begun to unwind their co-location or shared service arrangements. Unfortunately, these changes can result in patients having difficulty accessing needed care.



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Page 2 of 2

Hospitals have been extremely patient, but the confusion about co-location has disrupted operations for too long. **If CMS is unable to release the guidance by Oct. 1, we implore the agency to issue a Survey and Certification memo stating that while the guidance is in development, hospitals will not be required to dismantle sharing arrangements that are safe and provide important access to care.** A Survey and & Certification memo could prevent hospitals from unwinding arrangements that ultimately may be allowed or creating sharing arrangements that in the end may be disallowed.

We remain grateful for the Survey and Certification Group's willingness to engage with us and try to clarify both the policies and CMS's reasoning behind its requirements. Through our many conversations, we have been able to describe the various challenges facing health care providers, especially in rural areas; the benefits of arrangements such as those involving visiting specialists; the need for flexibility where appropriate; and the strong desire for co-location policies to align with CMS's broader goals to create a more coordinated, patient-centered health care system.

We urge your immediate attention to this matter to ensure patients continue to have adequate access to needed care. If you have any questions, please contact me or have a member of your team reach out to Nancy Foster, Vice President of Quality and Patient Safety Policy, at [nfoster@aha.org](mailto:nfoster@aha.org), or Evelyn Knolle, senior associate director, policy, at [eknolle@aha.org](mailto:eknolle@aha.org).

Sincerely,

/s/

Ashley Thompson  
Senior Vice President  
Public Policy Analysis and Development