



AN ASSOCIATION OF  
MONTANA HEALTH  
CARE PROVIDERS

SENATE PUBLIC HEALTH, WELFARE & SAFETY

EXHIBIT NO. # 5

DATE: 1-10-05

BILL NO. 3B60

Testimony by John W. Flink  
MHA...An Association of Montana Health Care  
Providers  
on SB 60

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My name is John W. Flink with MHA...An Association of Montana Health Care Providers. Our association represents hospitals, nursing homes, home health agencies, hospices and other health care providers.

As the department has testified, critical access hospitals are a category of small rural and frontier acute care hospitals authorized by federal law and licensed by the state of Montana. Under current state law, CAHs may have no more than 15 acute care beds and up to 25 swing beds.

The Medicare Modernization Act -- the federal law that created the prescription drug benefit -- made a number of other changes in the Medicare program. Among them was a provision that authorized hospitals with 25 acute care beds to be licensed as critical access hospitals beginning in January 2004.

For us in Montana to take advantage of this change in federal law, we must change our state's licensure provision. SB 60 would accomplish this goal.

The critical access hospital program is a Montana success story. The concept was created through the Medical Assistance Facility (MAF) demonstration project in 1987. It is designed to ensure that Montanans living in the most remote parts of our state have continued access to medical treatment.

MHA and the department worked closely together for 10 years to develop the program. As a result of these efforts, the CAH program was established nationwide in 1997. As of January 2005, there are over 1000 CAHs nationwide, with 42 here in Montana.

The CAH program has enabled a number of facilities that would have been forced to close to remain open. SB 60 will ensure that Montana's CAH program is consistent with federal regulations and will allow Montana's hospitals to take full advantage of this program and thus ensure their continued survival.

We urge your support for this bill. Kip Smith, director for the CAH program is here today to answer any technical questions.

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