

March 17, 2016

To: The Patients, Employees, Physicians and Volunteers of Newman Regional Health and the Communities We Serve

On Tuesday the Centers for Medicare and Medicaid Services (CMS) emailed the Gazette a copy of a "Public Notice" which CMS requested that the Gazette hold for publication until March 19, 2016. Because the Gazette requires several days' notice prior to publication of a paid "Public Notice" this matter came to the attention of the Gazette prior to CMS completion of a survey of Newman Regional Health's compliance with Medicare rules. Your community hospital has not received a copy of this notice from CMS, but was asked by the Gazette to comment on the proposed publication which states:

"The Centers for Medicare and Medicaid Services has determined that Newman Regional Health, in Emporia Kansas, is not in substantial compliance with Medicare regulations." As a result "the Medicare Program will not make payment for services furnished to (Medicare) patients admitted after April 4, 2016."

CMS is reviewing our process for discharging mental health patients from our emergency department and presented us with an opportunity to improve our process. We have fully cooperated with CMS and developed a plan of action. In response to our plan of action, CMS began resurveying our Hospital last week. We wish to assure our patients, employees, medical staff, volunteers and community that we will continue to accept and treat Medicare patients.

However, our current situation is symptomatic of a larger issue, which is the lack of mental health beds and other resources for mental health services throughout our country. Rural Kansas in particular has fallen victim to these shortages, made more acute with the closure of 60 inpatient psychiatric beds at Osawatomie State Hospital and the lack of psychiatrists and psychologists in rural communities. Many of these behavioral health patients appear in the emergency rooms of Kansas hospitals which are then required by CMS to screen, stabilize and treat or appropriately transfer the patient. As a result of a waiting list for inpatient psychiatric beds, which has persisted since at least June of last year in Kansas, many rural hospitals like ours are in the position of trying to care for mental health patients in emergency rooms and other inpatient and outpatient settings not intended for that purpose while waiting for the next available psychiatric inpatient bed.

With guidance from the dedicated professionals at CMS, we will take additional steps needed to ensure the appropriate transfer of mental health patients when an admission to an inpatient psychiatric facility is required – notwithstanding the shortage of available beds.

Sincerely,

Robert Wright, CEO