



CMS Makes Significant Changes To Hospital Governance Rules

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A final rule released last month by the Centers for Medicare & Medicaid Services (CMS) has made significant substantive changes to hospital governance requirements.

The [final rule](#) will allow a single governing body to oversee multiple hospitals in a multi-hospital system, representing an about face in the agency's interpretation of previous staffing provisions. The rule also requires, as a condition of participation in Medicare, that hospitals include a member of the medical staff on its governing board.

CMS claimed this requirement would ensure continuity and regular communication between a hospital's governing body and its medical staff – a goal that is particularly important in light of CMS's decision to allow a single governing body for multi-hospital systems.

The American Hospital Association (AHA), however, has taken issue with the lack of opportunity to comment on the rule and has called on CMS to immediately rescind the medical staff requirement. The group claims many hospitals can't meet such a standard and will lose status as Medicare-participating hospitals as a result.

The AHA also claims the way CMS went about promulgating the rule violates the Administrative Procedure Act (APA). Under the APA, a rule does not have to be submitted for notice and comment if it is a “logical outgrowth” of a rule already submitted. AHA says this requirement is not a logical outgrowth of the proposed rule.