Press Release

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HHS finalizes new rules to cut regulations for hospitals and health care providers, saving more than $5 billion

Changes will reduce costs and allow more focus on medical care

Today, Health and Human Services (HHS) Secretary Kathleen Sebelius announced significant steps to reduce unnecessary, obsolete, or burdensome regulations on American hospitals and health care providers. These steps will help achieve the key goal of President Obama's regulatory reform initiative to reduce unnecessary burdens on business and save nearly $1.1 billion across the health care system in the first year and more than $5 billion over five years. "We are cutting red tape and improving health care for all Americans," said Secretary Sebelius. "Now it will be easier for health care providers to do their jobs and deliver quality care."

The new rules are being issued today by the Centers for Medicare & Medicaid Services (CMS). The first rule revises the Medicare Conditions of Participation (CoPs) for hospitals and critical access hospitals (CAHs). CMS estimates that annual savings to hospitals and CAHs will be approximately $940 million per year.

The second, the Medicare Regulatory Reform rule, will produce savings of $200 million in the first year by promoting efficiency. This rule eliminates duplicative, overlapping, and outdated regulatory requirements for health care providers.

"These changes cut burdensome red tape for hospitals and providers and give them the flexibility they need to improve patient care while lowering costs," said CMS Acting Administrator Marilyn Tavenner. "These final rules incorporate input from hospitals, other health care providers, accreditation organizations, patient advocates, professional organizations, members of Congress, and a host of others who are working to improve patient care."

Among other changes, the final rules will:

- Increase flexibility for hospitals by allowing one governing body to oversee multiple hospitals in a single health system;

- Let CAHs partner with other providers so they can be more efficient and ensure the safe and timely delivery of care to their patients;

- Require that all eligible candidates, including advanced practice registered nurses and physician assistants, be reviewed by medical staff for potential appointment to the hospital medical staff and then be granted all of the privileges, rights, and responsibilities accorded to appointed medical staff members; and

- Eliminate obsolete regulations, including outmoded infection control instructions for ambulatory surgical centers; outdated Medicaid qualification standards for physical and occupational therapists; and duplicative requirements for governing bodies of organ procurement organizations.

To view the final rules, please visit www.ofr.gov/inspection.aspx.
For additional information on the Hospital and other CoPs, visit
http://www.cms.gov/CFCsAndCoPs/01_Overview.asp.