# So, They Want To Be a CAH: A Smooth Transition Roadmap

Illinois Department of Public Health
and
Illinois Critical Access Hospital Network

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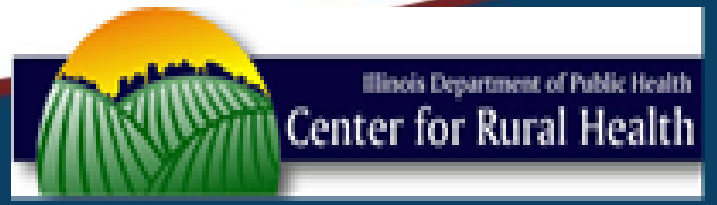


# Objectives

- Identify the items that must be submitted to CMS for CAH conversion approval
- Explain ways the Flex program can facilitate the Conversion process for the hospital
- Recall tactics the Flex Office can use during the conversion process to establish a relationship between the new CAH and the Flex Office

# Illinois State Flex Program

- Illinois Department of Public Health
  - Office of Rural Health
  - Grant Programs
    - SORH (State Office of Rural Health)
    - PCO (Primary Care Office)
    - Flex
    - SHIP (Small Hospital Improvement Program)
    - SLRP (State Loan Repayment Program)
  - State Programs
    - J-1 Visa Waiver Program
    - Podiatric Scholarship Program
    - Underserved healthcare Provider Workforce Load Repayment Program

# Illinois Critical Access Hospital Network

- Contracts with IDPH to manage SHIP and Flex Grants
- ICAHN
  - Voluntary Membership that includes all 52 CAHs and 6 “Tweeners”
  - History
    - Illinois converted its first PPS to CAH in 1999
    - ICAHN board and 1st network meeting in 2003
    - Rural ACO in 2014
  - Services Offered
    - Informational Technology services in 2010
    - CHNA program in 2012
    - HCAHPS vendor in 2013
    - Mock Survey service 2020
    - Coding/Remote Billing/Credentialing Service 2022

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# “Better Together”—Mission Statement

- Collaboration to accomplish more
- Sharing
- List-Serve (moderated email lists)
  - Individual Departments
  - C-Suite
  - Swing Bed
  - Care Coordinators
- Meetings
  - TrailBlazers for Innovations
  - CEO Regulatory Calls/COVID
  - Vendor Fair
  - Opioid Conference
  - Annual Conference

# Why Become a CAH

- **FINANCIAL**
  - Payor Mix
  - Inpatient business goes down while Outpatient increases
  - Need for Capitalization and Modernize
    - New Buildings
    - Advanced Diagnostic equipment
  - Changing Community

# Pre-Conversion Work

- Stay connected to the Tweeners
  - Maintain relationship through SHIP grant
  - Educational Offerings
  - Updates as rules/needs change
- Technical Assistance is available through Flex Grant
- Education
  - C-Suite
  - Hospital Board
  - Employees

# Process Followed in Illinois

- Discussion with CEO/Administration
  - CAH Benefits
  - PPS to CAH Conversion Process
  - Answer Technical Questions
- Facilitate Financial Analysis by accounting firm
- Hospital Board approval to pursue designation change

# Partner Notification

- Why?

- SORH Director
- Illinois Department of Health—Chief of Health Care Facilities and Programs
- US Senator
- CMS Region V Representative
- Illinois Hospital Association—Director of Small and Rural Hospitals

# PPS Hospital Survey

- Verify the date of the last survey
- Must have had a recent survey and be in good standing
- Address Deficiencies
  - May need to be resurveyed to remove deficiencies
- If they haven't had a recent (1 year) survey—need to be surveyed
  - Work with State office on this determination
- Deemed Organization

# Distance

- Need to Verify the Distance requirements as laid out in the CAH rules
- Illinois Department of Transportation
  - Determine the Primary and Secondary road distance to closest hospitals
- Official Report on IDOT letterhead
  - Will be sent with the official application packet

Final Rules November 1, 2022 Federal Register

(c) *Standard: Location relative to other facilities or necessary provider certification.*

(1) The CAH is located more than a 35-mile drive on primary roads (or, in the case of mountainous terrain or in areas with only secondary roads available, a 15-mile drive) from a hospital or another CAH, or before January 1, 2006, the CAH is certified by the State as being a necessary provider of health care services to residents in the area. A CAH that is designated as a necessary provider on or before December 31, 2005, will maintain its necessary provider designation after January 1, 2006.

(2) Primary roads of travel for determining the driving distance of a CAH and its proximity to other providers is defined as:

(i) A numbered federal highway, including interstates, intrastates, expressways or any other numbered federal highway with 2 or more lanes each way; or

(ii) A numbered State highway with 2 or more lanes each way.

* * * * *

# Illinois Department of Transportation

Office of Highways Project Implementation / Region 2 / District 3
700 East Norris Drive / Ottawa, Illinois 61350-1628

November 23, 2022

[redacted]
Mr. Michael J. Tilstra, CEO
Iroquois Memorial Hospital
200 E. Fairman Ave.
Watseka, IL 60970

Critical Access Hospital Designation

Dear [redacted]:

Reference is made to your telephone call on November 15, 2022, requesting the Illinois Department of Transportation's assistance in providing roadway information that would enable the [redacted] Memorial Hospital to qualify for Critical Access Hospital designation.

The nearest "primary road," which the Code of Federal Regulations defines as a numbered federal or state highway having 2 or more lanes each way (42 CFR 485.610 ( c )), is Interstate [redacted], which is 16 miles away from [redacted] Memorial Hospital.

Based on the data provided below, there are no "primary roads" within 16 miles of Iroquois Memorial Hospital. Additionally, the travel distances to the nearest hospitals in Hoopeston and Kankakee are greater than 15 miles on "secondary roads."

The Illinois Department of Transportation's "Highway Information System" records indicate the following mileage and through lane data for the subject routes leading to [redacted] Hoopeston Regional Health Center in Hoopeston and Ascension St. Mary's Hospital in Kankakee from the Iroquois Memorial Hospital.

From [redacted] Memorial Hospital in Watseka to [redacted] Health Center, located at 701 E. Orange St. in Hoopeston:

| Route | Mileage | Number of Through Lanes In Each Direction |
|---|---|---|
| 4th St. (Watseka) | 0.7 | 1 |
| US 24/IL 1 | 2 | 1 |
| IL 1 (only) | 22.2 | 1 |
| IL 9 (Orange St.) | 1.4 | 1 |
| **Total Distance** | **26.3** | **See Above** |



From [redacted] Memorial Hospital in [redacted] to [redacted], located at [redacted]:

| Route | Mileage | Number of Through Lanes In Each Direction |
|---|---|---|
| 4th St. [redacted] | 0.7 | 1 |
| IL 1 | 25.1 | 1 |
| IL 17 | 7.7 | 2 |
| **Total Distance** | **33.5** | **See Above** |

We appreciate the opportunity to provide assistance with your request. If you have any questions or require further information, please feel free to contact me by phone at [redacted] or email [redacted]illinois.gov.

Sincerely,

[redacted]
Region Two Engineer

Michael A. Short

By: Michael A. Short, P.E.
Program Development Engineer

# Rurality

- ICAHN researches and prepares the report for State Office
  - Will be officially signed by the Director of IDPH
- Based on Illinois Administrative Code
- Rural
  - Not located in Metropolitan Statistical area
  - County located within the above but having a population of 60,000 or less
  - Community located withing a Metropolitan Statistical Area  but having a population of 2,500 or less
- Criteria in State Rural Health Plan for Implementation of the CAH
  - Designated as a federal health professional shortage area (HPSA score)
  - Part of a Physician Shortage Area (no longer used)
  - Portion of population above 65 compared to overall state
  - Poverty rate compared to the overall state

# Rurality--continued

December 23, 2022

[redacted]

Dear [redacted]:

To be certified as a critical access hospital (CAH) by the Centers for Medicare and Medicaid Services (CMS), a licensed acute care hospital must be located in a state or federal rural area or treated as a rural area per Condition of Participation Standard 485.610 (b). A review has been completed by the Illinois Department of Public Health, Center for Rural Health, and staff has determined tha[redacted] Memorial Hospita[redacted] County, Illinois meets both state and federal guidelines for rural location. Verification of rural location criteria:

- [redacted] County is classified as a rural per Illinois Administrative Code: Title 77: Public Health; Section 590.20 Definitions. Section 590 (ilga.gov)
- Federal Office of Rural Health Policy classifie[redacted] County as rural according to US Census 2010 and is not located in a Metropolitan Area. (List of Rural Counties and Designated Eligible Census Tracts in Metropolitan Counties (hrsa.gov)

[redacted] Memorial Hospita[redacted] also meets two criteria for CAH designation as per the State Rural Health Plan for Implementation of the Critical Access Hospital Program. A rural hospital must meet at least one, may meet more than one, or all of the originally identified criteria when the Illinois CAH program was established in 1999[redacted] is not required to be designated as a necessary provider of services but rather must meet the distance requirements per Condition of Participation Standard 485.610 (c) for Location Relative to Other Facilities or Necessary Provider Designation (prior to sunset January 1, 2006). However, a review was completed to determine i[redacted] would meet the state CAH criteria based on the State Rural Health Plan and determine[redacted] met State Plan as verified below:

- **Designation as a federal health professional shortage area (HPSA).**[redacted] is located in a Primary Care Low Income Area and has a HPSA Score (16) as of 9/07/2021. [MEETS]





- **Designation as a state physician shortage area (PSA).** State of Illinois no longer has a state physician shortage area designation.
- **A portion of residents over 65 years of age that exceeds the overall state proportion.** [redacted] County has a greater proportion of county residents (21.5 percent) over 65 years of age than the Illinois average (16.6 percent) according to US Census 2020. [MEETS]
- **A poverty rate over the overall state level** [redacted] County has a poverty rate of 11.5 percent compared to the state average of 12.1 percent according to U.S. Census Bureau 2020. [DOES NOT MEET]

Therefore[redacted] is eligible for CAH certification meeting the rural location requirements and criteria identified in the original State Rural Health Plan for Implementation of the Critical Access Hospital Program. This information will be forwarded to the Illinois Department of Public Health Facilities and Program Division as part of the hospital application for CAH certification.

Should you have any questions about the rural location and state plan evaluation, please contact Kristen Nolen, IDPH Center for Rural Health a[redacted] or by e-mail to kristen.n.nolen@illinois.gov or use the TTY (hearing impaired use only[redacted] number.

Sincerely,

Sameer Vohra

Sameer Vohra, MD, JD, MA
Director, Illinois Department of Public Health

Cc: Becky Dragoo, MSN, BSN – Deputy Director, IDPH Office of Health Care Regulation
Karen Senger, Chief, IDPH Division of Health Care Facilities and Programs
Patricia Schou, Executive Director, Illinois Critical Access Hospital Network

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# Medicare Administrative Contractor

- Notify the MAC about the proposed changes
- Complete a new 855A
- 855A Link
- Discussion of Method 1 vs Method 2 Billing

# CMS CAH Determination (Distance/Location)

- Letter is written to Regional CMS Representative
  - IDOT Distance Documentation
  - IDPH Rurality Letter
- Regional Office reviews

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
CMS-Chicago, Survey & Operations Group
233 North Michigan Avenue, Suite 600
Chicago, IL 60601-5519

CMS Certification Number (CCN): [redacted]

June 6, 2023

[redacted]
Chad Markham, President and CEO
HSHS Good Shepherd Hospital
200 S. Cedar Street
Shelbyville, IL 62565

Via Email: [redacted]

**RE: [redacted] Hospital Request For CMS CAH Distance/Location Determination**

Dear [redacted]

The CMS-Chicago Location, Survey & Operations Group (SOG) is in receipt of [redacted] Hospital's (GSH) April 28, 2023 request that CMS determine the hospital meets the requirements for location and distance under 42 CFR §485.610, and is therefore eligible to pursue conversion from an acute care hospital in the Medicare program to CAH. We have evaluated the information submitted by GSH, as well as conducted our own review of the current facts related to the hospital's request. At this time, CMS-Chicago SOG has determined that GSH **does meet** the rural location and distance requirements established under 42 CFR §485.610 for CAHs participating in the Medicare program.

Therefore, GSH is eligible to request conversion to a CAH participating in the Medicare program. However, in order to participate as a CAH, GSH must properly enroll in the Medicare program as a CAH with your approved and assigned Medicare Administrative Contractor (MAC), and GSH must be found in compliance with all Medicare Conditions of Participation for CAHs based upon the results of an on-site survey. That survey may be completed by the Illinois Department of Public Health, or an approved accreditation organization.

We thank you for your concerns and would be happy to provide any additional information regarding this matter. Your or your staff may contact me at Michael.Potjeau@cms.hhs.gov or Tamra Swistowicz at Tamra.Swistowicz@cms.hhs.gov with any further questions or concerns.

Sincerely,

Michael C. Potjeau
Acute & Continuing Care Branch Manager
CMS-Chicago, Survey & Operations Group

Cc: Illinois Department of Public Health

# CAH Survey Prep

- Must Pass a CAH survey
- Based on the CAH Conditions of Participation
- SOM - Appendix W (cms.gov)
- Based upon if they are ready to meet the CAH COP not if they area already functioning as a CAH.
  - Do they have the procedures in place for when they make the switch

# How does Flex help?

- Flex Office goes on site to the hospital
  - Review the Major Changes
  - Recommend the best way to prepare
  - Meet with all Department Head
  - Discuss switchover changes
  - c-tag-crosswalk.xlsx (live.com)

# On-site Survey Prep

**Agenda**

| Time | CoP Area Discussion | Departments/Staff |
|---|---|---|
| 9:00 am | CAH Program/CoP Overview/Survey | Admin/Medical staff/Departments |
| 9:45 am | Admin – Bed Utilization; board; agreements/credentialing/Med staff | Admin/compliance/UR |
| 10:15 am | Nursing, ED, Pol/Proc, OR, and Infection Control | Nursing Staff |
| 11:00 am | Quality Improvement/MBQIP/QAPI | Quality Department/Nursing |
| 11:30 am | Clinical Records | HIM |
| 11:45 am | Nutrition | Dietary |
| 12:00 pm | Working Lunch | |
| 12:15 pm | Ancillary | Rehab, Lab, Imaging and Resp |
| 12: 45 pm | Pharmacy | Pharmacy Staff |
| 1:15 pm | Life Safety | Maintenance/General Walk Through |
| 1:30 pm | CAH Finance/Billing | CFO and BO |
| 2:00 pm | Q & A Wrap | Open discussion |
| 2:15 pm | Departure | |

# Areas to Note

- Transfer Agreements
- Bed Usage
  - 25 beds not including observation (does include IP and Swing)
  - Hospice beds count in 25 bed count but not in the 96 hour calculation
  - Labor and Delivery beds do not count nor does the baby's bassinette if well baby—if sick—then that counts
- Case Management
  - 96 hour rule
  - Average Length of Stay over the year
  - Procedures for transferring patients, discharging
- Policy Review

# CAH Evaluation

- Standard Periodic Evaluation of the Total CAH program
  - Number of Patients (acute, swing, and OBS)
  - Hospital Departments and Services Offered
    - Volume of ER visits, Surgeries, OB, Outpatient visits
  - Number of Transfers
  - Review of Records
    - Audit of Closed and Open Records
  - Health Care Policies
  - Quality
  - Evaluation of the Program

# Survey Prep Suggestions

- Time
- Teamwork makes the dream work
- Create a Binder with the COP and with each COP place the documentation
  - Policy
  - Schedule
  - Organizational chart
  - Contracts

# Resources Give

- https://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnproducts/downloads/critaccesshospfctsht.pdf

- Small Rural Hospital and Clinic Finance 101 Guide | National Rural Health Resource Center (ruralcenter.org)

# Things for the CAH to think about?

- Method 1 vs Method 2 billing for Providers
- Additional training for Billing and Coders
- Implications of picking a date for the change from PPS to CAH
  - Can use the date on the CMS approval letter and backdate
  - Financial Year
  - May have two cost reports
- Night of the changeover
  - Notes in Charts
  - Split Bills

# Finally…

- Leave them to work on Survey Preparation
- Call their Surveyor for a CAH survey
- Package the application for CMS

# Package for CMS

- IDOT Distance Letter
- IDPH Rurality Letter
- CAH Survey Letter with Passing Notation

# CAH Survey Preparation and Compliance

- 2 CAH Survey Preparation and Compliance.pdf (ruralcenter.org)