



Overview of the Critical Access Hospital (CAH) Survey & Certification Process



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Disclaimer

This presentation does not constitute official CMS guidance

Topics to be Discussed

- Quick CAH facts
- Background
- Certification process
- CAH relocation process
 - Necessary provider rules
 - Relocation vs. renovation
- Key points of contact for CAH survey and certification

Quick CAH Facts

- Critical Access Hospitals (CAHs) are small facilities that provide outpatient and short-term inpatient hospital care.
- In order to become certified as a CAH, a facility must first be certified as a Medicare-participating hospital
- Currently there are about 1,330 CAHs.
- CAH services are aimed at retaining critically needed hospital-level services for rural residents.
- They must furnish 24-hour emergency care services using either on-site or on-call staff.
- They are limited to a maximum of 25 inpatient beds and an average annual inpatient length of stay ≤ 96 hours.

Quick CAH Facts (cont.)

- A CAH may be approved to furnish swing-bed services and may use any of its 25 inpatient beds for either acute care or skilled nursing facility (SNF) - level care. Many State Medicaid programs pay them to use swing-beds as well.
- A CAH is paid 101 percent of reasonable costs. CAHs are not subject to the Inpatient Prospective Payment System (IPPS) and Hospital Outpatient Prospective Payment System (OPPS).
- In addition to the 25-bed limit, a CAH has the option to add additional beds for psychiatric and rehabilitation services, with up to 10-beds for each distinct part unit (DPU).
- CAHs are paid for services provided in their rehabilitation DPU or psychiatric DPU under the applicable IRF PPS or IPF PPS

Background

- Medicare Rural Hospital Flexibility Program (MRHFP):
 - States interested in establishing CAHs must first submit an application for a Medicare Hospital Rural Flexibility Program (MRHFP) to the CMS RO
 - Requires States to establish a Rural Health Care Plan
 - An official of the State must sign the application

Background (cont.)

- MRHFP:
 - States that have submitted an application that meets the statutory requirements shall:
 - Develop ≥ 1 rural health network in the State and
 - Develop ≥ 1 facility in the State that is designated as a CAH

Background (cont.)

- State Rural Health Care Plan:
 - Provides for the creation of ≥ 1 rural health networks
 - Promotes regionalization of rural health services in the State; and
 - Improves access to hospital and other health services for rural residents of the State
 - Is developed in consultation with the hospital association of the State, and the State Office of Rural Health

Background (cont.)

- Critical Access Hospitals (CAHs) must comply with Medicare CAH Conditions of Participation (CoPs) in order to become certified to participate in the Medicare program

Background (cont.)

- CAH CoPs:
 - CAHs (42 CFR Part 485, Subpart F)
- CoPs apply to care provided to all patients, not just Medicare beneficiaries

Background (cont.)

- CAHs have 3 options to demonstrate compliance with the CoPs, i.e., assessment by:
 - State Survey Agency; or
 - CMS-approved accreditation program
 - Det Norske Veritas (DNV) Healthcare
 - The Joint Commission (TJC)
 - American Osteopathic Association- Healthcare Facilities Accreditation Program (AOA – HFAP)

Background (cont.)

- Accreditation option is voluntary, but can be a faster means for new facilities to convert from a hospital to a CAH
- 30% of CAHs use AO option

Certification Process

- The CAH certification process is outlined in Chapter 2 the State Operations Manual (SOM)
- Hospital contacts the SA to apply for conversion to CAH status
- The provider obtains an application, which includes CMS Form 855A (available online)

Certification Process (cont.)

- A current Medicare-certified hospital provider who is requesting a change of status to a CAH sends an amended CMS Form-855A to the legacy FI/MAC
- The legacy FI/MAC will notify the RO/SA in writing indicating if the 855A was approved or not approved
- Following an approved 855A and a successful survey, the SA will recommend CAH “certification” to the CMS RO

Certification Process (cont.)

- CMS Certification Authority
 - CMS has the sole authority to “certify” a CAH to participate in the Medicare program
 - Upon review, CMS may chose not to accept the SA or AO recommendation for certification
 - Ex:
 - Flawed survey findings (RO may not accept survey findings of either the SA or AO)
 - The provider does not meet the location or distance criteria

Certification Process (cont.)

- RO Verification
 - The CMS RO will verify that the facility meets the CAH requirements
 - State's Office of Rural Health will evaluate rural eligibility and distance requirements and will notify the SA and RO before the survey is conducted)

Certification Process (cont.)

- RO will reverify compliance with the CAH location and distance requirements of §485.610:
 - (a) *Standard: Status.*
 - (b) *Standard: Location in a rural area or treatment as rural.*
 - (c) *Standard: Location relative to other facilities or necessary provider certification.*
 - (d) *Standard: Relocation of CAHs with a necessary provider designation.*
 - (e) *Standard: Off-campus and co-location requirements for CAHs.*

Certification Process (cont.)

- CAH is certified when:
 - The hospital is found to be in compliance with all CAH CoPs as required at §489.13
- RO notifies the legacy FI/MAC of the change to CAH status

Certification Process (cont.)

- Notification of CAH designation:
 - RO notifies the SA of its determination
 - RO notifies the facility in writing
 - RO sends tie-in notice to the legacy FI/MAC and the SA/AO

CAH Location

- The intent of the CAH program:
 - Keep hospital-level services in rural communities, ensuring access to care, through provision of Medicare reimbursement on a more favorable basis than that available to participating hospitals.
 - CAHs are required to satisfy criteria designed to assure that they are located in rural areas and are not too close to any other hospitals or CAHs.

CAH Necessary Providers

- Necessary Provider CAHs
 - Prior to January 1, 2006, States had the authority to waive the CAH location relative to other facilities requirement (see §485.610(c)) by designating a facility as a necessary provider CAH.
 - This State authority was eliminated as of January 1, 2006; however, existing necessary provider CAHs were grandfathered.

CAH Necessary Provider Relocation

- Necessary Provider CAHs
 - §485.610 (d) specifies the criteria a necessary provider CAH must satisfy upon relocation in order to retain its Medicare provider agreement as a CAH
 - Must essentially remain the same provider and continue to provide services to the same rural community

CAH Necessary Provider Relocation

- Renovation vs. relocation
 - Renovation or expansion of a CAH's existing building or addition of building(s) on the existing main campus of the CAH is not considered a relocation.
 - All newly-constructed, necessary provider CAH facilities, including entirely new replacement facilities constructed on the same site as the existing CAH main campus, are considered relocated facilities.

CAH Necessary Provider Relocation (cont.)

- Relocating Necessary Provider CAHs
 - Must meet the following requirements to retain CAH status:
 - Serves at least 75% of the same service area that it served prior to its relocation;
 - Provides at least 75% of the same services that it provided prior to the relocation; and
 - Is staffed by 75% of the same staff (including medical staff, contracted staff, and employees) that were on staff at the original location.

CAH Necessary Provider Relocation (cont.)

- Necessary Provider CAHs
 - If a Necessary Provider CAH begins providing services at another location after January 1, 2006, and does not meet the requirements listed above, the action will be considered a cessation of business as described in §489.52(b)(3). However, the CAH would have the option of converting back to a hospital rather than be terminated altogether.

CAH Relocation

- CAHs not designated as a Necessary Provider seeking to relocate must comply with the CAH location and distance requirements in §485.610 (a) through (c) at the new location
- In accordance with §489.52, a hospital or CAH must serve the same community if it relocates; otherwise considered voluntary termination

Key Points of Contact

- CAH key contacts:
 - CMS
 - Central Office – Survey and Certification
 - Regional Office
 - Survey and Certification
 - Rural Health Coordinator
 - Health Resources and Services Administration (HRSA)
 - Office of Rural Health Policy
 - State Survey Agency

Questions

