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 \( \leq 96 \) 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
• 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
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
Critical Access Hospitals (CAHs) must comply with Medicare CAH Conditions of Participation (CoPs) in order to become certified to participate in the Medicare program.
• CAH CoPs:

  – CAHs (42 CFR Part 485, Subpart F)

• CoPs apply to care provided to all patients, not just Medicare beneficiaries
• 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)
• 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)
• 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.
• 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