



SOUTH CAROLINA OFFICE OF
RURAL HEALTH

Investment. Opportunity. Health.

**Critical Access Hospital
(CAH) Designation**

April 2023

Agenda

- SCORH Programs & Initiatives
- Critical Access Model
- Balanced Budget Act
- CAH Eligibility & Requirements
- CAH Payment System & CoPs
- Quality Measurement
- Designation Process
- Technical Assistance
- Opportunities for Conversion

Health System Innovation Team



Sarah Craig
Director

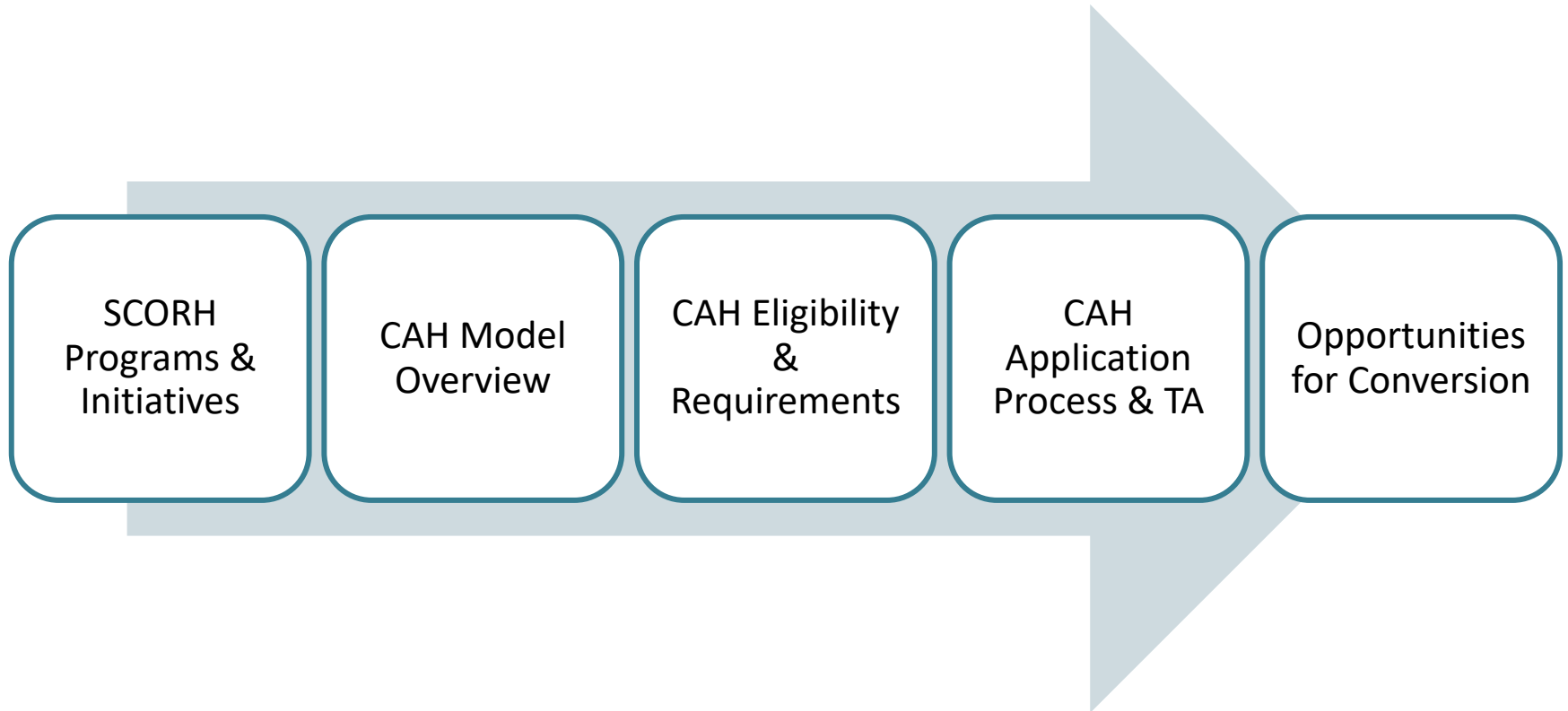


Britton Herbert
Program Manager



Emma Jackson
Graduate Assistant

Objectives

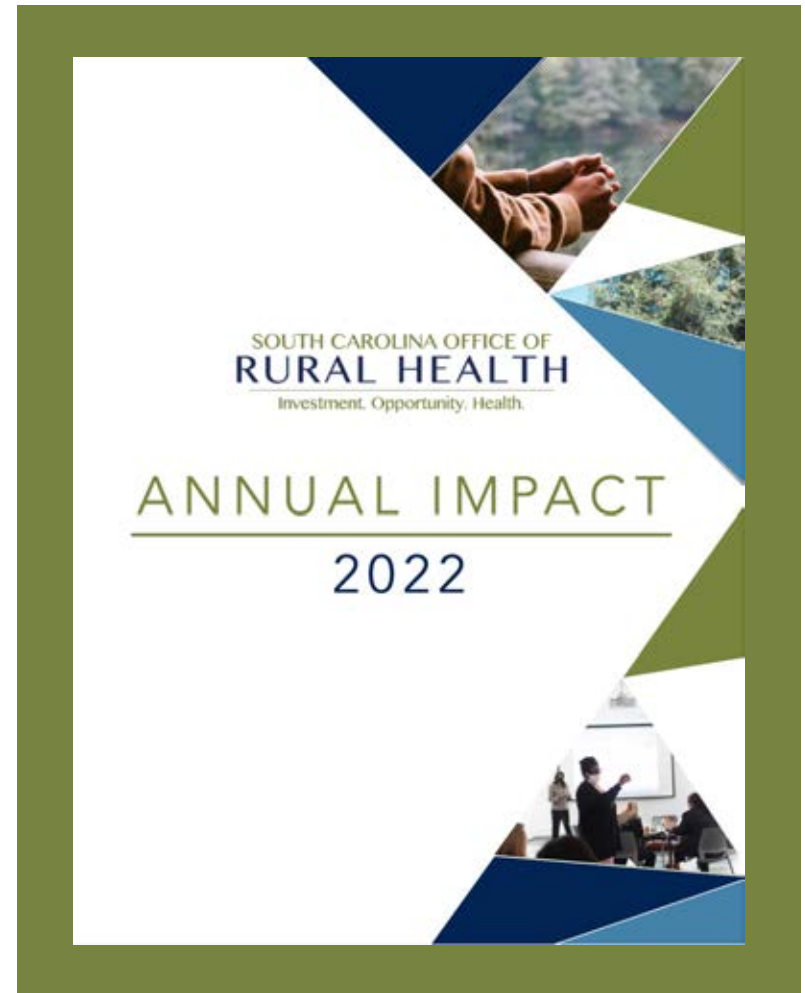


South Carolina Office of Rural Health

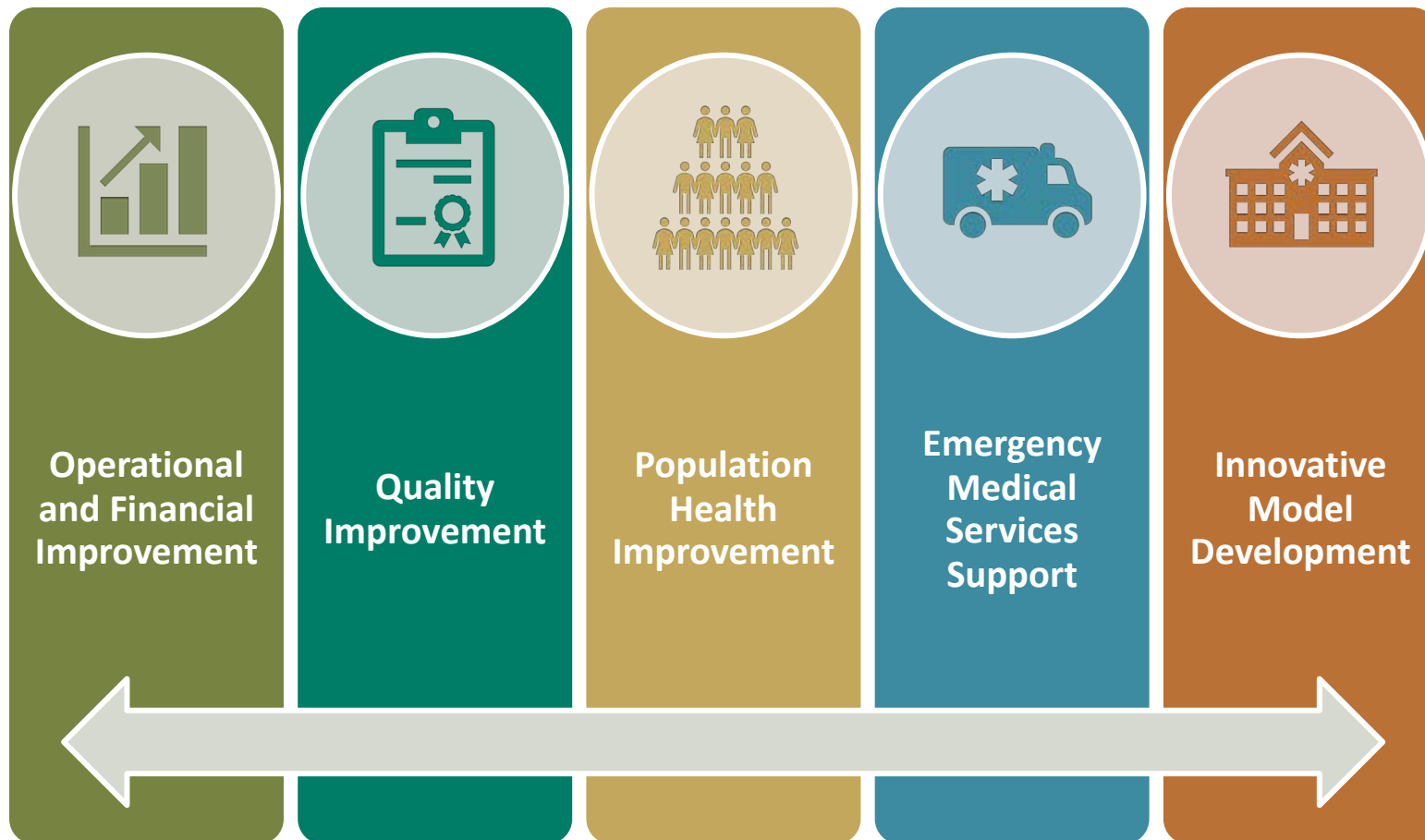
MISSION: to close the gap in health status between rural and urban communities.

RURAL HOSPITAL PROGRAMS:

- Medicare Rural Hospital Flexibility Program (FLEX)
- Small Hospital Improvement Program (SHIP)

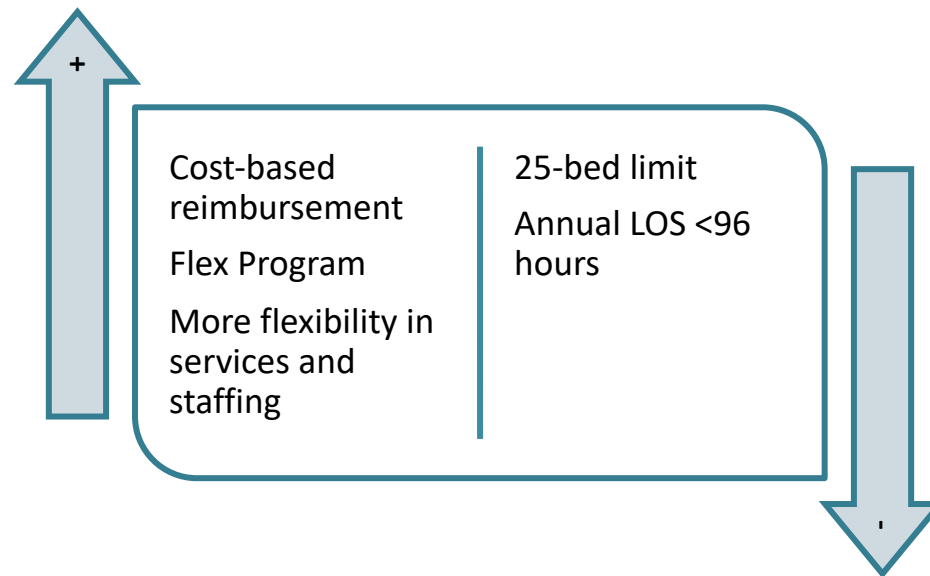


Medicare Rural Hospital Flexibility Program



Critical Access Hospital Model

- The Critical Access Hospital (CAH) designation is given to rural hospitals by CMS
- Seeks to preserve the financial viability of small rural hospitals and improve access to care
- CMS reimburses CAHs with an additional cost-based reimbursement

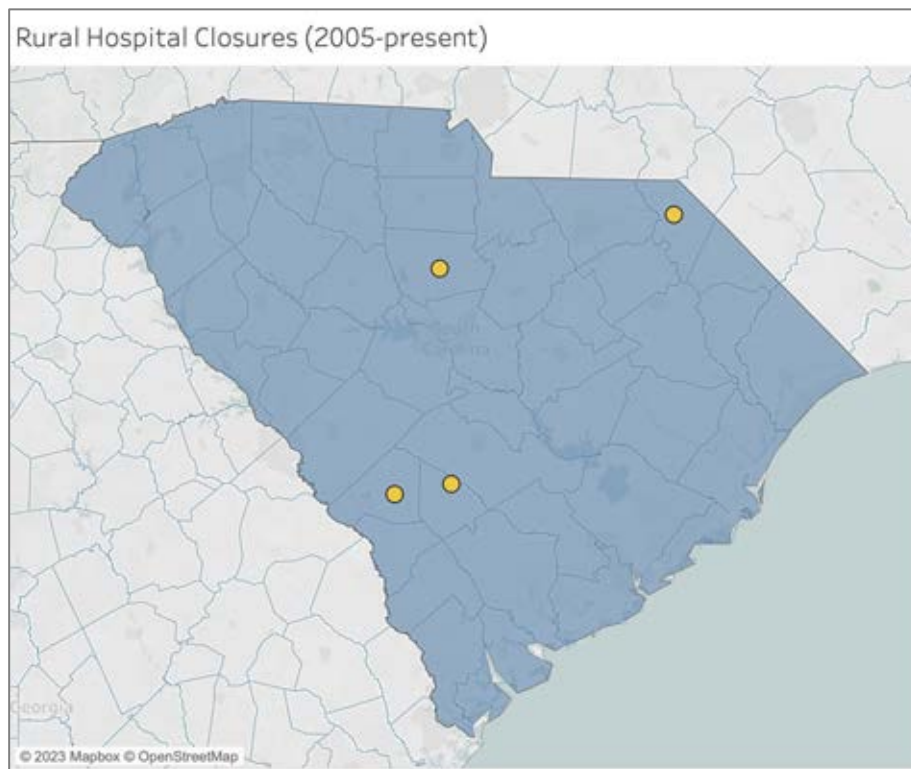


Rural Hospital Challenges

- 190 rural hospital closings since 2005 in the United States
- An additional 450 rural hospitals are vulnerable

RURAL HOSPITAL CHALLENGES:

- Regulatory challenges
- Declining reimbursement
- Low patient volume
- Access to care
- Workforce shortages



(Tableau, 2023),(The Sheps Center, 2023)

Balanced Budget Act

- Over 400 hospital closures occurred between the 1980s and 1990s
- A call for legislation to address the financial vulnerability of rural hospitals prompted new legislation
- The Balanced Budget Act (BBA) of 1997 ratified the Critical Access Hospital model as a new Medicare provider type
- This designation is applicable to small rural hospitals that meet the distance requirement and CAH CoPs

CAH Eligibility

Rural Hospitals

- Certified Medicare participants that are a licensed to provide acute care

Hospitals that downsized to RHCs or FQHCs

- Rural hospitals that scaled down to health center or health clinic status that meet CAH CoPs

Closed rural facilities

- Rural hospitals that closed after November 29, 1989 that meet CAH CoPs

CAH Requirements

Located in a county recognized as rural

Located in a state with a Medicare Rural Hospital Flexibility Program

Certified Medicare participant

Located more than 35 miles from other hospitals or CAHs with 15-mile exemption for mountainous terrain and secondary roads (*or necessary provider*)

Availability of 24-hour emergency services

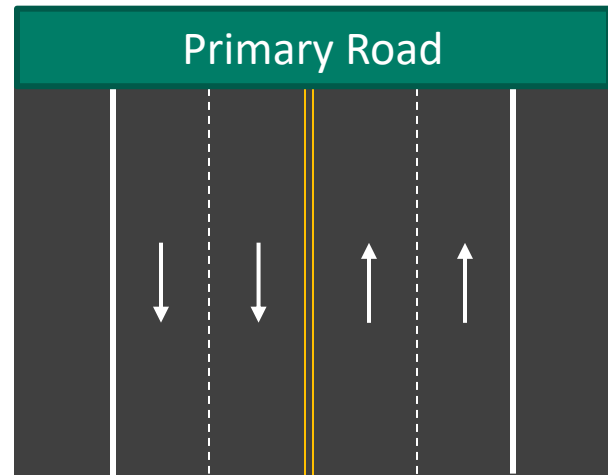
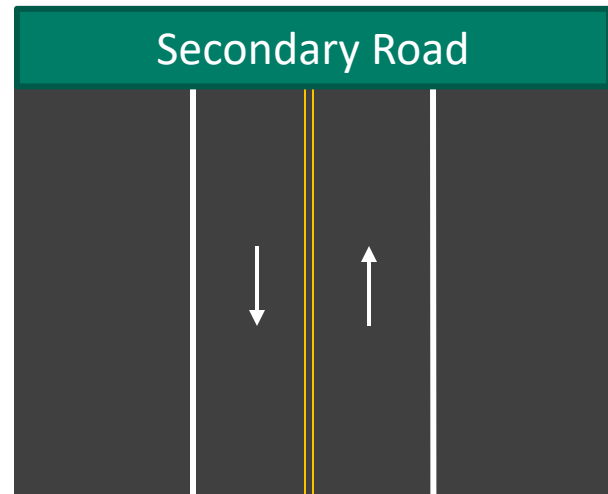
No more than 15 acute care beds with up to 25 beds for swing-bed facilities

Hospital has an average LOS per patient less than 96 hours

Meets the Conditions of Participation in 42 CFR subpart F

Distance Requirement

- CAHs can qualify for the 15-mile distance requirement if there is:
 - Evidence of mountainous terrain
 - ≥ 15 miles of secondary roads
- Primary roads are typically:
 - Numbered State highways that have 2 or more lanes in each direction
 - A primary highway divided by a median



CAH Payment System

Type of Payment	Payment Methodology
IP/OP	101% of reasonable costs
Swing Bed Services	101% of reasonable costs
Inpatient Rehabilitation	Inpatient Rehabilitation Facility PPS
Psychiatric Services	Inpatient Psychiatric Services PPS
Telehealth Services	80% of physician fee schedule

Conditions of Participation

Provision	Section	Details
Rural Health Network	§485.603	<ul style="list-style-type: none">• Must have an agreement with a hospital or qualifying entity for credentialing and quality assurance
Personnel Qualifications	§485.604	<ul style="list-style-type: none">• Must meet the qualifying personnel requirements for each appropriate staff member
Designation & Certification	§485.606	<ul style="list-style-type: none">• CAH must meet the certification for both the State and CMS certifications
Emergency Preparedness	§485.625	<ul style="list-style-type: none">• Must develop and maintain a program for emergency preparedness

*Additional CoPs found under 42 CFR Subpart F

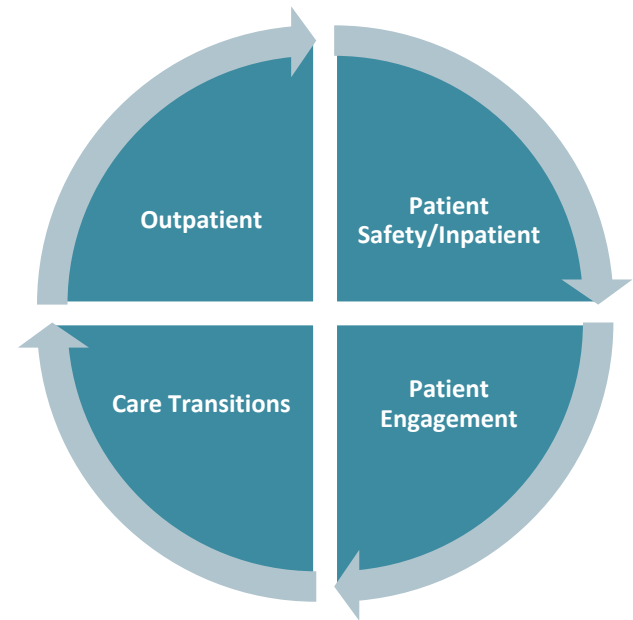
Conditions of Participation

Provision	Section	Details
Infection prevention and control and antibiotic stewardship programs	§485.640	<ul style="list-style-type: none">• Facility-wide programs must be available for surveillance, control, and prevention of infections• Optimal utilization of antibiotics through stewardship program
Quality assessment and performance	§485.641	<ul style="list-style-type: none">• Must have an effective quality assurance program and arrangement with qualifying facility• Program must evaluate the quality of treatments and diagnoses rendered
Discharge Planning	§485.642	<ul style="list-style-type: none">• CAH must have a discharge planning process that emphasizes each patient's goals and corresponds with their treatment preferences

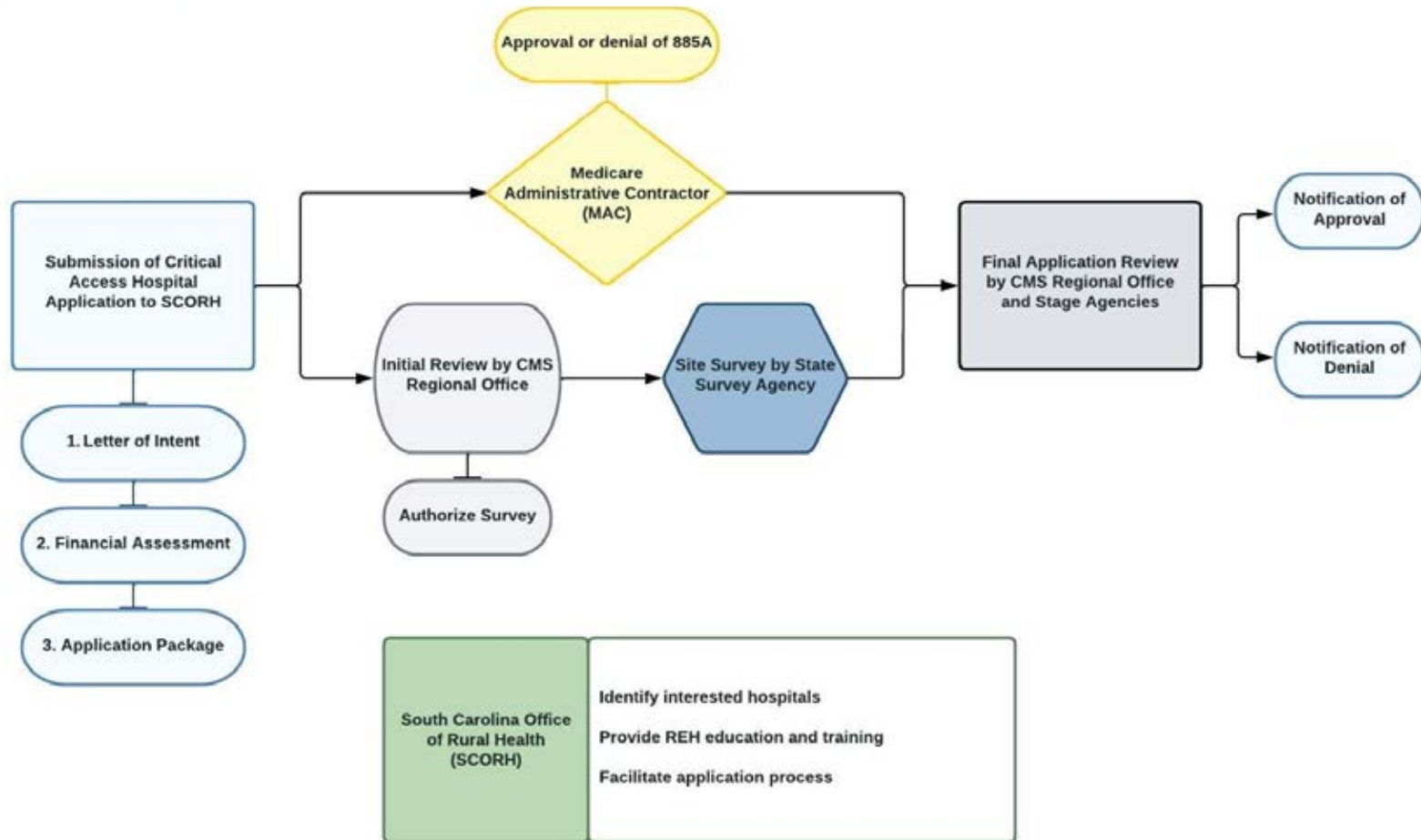
*Additional CoPs found under 42 CFR Subpart F

Quality Measurement Reporting Requirements

- Medicare Beneficiary Quality Improvement Project (MBQIP)
- Flex Program participants are required to participate
- Participants must report at least one core MBQIP measure within each of the four domains:
 1. Outpatient
 2. Care Transitions
 3. Patient Safety/Inpatient
 4. Patient Engagement



Designation Process



Technical Assistance

- The South Carolina Office of Rural Health provides technical assistance for the CAH model:



Identify interested hospitals for the CAH designation



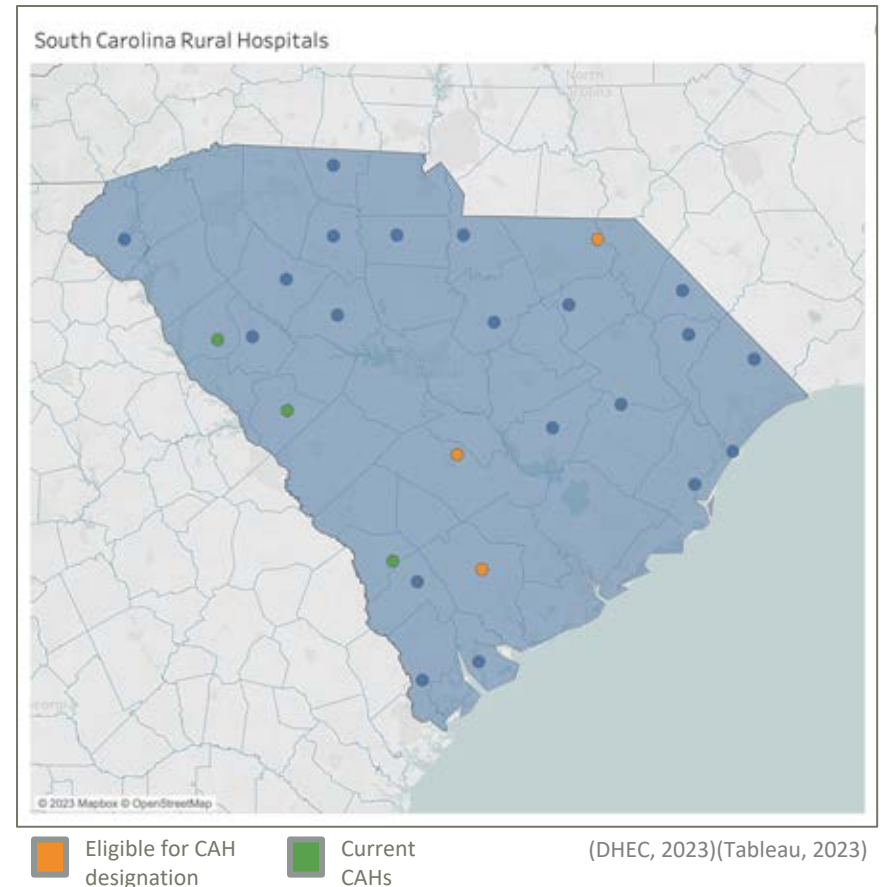
Provide CAH education and training



Facilitate CAH application process

Opportunities for Conversion

- South Carolina currently has:
 - 3 Critical Access Hospitals
 - 3 eligible small hospitals for CAH designation
- The opportunity exists for eligible South Carolina hospitals to convert to the CAH designation now and in the future



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CONTACT US

Emma Jackson
Graduate Assistant,
Health System Innovation
ejackson@scorh.net

Social:

 @SCORH
 @scruralhealth
 @scruralhealth

Website:
scorh.net

Address:
107 Saluda Pointe Drive
Lexington, SC 29072

Phone:
803-454-3850

Text SCRURALHEALTH to 66866 to subscribe to our “Rural Focus” newsletter!

CAH Resources

- National Rural Health Resources Center. (2023). Current MBQIP Measures. <https://www.ruralcenter.org/sites/default/files/2023-02/MBQIP-Measures.pdf>
- Medicare Learning Network. (2023). Information for Critical Access Hospitals. Centers for Medicare & Medicaid Services. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/CritAccessHospfctshst.pdf>
- Centers for Medicare & Medicaid Services. (2023). State Operations Manual. https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap_w_cah.pdf
- Critical Access Hospitals. (2023). RHIhub. <https://www.ruralhealthinfo.org/topics/critical-access-hospitals#swing-bed>
- Code of Federal Regulations. (2023). Subpart F – Conditions of Participation: Critical Access Hospitals (CAHs). <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-G/part-485/subpart-F>