

Chapter 28

Critical Access Hospital (CAH)

NOTE: Please review the following detail for specific processes and expectations with South Country Health Alliance (South Country). South Country may vary from the MHCP Manual and Minnesota Department of Human Services Guidelines. For additional detail on this chapter, please go to the Minnesota Health Care Programs Provider Manual at [MHCP Provider Manual](#).

Billing Information – Please review the [South Country Provider Manual Chapter 4 Provider Billing](#) for general billing processes and procedures.

This chapter contains basic information and only applies to programs outlined in your organization's participation agreement with South Country Health Alliance (South Country). For the most up-to-date and detailed information, CAH providers should refer to the below Centers for Medicare & Medicaid Services (CMS) websites.

- <https://www.cms.gov/center/cah.asp>
- <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/CAHs.html>
- http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_176451

CAH Eligibility

South Country follows CMS and Minnesota Department of Human Services (DHS) guidelines in determining whether a hospital is eligible to be reimbursed as a CAH.

- <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/CAHs.html>
- <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c03.pdf>

Reimbursement and Billing

South Country adheres to guidelines from CMS, and DHS in determining reimbursement for CAHs. An inpatient is a person who has been admitted to a hospital for bed occupancy for purposes of receiving inpatient hospital services. Generally, a person is considered an inpatient if formally admitted as an inpatient with the expectation that he will remain at least overnight.

A CAH may provide and bill for all hospital inpatient services that are deemed reasonable and medically necessary according to the rules and guidelines governing inpatient services provided by acute care hospitals.

Payment for inpatient CAH services is subject to Part A deductible and coinsurance requirement. Inpatient services should be billed as an 11X type of bill. CAH providers may be reimbursed for telehealth originating site fee by billing code Q3014.

CAH Rate Sheets

It is the provider's responsibility to submit CAH rates to South Country and update South Country with any changes to the rates prior to the submission of claims for that rate period. South Country requires CAH providers to submit the Revised Payment and Retroactive Lump Sum Adjustment page(s) along with the Critical Access Hospital Interim Rate Review page(s) annually or within thirty (30) days of the date received (whichever is earlier). Rates may not be

made effective prior to South Country's receipt of the most recent Interim Rate Letter; South Country will not reprocess claims due to an Interim Rate Letter not being timely submitted; however, South Country may reprocess claims back to the effective date of the CMS rate letter if a decrease in reimbursement is indicated. Additionally, South Country may follow up with contracted CAH providers on an intermittent basis to verify their current CAH rate. If South Country does not have a current DHS rate letter on file, South Country will reimburse provider based on most recent inpatient and outpatient rate letter on file. A non-contracted provider may be required to submit a copy of its most recent CAH rate letter prior to a claim being processed.

See the *Minnesota critical access hospitals (CAH)* section for billing instructions for CAHs.

One and Three-Day Window Provision

CAHs are exempt from the one- and three-day window provision. Services rendered to a beneficiary while in the outpatient department who then becomes an inpatient are not bundled on the inpatient bill. Outpatient services must be billed as such and on a separate bill from inpatient services. Outpatient services rendered on the date of admission to an inpatient setting are still billed and paid separately as outpatient services.

Outpatient Care

A hospital outpatient is a person who has not been admitted by the hospital as an inpatient but is registered on the hospital records as an outpatient and receives services (rather than supplies alone) from the hospital.

A CAH may provide and bill for all hospital outpatient services that are deemed reasonable and medically necessary according to the rules and guidelines governing outpatient services provided by acute care hospitals.

Option Method II Billing

A CAH may elect the optional (or method II) payment methodology under which it bills South Country for both facility services and professional services to its outpatients on a single claim. A CAH that has elected under Medicare to bill for outpatient professional services in the UB-04 format (paper or electronic) instead of the CMS-1500 format (also known as option method II) must bill South Country accordingly. A CAH that uses the standard method (method I) with billing to the Medicare carrier must continue to bill on the CMS-1500 format.

Certified Registered Nurse Anesthetist (CRNA) Services

South Country requires certified registered nurse anesthetist (CRNA) exemption letters be provided in order for providers to receive the critical access hospital (CAH) rate for services provided. CRNA exemptions letters can be submitted to South Country at ProviderInfo@mnscha.org. If South Country does not have a CRNA exemption letter on file, claims will pay at current fee schedule rates. Once the CRNA exemption letter is received, it is the provider's responsibility to resubmit any corrected claims in order to receive reimbursement.