

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](#).

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 Centers for Medicare & Medicaid Services (CMS) websites below.

- <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 (MNDHS) 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>

Billing and Reimbursement

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

South Country follows CMS and MNDHS guidelines when determining reimbursement for CAHs.

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 requirements. 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.

Rate Letter Notification and Processing

All CAH Providers must notify South Country of rate changes by sending the rate letter or Revised Payment and Retroactive Lump Sum Adjustment pages, along with any Critical Access Hospital Interim Rate Review pages, before submitting claims for that rate period to schaclaims@primewest.org or fax to 1-320-762-5956.

Information must be submitted annually or within thirty (30) calendar days of the rate letter's effective date, whichever is sooner. South Country considers the letter's effective date as the start of the rate change and has 15 business days ("Implementation Period") to apply it. Claims submitted before this period will not be reprocessed. If rates decrease, South Country will retroactively reprocess claims as needed.

If a current DHS rate letter is not on file, reimbursement will be based on the latest available rate letter. Non-contracted providers should submit their most recent CAH rate letter before claims are submitted to South Country. South Country may also request copies of current rate letters to verify rates.

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.