

# CRITICAL ACCESS HOSPITAL FACILITY REQUIREMENTS

## Criteria for Designating CAHs

- Located in a state participating in the Medicare Rural Hospital Flexibility Program.
- Designated by the state
- Is currently licensed by the state as a hospital, or is a hospital that is closed or downsized to a health center or clinic within the past ten (10) years.
- Is located in a rural county or an area of an urban county classified as rural by the Secretary of Health and Human Services.
- Is located more than a 35-mile drive from another hospital or is certified by the state as a necessary provider of health services to residents of the area.

## Service Criteria<sup>a</sup>

- Makes available 24-hour emergency care services that a state determines are necessary.
- Operates no more than fifteen (15) acute beds, or up to 25 inpatient beds that can be used interchangeably for acute or SNF-level care, provided that not more than 15 beds are used at any one time for acute care.
- Maintains an average length-of-stay of 96 hours or less on an annual basis.
- Provide dietary, pharmacy, laboratory, and radiological services on either a full-time, on-site basis, or part-time, off-site basis under arrangement with another provider.

## Networking Relationships

- Enter into networking agreements with at least one (1) hospital with respect to:
  - ✓ Patient referral and transfer.
  - ✓ Communication systems (including, where feasible, telemetry systems and electronic sharing of patient data).
  - ✓ Emergency and non-emergency transportation.
- Enter into networking agreements for credentialing of medical staff and quality assurance with at least one hospital, one peer review organization or equivalent entity, or other appropriate and qualified entity identified by the state.

## Personnel/Staffing Criteria

- Meets staffing requirements of other rural hospitals except the following:
  - ✓ Need not meet hospital standards for hours or days of operation, as long as it meets the requirement to provide 24-hour emergency care.
  - ✓ Services of a dietician, pharmacist, laboratory technician, medical technologist and radiological technologist may be furnished on a part-time, off-site basis.
  - ✓ Required inpatient care may be provided by a physician assistant or nurse practitioner, subject to the oversight of a physician who need not be present in the facility.

## Medicare Reimbursement

- The amount of payment for inpatient hospital services is the reasonable cost of the CAH in providing such services.
- The amount of payment for outpatient services is the reasonable cost of the CAH in providing such service plus (for those CAHs including professional services within outpatient CAH services) a fee-schedule payment (i.e., RB-RVS) for professional services.

<sup>a</sup> The Medicare Rural Hospital Flexibility Program allows critical access hospitals to operate skilled-nursing facilities and home health agencies as distinct part sub-providers. Assisted living facilities are not Medicare covered services, so the federal regulations make no mention of them. In Kansas, critical access hospitals are encouraged to integrate as many services locally as is practical.

SOURCE: BBA, 1997  
BBRA. 1999