

Related Change Request (CR) #: 3175
Related CR Release Date: April 23, 2004
Related CR Transmittal #: 144
Effective Date: October 1, 2004
Implementation Date: October 4, 2004

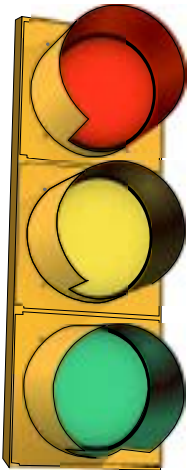
Medlearn Matters Number: MM3175

MMA – Critical Access Hospital Distinct Part Units

Provider Types Affected

Critical Access Hospitals (CAH)

Provider Action Needed



STOP – Impact to You

For the cost reporting periods beginning on or after October 1, 2004, CAHs may establish distinct part units (up to 10 beds) for psychiatric and rehabilitation use. This change in policy is driven by Section 405 of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003, PL 108-173.

CAUTION – What You Need to Know

To establish distinct part units for psychiatric and rehabilitation care, the facility must be certified as a CAH by CMS. The distinct part units must meet the conditions of participation for hospitals as well as any additional requirements that would apply if the unit was established in an acute care hospital. A maximum of 10 beds are allowed in the units; however, they are excluded from the 25 total bed count limit for CAHs. Please refer to the *Additional Information* section for payment methodology information.

GO – What You Need to Do

Please ensure that the criteria (mentioned in the *Caution* section) are met when establishing distinct part units for psychiatric and rehabilitation use.

Additional Information

Payment for services provided in the distinct part units will be made according to the same payment method used as if the unit was established in an acute care (non-CAH) hospital paid under the hospital inpatient prospective payment system (PPS). Inpatient Rehabilitation Facilities are paid under the Inpatient Rehabilitation Facility PPS. (Information on billing requirements can be found in the *Medicare Claims*

Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

Processing Manual, Pub. 100-04, Chapter 3, Section 140.) Inpatient Psychiatric Units are paid on a reasonable cost basis until a prospective payment system is created (projected for 2005).

The official instruction issued to your fiscal intermediary regarding this change may be found by going to:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

From that web page, look for CR 3175 in the CR NUM column on the right, and click on the file for that CR. Also, Chapter 3 of the *Claims Processing Manual* may be found at:

http://www.cms.hhs.gov/manuals/104_claims/clm104index.asp

Disclaimer

Medlearn Matters articles are prepared as a service to the public and are not intended to grant rights or impose obligations. Medlearn Matters articles may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.