



Related MLN Matters Article #: MM3399

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MMA – Further Information Related to CR 3175, Distinct Part Units of Critical Access Hospitals

Keywords

Distinct, Part Units, Psychiatric, Rehabilitation, CAH, Critical, Access, Hospital, CR 3175, CR3399, MM3399, IRF, Provider Number, Payment for Service, Provider, MMA

Provider Types Affected

Critical access hospitals

Key Points

- Effective date of this instruction is October 1, 2004.
- Medicare Modernization Act (MMA) of 2003, PL 108-173, Section 405(g), stated that CAHs may establish psychiatric and rehabilitation distinct part units effective for cost reporting periods beginning on or after October 1, 2004.
- CR 3175 (Transmittal 144, dated April 23, 2004, Subject: Distinct Part Units for Critical Access Hospitals) informed CAHs that they could establish psychiatric and rehabilitation distinct part units.
- CR 3175 also included the following requirements:
 - CAHs may establish psychiatric and rehabilitation distinct part units that must meet the conditions of participation requirement for hospitals;
 - Distinct part unit must also meet the requirements other than conditions of participation that would apply if the unit were established in an acute care hospital;
 - Services provided in these distinct part units will be paid under the payment methodology that would apply if the unit were established in an acute care (non-CAH) hospital paid under the hospital inpatient PPS;
 - Inpatient Rehabilitation Facilities (IRFs) are paid under the Inpatient Rehabilitation Facility PPS (see Pub 100-04, Chapter 3, section 140 for billing requirements) and Inpatient Psychiatric Units are paid on a reasonable cost basis until a prospective payment system is created (expected in 2005);
- Beds in these distinct part units are excluded from the 25 total bed count limit for CAHs. The bed limitation for each distinct part unit is 10; and

- If a distinct part unit does not meet applicable requirements with respect to a cost reporting period, no payment may be made to the CAH for services furnished in the unit during that period. Payment may resume only after the CAH has demonstrated that the unit meets applicable requirements.
- Related MLN Matters article and CR 3175 can be viewed by going to:
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3175.pdf> and
<http://www.cms.hhs.gov/transmittals/downloads/R144CP.pdf>
- This instruction, CR 3399 addresses new provider numbers and how payment should be made to established psychiatric and rehabilitation distinct part units as follows:
 - IRFs located in a CAH will be paid under the Inpatient Rehabilitation Facility PPS (see Pub 100.4, Chapter 3, Section 140 for billing requirements) and will be identified by provider number xx-Rxxx.
 - Inpatient psychiatric units located in a CAH will be paid on a reasonable cost basis until the inpatient psychiatric facility prospective payment system is created (expected in 2005). These units are identified by provider number xx-Mxxx.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3399.pdf>

<http://www.cms.hhs.gov/transmittals/downloads/R276CP.pdf>