

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



**News Flash** – The revised publication titled “Medicare Disproportionate Share Hospital” (revised March 2011), is now available in downloadable format at [http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Disproportionate\\_Share\\_Hospital.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Disproportionate_Share_Hospital.pdf) on the Centers for Medicare & Medicaid Services website. This fact sheet is designed to provide education on Medicare Disproportionate Share Hospitals (DSH) including background; methods to qualify for the Medicare DSH adjustment; Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and Deficit Reduction Act of 2005 provisions that impact Medicare DSHs; number of beds in hospital determination; and Medicare DSH hospital payment adjustment formulas.

MLN Matters® Number: MM7379

Related Change Request (CR) #: 7379

Related CR Release Date: May 20, 2011

Effective Date: December 2, 2010

Related CR Transmittal #: R2222CP

Implementation Date: October 3, 2011

## Pass-through Payment for Certified Registered Nurse Anesthetist Services

Note: This article was updated on August 20, 2012, to reflect current Web addresses. All other content remains the same.

### Provider Types Affected

This article is for Critical Access Hospitals (CAHs), rural hospitals, and hospitals reclassified as rural submitting claims to Medicare contractors (Fiscal Intermediaries (FIs), and/or A/B Medicare Administrative Contractors (A/B MACs)) for Certified Registered Nurse Anesthetist services (CRNA) services provided to Medicare beneficiaries.

### What You Need to Know

In the FY 2011 Inpatient Prospective Payment System (IPPS) final rule, the Centers for Medicare & Medicaid Services (CMS) amended the location requirements for

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CAHs and rural hospitals to be eligible for CRNA pass-through payments by changing the regulations to state that effective with cost reporting periods beginning on or after October 1, 2011, in addition to CAHs and hospitals geographically located in a rural area, if a hospital has reclassified as rural, either under the IPPS or to become a CAH, under the regulations at 42 Code of Federal Regulations (CFR) 412.103, it is also eligible to receive CRNA pass-through payments.

In the CY 2011 Outpatient PPS rule, the effective date of the CRNA policy change regarding location requirements was changed to December 2, 2010. CR7379 alerts Medicare Contractors that effective December 2, 2010, in addition to hospitals and CAHs geographically located in rural areas, hospitals that have reclassified as rural, either under the IPPS or to become CAHs, under the regulations at 42 CFR 412.103 are also eligible to be paid based on reasonable cost.

## Background

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Certain hospitals and critical access hospitals (CAHs) are eligible to be paid based on reasonable cost for CRNA services if they meet the requirements outlined at 42 CFR 412.113(c). Prior to a change in policy regarding location requirements made in the fiscal year (FY) 2011 Inpatient Prospective Payment System (IPPS) final rule, hospitals and CAHs were required to be geographically located in rural areas in order to be eligible for CRNA pass-through payments.

**Note: Medicare contractors will not search and adjust claims processed prior to implementation of this change. However, they will adjust such claims that you bring to their attention.**

## Additional Information

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The official instruction, CR 7379 issued to your FI and/or A/B MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2222CP.pdf> on the CMS website.

If you have any questions, please contact your FI and/or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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