



# CAH BOOM

Information Alert

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- Reimbursement Strategies
- Appropriate Allocations
- Revenue Capture
- Specialized Analysis

## Thoughts for the month...

What does the stimulus package mean to all of us? Medicare incentive payments of \$1.5 million to each CAH that meaningfully adopts a HIT system. In addition, you will still be able to depreciate the cost of the HIT system on your cost report.

**Reminder...** for those of you with June 30 year-ends, Method II renewals are due to your Fiscal Intermediary by May 31<sup>st</sup>.

## Current Regulation topic – ER Availability

PRM 15-1 §2109.3 Emergency Department Physician Availability Services

CAH conditions of participation require 24/7 coverage of the Emergency Department. In many cases, this requires you to guarantee a certain level of income for those physicians. As a CAH, Medicare will allow a portion of this guarantee as it relates to costs associated with the time your ER physicians are waiting for patients. The regulations require 7 documentation items. The main item needed is documentation of your efforts to obtain fee-for-service coverage for your ER prior to entering into a compensation arrangement for availability.

## Strategy of the month

### Building Projects

Looking at a major renovation project at your facility...consider the following:

- What areas of the hospital are impacted? Consider incorporating as part of your project, expenditures in the *routine* areas. Enhance your patient care through new facilities, equipment, and resources. Expenditures in your higher Medicare utilization areas will allow more reimbursement impact for your project.
- *Asset Re-Lifing* for Medicare – Estimated useful life of an asset is the expected useful life to you the provider, not necessarily the physical life of the asset. There may be opportunities to re-life your assets and impact your Medicare reimbursement.
- *Componentize* your building projects – this allows allocation of the new building costs directly to the areas impacted by the project.



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## Helpful Links

A recommendation from one of our readers was to pass along any educational opportunities related to CAHs. Below are 3 possible resources for you to check often:

National Rural Health Association (NRHA) has many helpful conferences and links related to rural health issues for CAHs. The NRHA holds an annual CAH conference in the fall each year. <http://www.ruralhealthweb.org>

Your State Rural Health Association is another great place for information and education opportunities. <http://www.ruralcenter.org/tasc/statecontact.php>

Many HFMA chapters offer CAH educational opportunities; use the following link to search the various chapters: [http://www.hfma.org/site/chapter\\_resources/findachapter.cfm](http://www.hfma.org/site/chapter_resources/findachapter.cfm).