



CAH BOOM

Information Alert

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VOLUME 1, NUMBER 1

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- Revenue Capture
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Thoughts for the month...

Critical Access Hospital status – what does it really mean to your facility? All of you have a minimum of 2 years under your financial belts as a CAH (last CAH qualified end of 2006) - has it been what you expected? Are you using this special status to your advantage? In these emails, we will share thoughts and ideas about current regulation application and how to apply it to your facility.

Reminder... for those of you with a 1/1/09 fiscal year begin who bill Method II billing – remember to file your renewal attestation with your Fiscal Intermediary by 11/30/2008!

Great News!!! HR 6331 passed and with that has a long awaited change for CAH's. Included in this bill - all CAH labs (regardless of where drawn) will be reimbursed at cost – effective 7/1/2009.

Current Regulation topic

PRRB appeal changes. Effective **August 21st** – the PRRB issued new regulations in an attempt to reduce the backlog of cases and make the process more efficient. In reality, this rule adds a tremendous amount of work and planning to their appeal process. Here a some specifics of the new rule:

- **4 month delay in Preliminary Position Paper due dates** – For position papers due September 1, 2008 or after your due dates are extended by 4 months. This allows providers time to submit a Proposed Joint Scheduling Order. This form allows provider and fiscal intermediary to agree on all prehearing and hearing dates and must be signed by both parties.
- **Suspension of Final Position Paper due dates** – PRRB board will be resetting these due dates
- **Adding issues to an existing appeal** – the PRRB tightened up this process by limiting the time you have to add an issue. You only have 60 days after the expiration of the 180 days (appeal due date) from the NPR to add issues or October 20, 2008 for your existing appeals. Retain proof of delivery.
- **Self-disallowance** – if there is an item you are unsure whether to include in your cost report at filing time due to lack of documentation (ie: Bad Debt) or other reasons and in the past have appealed the issue – you no longer can appeal. Beginning with FYB 1/1/09 you must include these items as protested on the cost report to be considered for appeal in the future. The protested procedures can be found in the Reimbursement Manual Part II, Section 115.

- **Appeal documentation** – the PRRB now has the right to dismiss with prejudice if **ALL** of the content criteria is not met. Make sure your documentation includes the issue clearly stated, the regulation that applies to your position, copy of the audit adjustment in question, and a calculation of the Medicare impact.
- **APPEAL due date** – your appeal must be **RECEIVED** within 180 days from the NPR date. The date of delivery by a nationally recognized courier will be the received date.

Strategy of the month

Service Line Profitability

Your CAH status affords you special opportunities to support services which may not be financially viable with other Medicare payment mechanisms. This status may also allow you to be paid and expand services where there are not large volumes in your community.

The Medicare cost reporting process can provide the basis for analysis to determine the financial impact of these decisions. It can also give you the real financial impact on Medicare payments by modeling changes in utilization, revenue and your cost structure.

To fully align your strategic initiatives with financial viability, a periodic assessment of service lines is required. The important components of this analysis are:

- In-take process
- Service performed
- Chart documentation
- System entry
- Pricing
- Billing
- Payment

Remember, higher volumes of non-profitable business may serve the community BUT not support the long term viability of the hospital. The additional costs of certain services may outweigh this marginal revenue.

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Helpful Links

New PRRB Appeal regulations & rules

<http://www.regulations.gov/fdmspublic/component/main?main=DocumentDetail&o=09000064805faabb>

<http://www.cms.hhs.gov/PRRBReview/Downloads/PRRBRules2008.pdf>