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RURAL SPECIAL BULLETIN

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PHYSICIAN CERTIFICATION REQUIREMENTS FOR CAHS

In the fiscal year 2014 hospital inpatient prospective payment system (PPS) final rule, the Centers for Medicare & Medicaid Services (CMS) finalized several new policies related to inpatient admission and review criteria, including physician certification and admission order requirements. On Sept. 5, CMS issued [guidance](#) further clarifying these new physician certification and order requirements for inpatient admissions. In that guidance, CMS stated that, as a condition of payment, physicians at critical access hospitals (CAHs) must certify that a beneficiary may reasonably be expected to be discharged or transferred to a hospital within 96 hours after admission to the CAH.

In response to questions from the field, on Nov. 13, CMS held a Special Open Door Forum on rural health issues and discussed this requirement for CAHs. Below is a discussion of this condition of payment, a related condition of participation, the three scenarios the agency reviewed during the Special Open Door Forum and the content and methodology for meeting the new physician certification and order requirements.

Condition of Payment

CMS's guidance sets forth the following condition of payment for inpatient CAH services: ***The physician must certify that the beneficiary may reasonably be expected to be discharged or transferred to a hospital within 96 hours after admission to the CAH.*** In other words, CAHs must meet this condition in order to be paid for a specific claim under Medicare Part A. Although CMS has not previously enforced this requirement, it is not a new requirement for CAHs. This statutory requirement was originally set forth in October 1997 and is included in the *Social Security Act* at 42 USC 1395f. It also is located in the regulations at 42 CFR 424.15(a). **Because this condition of payment is statutory, CMS does not have the authority to change it, and legislation would be required in order for it to be modified or removed.**

Condition of Participation

The above condition of payment is separate and distinct from the existing condition of participation related to length of stay for CAHs, which states: ***The CAH provides acute inpatient care for a period that does not exceed, on an annual average basis, 96 hours per patient.*** In other words, CAHs must have an annual average length of stay of 96 hours or less in order to maintain their

CAH certification. This statutory requirement, as it currently exists, was set forth in 1999 and is included in the *Social Security Act* at 42 USC 1395i-4. It also is located in the regulations at 42 CFR 485.620.

Application

During the Special Open Door Forum, CMS reviewed these requirements and provided three scenarios regarding the application of both these conditions.

These are as follows:

1. The physician certifies the reasonable expectation that the beneficiary will be discharged or transferred within 96 hours after admission and the beneficiary is actually discharged or transferred within 96 hours. Payment under Medicare Part A would be appropriate under this scenario.
2. The physician certifies the reasonable expectation that the beneficiary will be discharged or transferred within 96 hours after admission. However, in this scenario, something unforeseen occurs and the beneficiary stays longer than 96 hours. In this scenario, because there is documentation of the reasonable expectation of a discharge or transfer within 96 hours, payment under Medicare Part A would be appropriate provided the CAH also meets the 96-hour annual average length of stay condition of participation.
3. The physician cannot certify the reasonable expectation that the beneficiary will be discharged or transferred within 96 hours. Payment under Medicare Part A would not be appropriate under this scenario.

Content & Methodology for Meeting the Physician Certification

CMS's guidance also sets forth the content and methodology for meeting the initial physician certification. The physician certification requirements must be met for inpatient services. Table 1 on the next page summarizes each of CMS's content requirements and how those requirements may be satisfied in the medical record in the absence of a specific certification form or certification statement. This information was provided in Sections 1 and 5 of CMS's Sept. 5 guidance.

CMS also indicates it will continue to update its [website](#) with additional information and issue an updated Frequently Asked Questions document to further address this physician certification requirement for CAHs.

If you have further questions, contact Priya Bathija, senior associate director of policy, at (202) 626-2678 or pbathija@aha.org.

Table 1

	Content Requirement	Satisfaction of Requirement
1	Authentication of the order The physician certifies that the inpatient services were ordered in accordance with the Medicare regulations governing the order. This includes certification that hospital inpatient services are reasonable and necessary and in the case of services not specified as inpatient-only under 42 CFR 419.22(n), that they are appropriately provided as inpatient services in accordance with the 2-midnight benchmark under 42 CFR 412.3(e).	Will be satisfied by the signature or countersignature of the inpatient admission order by the certifying physician.
2.	Reason for inpatient services The reasons for either hospitalization of the patient for inpatient medical treatment or medically required inpatient diagnostic study; or special or unusual services for cost outlier cases under the inpatient PPS.	May be satisfied by either the diagnosis and plan documented in the inpatient admission assessment or by the inpatient admitting diagnosis and orders.
3.	The estimated time the beneficiary requires or required in the hospital	Will be satisfied by the inpatient admission order written in accordance with the two-midnight benchmark, supplemented by the physician notes and discharge planning instructions.
4.	The plans for post-hospital care, if appropriate	May be satisfied by either physician notes or by discharge planning instructions.
5.	For inpatient CAH services, certification that the beneficiary may reasonably be expected to be discharged or transferred to a hospital within 96 hours after admission to the CAH	The CAH 96-hour expectation requirement will be satisfied by either physician notes or by actual discharge within 96 hours.

AHA's adaption of the requirements set forth in Sections 1 and 5 of CMS's Sept. 5 guidance, "Hospital Inpatient Admission Order and Certification."