

Part A Method II Overview for CAHs

A Critical Access Hospital (CAH) must inform the Medicare Administrative Contractor (MAC) in writing, on an annual basis, of its election of payment methodology at least 30 days in advance of the beginning of the affected cost reporting period. If the CAH wishes to make a new election or change a previous election, that election should be made in writing on an annual basis and delivered to the appropriate MAC 30 days in advance of the beginning of the affected cost reporting period. If the CAH makes no election, it will be paid as outpatient services under Method I. An election of the payment method remains in effect for all of that period for the CAH.

Submission of Letter

CAHs wishing to make a new election or change a previous election should notify TrailBlazerSM in writing at the addresses listed below:

Mailing Address

TrailBlazer Health Enterprises, LLC
Medicare Part A
Home Office Team Director
Provider Audit and Reimbursement
P.O. Box 660263
Dallas, TX 75266-0263

Physical Address

TrailBlazer Health Enterprises, LLC
Medicare Part A
Home Office Team Director
Provider Audit and Reimbursement
8330 LBJ Freeway, Executive Center III
Dallas, TX 75243-1213

Individual Practitioners

The individual practitioner must certify that he is reassigning his billing rights to that CAH. The reassignment will remain in effect for that entire cost reporting period.

The individual practitioner must certify, using the CMS-855R form, if he wishes to reassign his billing rights. The CAH must then forward a copy of the 855R to the MAC. The practitioner must sign an attestation that clearly states that the practitioner will not bill the MAC for any services rendered at the CAH once the reassignment has been given to the CAH. This attestation will remain at the CAH.

Calculations for Method II

Under Method II a CAH will receive payment from its MAC for professional services furnished in that CAH's outpatient department

The MAC will use the Medicare Physician Fee Schedule (MPFS) supplementary file established for use by Comprehensive Outpatient Rehabilitation Facilities (CORFs) to pay the physician/professional services rendered in a CAH that elected the all-inclusive method.

The MAC will pay 115 percent of whatever Medicare would pay on the physician fee schedule.

For a non-participating physician service, a CAH must place modifier AK on the claim. The MAC should pay 95 percent of the payment amount for non-participating physician services.

Non-physician practitioners will be paid 115 percent of the allowable amount under the physician fee schedule.

If a non-physician practitioner renders a service, one of the following modifiers must be on the applicable lines:

- GF – Services rendered in a CAH by a nurse practitioner, clinical nurse specialist, certified registered nurse or physician assistant.
- SB – Services rendered in a CAH by a nurse midwife.
- AH – Services rendered in a CAH by a clinical psychologist.
- AE – Services rendered in a CAH by a nutrition professional/registered dietitian.

For facility services rendered to outpatients, the MAC will pay the amount equal to the lesser of 80 percent of 101 percent of the reasonable costs, or 101 percent of the outpatient services less applicable Part B deductibles and coinsurance.