

Critical Access Hospitals

Good morning Chairwoman Haines and members of the Health Policy Committee, I am John Barnas, Executive Director of the Michigan Center for Rural Health. I am here in support of House Bills 4441-4443 on behalf of Critical Access Hospitals in Michigan. Thank you for allowing me to provide background information about Critical Access Hospitals.

History of the Program

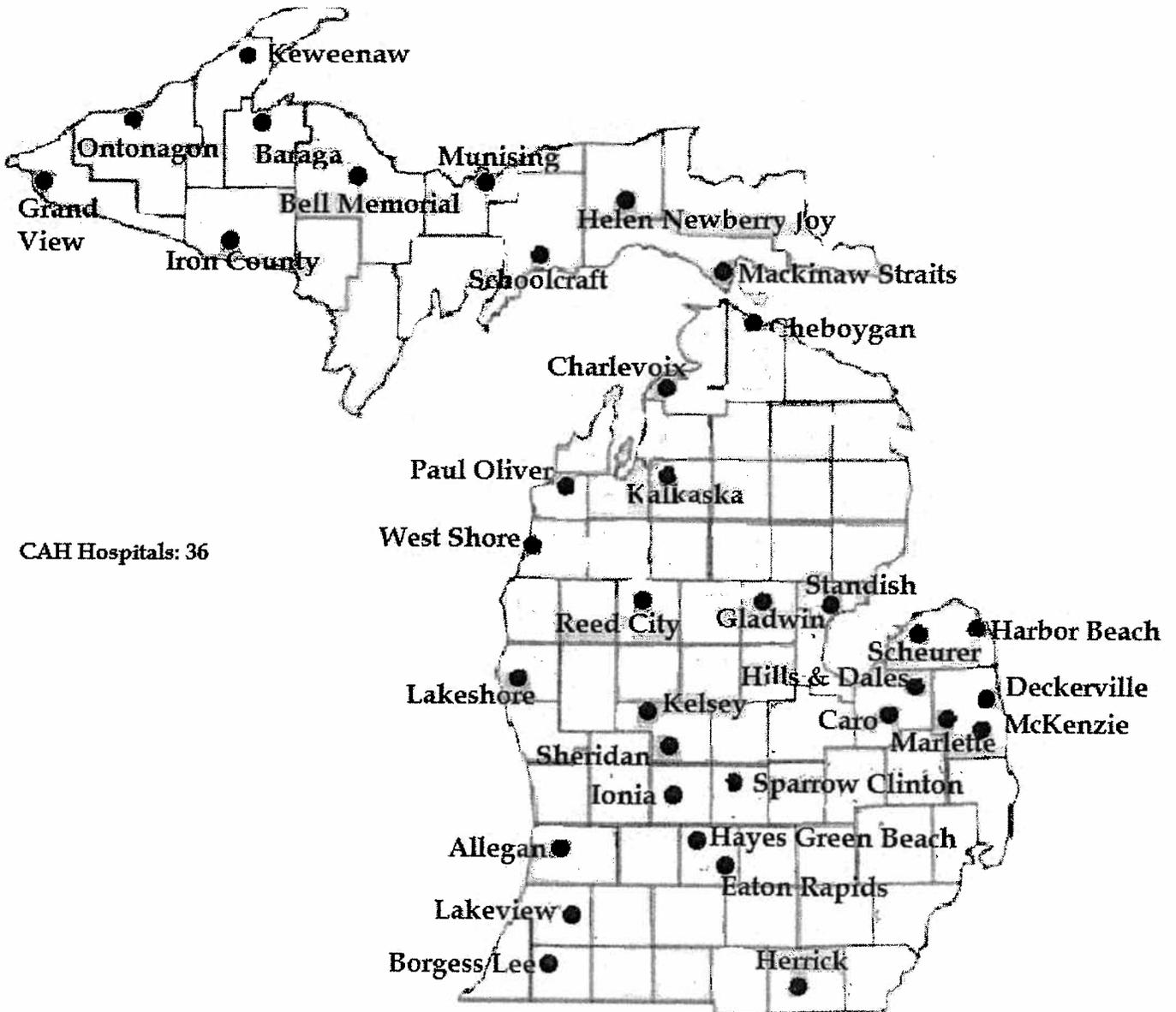
The Medicare Rural Hospital Flexibility Program (Flex Program), created by Congress in 1997, allows small rural hospitals to be licensed as Critical Access Hospitals (CAHs) and offers grants to States to help implement initiatives to strengthen the rural health infrastructure.

Here are the eligibility requirements: the hospital is in a rural area, be more than 35-miles (or 15-miles of secondary road) from another hospital, agrees to reduce their bed number to no more than 25 beds, keep a patient on average no more than 96 hours, and sign a network agreement with a non-CAH. If the hospital is able to meet these requirements they are reimbursed by Medicare on a 101% reasonable cost basis for inpatient services, outpatient services and swing bed services.

What is a Critical Access Hospital?

Extent of the program	It's in 47 states
Length of hospital stay for a patient	96 hour average
Number of beds allowed	25 beds
Services	<ul style="list-style-type: none">• Inpatient care• Emergency Care• Lab• Radiology
Network Agreement	<ul style="list-style-type: none">• Network = at least 1 CAH and 1 non-CAH• Agreement includes referral & transfer, credentialing, and quality assurance
Medicare payment	101% of reasonable costs for inpatient and outpatient services and swing beds

Michigan has 36 Critical Access Hospitals; with 10 in the Upper Peninsula and 26 in the Lower Peninsula.



The Importance of a Critical Access Hospital

Critical Access Hospitals throughout rural Michigan serve vital medical and economic purposes. In addition to providing a broad range of primary and emergency care and community services to medically vulnerable populations particularly the elderly; CAHs are major contributors to the local economic base. Often they are the community's largest employer. Additionally, all of Michigan's CAHs are non-profit organizations that have a chief executive officer and a local community board of directors. They are community driven organizations and their services are based on the needs of their communities. They are considered a Safety Net Provider by the federal government and the Michigan Department of Community Health. It is their mission to provide care regardless of insurance payer type or lack of insurance.

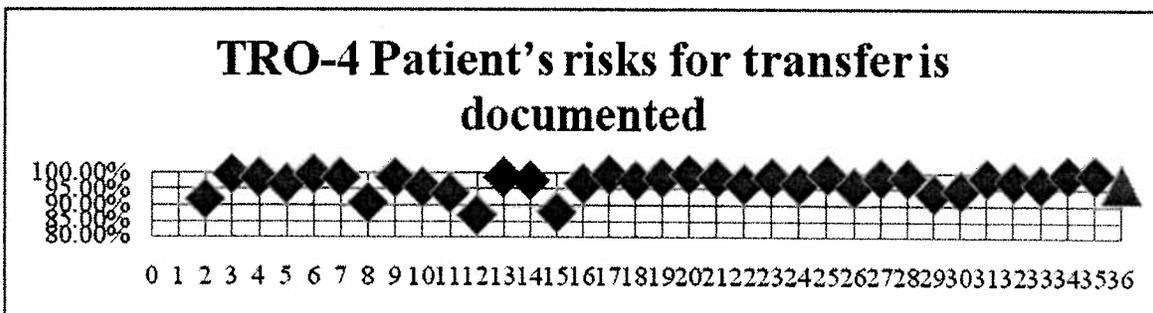
Michigan's Critical Access Hospitals are nationally recognized for the quality of care they provide to their communities. All 36 Critical Access Hospitals are members of the MICAHA Quality Network. The MICAHA meets on a quarterly basis with the annual meeting held in conjunction with the Annual CAH Conference. Each meeting has a structured agenda with learning sessions using best practices. Some of these include:

- ❖ MISTAAR re-admission project
- ❖ EKG timing in the emergency department
- ❖ Transition of care – heart failure
- ❖ Dash board project using core measures
- ❖ Pay-4-performance program 2011

This information is then taken back to the CAHs and communicated to the medical directors and health care providers. Members also distribute this information via the MICAHA listserv and the Quarterly MICAHA Newsletter.

Here is an example of a dashboard project:

Emergency Department Transfers



Group Rate: 97.4%
Min Rate: 78%
Max Rate: 100%
Group Median: 98%

Total Patients: 12,147
Min Patients: 88
Max Patients 861
Group Median: 350

Critical Access Hospitals play an important role in providing health services in rural communities. They are expanding services that positively impact their communities. This is accomplished through hospital involvement and leadership in:

- Identifying unmet community needs through a process of information gathering and action planning.
- Addressing unmet community needs by developing services needed by the community.
- Prevention and health promotion activities.
- Building a Continuum of Care by developing services and links with local clinical and community health organizations.
- Building Community Health Systems Capacity through partnerships to develop a service mix in meeting the needs of the community and its vulnerable population.

In consultation with their physician, patients and their families residing in rural communities should have access to all choices of quality health care. The swing bed program is one of many services provided by a Critical Access Hospital to the local community. It allows for the patients continuum of care to proceed within the hospital. Moving a patient to an available nursing home bed that may be up to 50 miles from their residence may disrupt the continuum of care and is surely a hardship to the family; it is a travel burden.

I have been with the Flex program since its beginning in 1997. I can vividly remember 1999 when Paul Oliver Memorial Hospital converted to CAH status as well as when Cheboygan Memorial Hospital converted in 2010. I have seen all 36 hospitals convert to CAH status. I know these communities, the CEOs, the CFOs, and the Quality Managers. They are the most dedicated group of health care providers and administrators you will meet. I encourage the passage of this proposed legislation.

Thank you for the opportunity to present the Critical Access Hospital program to you.