DHHS FY 16/17 Budget Initiative: Critical Access Hospital Reimbursement

Currently, MaineCare reimburses Critical Access Hospitals at 109% of allowable costs.

- **Maine has the highest rate of reimbursement in the nation.** Most states, along with Medicare, reimburse Critical Access Hospitals at 101% of cost or lower.
- Critical Access Hospitals share in $4 million of Supplemental Pool Funding.
- Critical Access Hospitals are allowed to claim taxes paid as an allowable expense to Medicare.

**Initiative**

This initiative achieves savings by aligning reimbursement rates for Critical Access Hospitals with Medicare and most other states rates by decreasing the rate from 109% to 101% of cost.

**Savings**

<table>
<thead>
<tr>
<th>Year</th>
<th>State</th>
<th>Federal</th>
<th>Total</th>
</tr>
</thead>
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<td>SFY 16</td>
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<td>$(4,252,481)</td>
<td>$(6,807,237)</td>
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</tbody>
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**Background**

Maine currently has 16 Critical Access Hospitals:

- Blue Hill Memorial Hospital
- Bridgton Hospital
- Calais Regional Hospital
- Charles A. Dean Memorial Hospital
- Down East Community Hospital
- Houlton Regional Hospital
- Mayo Regional Hospital
- Millinocket Regional Hospital
- Mount Desert Island Hospital
- Penobscot Valley Hospital
- Redington-Fairview General Hospital
- Rumford Community Hospital
- Lincoln Health
- Sebasticook Valley Health
- Stephen’s Memorial Hospital
- Waldo County General Hospital

To qualify as a Critical Access Hospital, the hospital must meet the following criteria:

- Furnish 24-hour emergency care services 7 days a week, using either on-site or on-call staff;
- Provide no more than 25 inpatient beds that can be used for either inpatient or swing bed services; however, it may also operate a distinct part rehabilitation or psychiatric unit, each with up to 10 beds;
- Have an average annual length of stay of 96 hours or less per patient for acute care (excluding swing bed services and beds that are within distinct part units); and
- Be located either more than a 35-mile drive from the nearest hospital or Critical Access Hospital or more than a 15-mile drive in areas with mountainous terrain.