

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

Year	State	Federal	Total
SFY 16	\$(2,554,756)	\$(4,252,481)	\$(6,807,237)
SFY 17	\$(2,541,142)	\$(4,266,095)	\$(6,807,237)

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.