

# GAO Highlights

Highlights of [GAO-23-105950](#), a report to congressional committees

## Why GAO Did This Study

As of March 2023, there were 1,365 CAHs nationwide, according to officials from the Centers for Medicare & Medicaid Services. Medicare FFS pays CAHs based on their costs for most services, which may be greater than predetermined fixed amounts that other hospitals are paid. However, services provided in psychiatric units are not paid based on costs and are instead paid through Medicare's prospective payment system. This has led to questions about whether Medicare payment policies make it difficult for CAHs to meet Medicare beneficiaries' behavioral health needs.

House Report 116-450 includes a provision for GAO to review the behavioral health services provided by CAHs. This report describes (1) how selected CAHs provide behavioral health services and (2) selected CAHs' and stakeholders' views on how Medicare FFS payment policies and other factors affect CAHs' ability to provide these services.

GAO interviewed officials from 10 CAHs selected to reflect variation in geography and the settings in which they offer behavioral health services. GAO also interviewed stakeholders from six organizations that advocate for, or conduct research on, CAHs or rural hospitals, as well as officials from the Centers for Medicare & Medicaid Services. In addition, GAO reviewed federal laws, regulations, and agency policy documents.

View [GAO-23-105950](#). For more information, contact Michelle B. Rosenberg at (202) 512-7114 or [RosenbergM@gao.gov](mailto:RosenbergM@gao.gov)

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## CRITICAL ACCESS HOSPITALS

### Views on How Medicare Payment and Other Factors Affect Behavioral Health Services

#### What GAO Found

Critical access hospitals (CAH) are small rural hospitals, which are often the principal or sole source of health care services in their communities. Officials from the 10 selected CAHs GAO interviewed said they provided behavioral health services in a variety of ways in different settings.

- **Emergency department.** The CAHs provided limited behavioral health services in their emergency department to stabilize patients in crises. Officials from multiple CAHs said staff coordinate with behavioral health practitioners, when necessary, to obtain recommendations for treatment.
- **Inpatient settings.** The CAHs typically transferred patients who needed inpatient psychiatric care to other facilities or admitted the patients to their psychiatric unit. Officials from CAHs with such units said they typically treated patients with anxiety, depression, or neurocognitive disorders.
- **Outpatient settings.** Officials from CAHs that operated behavioral health clinics said they were staffed by psychiatrists. Multiple CAHs also had licensed clinical social workers at their primary care or rural health clinics—clinics in rural areas that have a shortage of health professionals.

Unlike other hospitals, under Medicare fee-for-service (FFS), CAHs are paid based on the cost of providing services in most, but not all, care settings. Officials from the selected CAHs expressed mixed views on how Medicare FFS payment policies affect CAHs' ability to provide behavioral health services in various care settings that are not paid solely based on cost.

- **Psychiatric units.** Officials from multiple CAHs said they were able to operate a psychiatric unit in a financially sustainable manner, even though Medicare pays for services in these units based on fixed amounts rather than costs. However, officials from other CAHs cited the lack of cost-based Medicare payments for psychiatric units as one of several factors that influenced their decision not to open a unit.
- **Rural health clinics.** Officials from multiple CAHs said Medicare payment limits implemented in 2021 could make it difficult to open a new clinic that provides behavioral health services or add such services to existing clinics. Officials from other CAHs were unsure whether the payment limits would affect their provision of behavioral health services.
- **Telehealth.** Officials from multiple CAHs said Medicare pays less for telehealth visits than a comparable in-person visit, which they said could make it difficult to provide behavioral health services.

In contrast, officials from multiple CAHs and stakeholders said that factors outside of Medicare were substantial challenges to their ability to provide behavioral health services and patients' (including Medicare patients') access to these services. Hiring and recruitment of behavioral health professionals, such as psychiatrists and licensed clinical social workers, was cited as one of their biggest challenges due to nationwide workforce shortages. In addition, they said shortages of inpatient psychiatric beds made it difficult to find inpatient treatment for their patients. As a result, patients were sometimes stuck in an emergency department for several days waiting to be transferred to an open psychiatric bed elsewhere in their community or state, according to CAH officials.