

During the past several years the existence of the Medicare Dependent Hospital (MDH) status has been up in the air several times. The additional payment that MDH hospitals are eligible for can be a big boost to a hospital's bottom line. Unfortunately, time may be running out on this valuable classification. There have been several extensions to the program, the most recent extending it until March 31, 2015, but it remains a possibility that at some point the program will expire.

In advance of this possibility hospitals currently classified as MDHs, or considering applying for the classification should revisit the criteria for qualification as a Sole Community Hospital. In addition to being a permanent program, the SCH also offers a higher potential reimbursement than the MDH program. SCHs either the payment under their hospital specific rate or the federal IPPS rate, whichever is higher. An MDH receives the federal IPPS rate plus 75% of the difference between that rate and their hospital specific rate in the event that their rate is higher. In addition, there may be a payment advantage for outpatient services.

The Rybar Group is prepared to help providers apply for classification as an SCH. A hospital qualifies as an SCH if it is located more than 35 miles from the nearest like hospital, or it is located in a rural area and meets one of the following conditions.

1. The hospital is located between 25 and 35 miles from other like hospitals and meets one of the following criteria:
 - No more than 25 percent of residents who become hospital inpatients or no more than 25 percent of the Medicare beneficiaries who become hospital inpatients in the hospital's service area are admitted to other like hospitals located within a 35-mile radius of the hospital, or, if larger, within its service area;
 - The hospital has fewer than 50 beds and the intermediary certifies that the hospital would have met the criteria in paragraph (a)(1)(i) of this section were it not for the fact that some beneficiaries or residents were forced to seek care outside the service area due to the unavailability of necessary specialty services at the community hospital; or
 - Because of local topography or periods of prolonged severe weather conditions, the other like hospitals are inaccessible for at least 30 days in each 2 out of 3 years.
2. The hospital is located between 15 and 25 miles from other like hospitals but because of local topography or periods of prolonged severe weather conditions, the other like hospitals are inaccessible for at least 30 days in each 2 out of 3 years.
3. Because of distance, posted speed limits, and predictable weather conditions, the travel time between the hospital and the nearest like hospital is at least 45 minutes.

If your hospital has the chance to qualify under any of these criteria be sure to call the Rybar Group today. We can help you with the documentation required to make the request to CMS and help you start receiving additional reimbursement.

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