

Medicare Dependent Hospital and Low Volume Payment Adjustment Opportunities

On April 16, 2015 President Barack Obama signed into law the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). Title II of the bill includes extension of two programs of particular interest to rural hospitals. MACRA extends the inpatient hospital payment adjustment for low-volume hospitals through October 1, 2017 and extends the Medicare Dependent Hospital (MDH) program for the same amount of time.

To be eligible for the low volume payment adjustment a hospital must have less than 1,600 Medicare discharges and be located more than 15 miles away from the nearest like hospital. Like hospitals do not include Critical Access Hospitals (CAH), and the distance must be supported. Google Maps or MapQuest are acceptable tools to verify the distance.

In the past, hospitals were required to notify their Medicare Administrative Contractor (MAC) in writing that they continued to meet the requirements. CMS has not yet issued instructions for hospitals to continue receiving the additional payments under the extension. It is the best course of action to contact your MAC confirming your hospital still meets the distance requirement, please contact the Rybar Group to help you capture the additional reimbursement.

The MDH program is available to rural hospitals that meet the following conditions:

- i. The hospital has 100 or fewer beds;
- ii. The hospital is not also classified as a sole community hospital (SCH);
- iii. At least 60 percent of the hospital's inpatient days or discharges were attributable to individuals receiving Medicare Part A benefits during the hospital's cost reporting period or periods.

MDH Providers receive either the federal DRG reimbursement or a Hospital Specific Payment based on their operating costs. This enhanced reimbursement has the potential to make a big difference to a rural hospital.

An approved MDH status remains in effect until one of the requirements above is no longer met. If your hospital is already participating there is nothing further to be done. If you are eligible and wish to have your hospital reclassified as an MDH a written request must be submitted to your MAC. The MAC makes its determination within 90 days from the date it receives all information, and if the hospital qualifies the designation is effective 30 days from the date of notification.

It is important to note that the 90 day time limit restarts each time the MAC needs to request additional information. For this reason it is important to submit all required documentation the first time. The Rybar Group has experience making these requests and helping hospitals receive the enhanced reimbursement. Please contact us today if you have questions about the program.

For more information on the above or other services offered by The Rybar Group, please contact Steve Sprague at 810.853.6179 or via email at ssprague@theyrbargroup.com. We can help you with the documentation required to make the request to CMS and help you start receiving additional reimbursement.