

EXTEND OR MAKE PERMANENT EXPIRING MEDICARE RURAL PROVISIONS

On Sept. 30, 2017 several critical Medicare provisions to address the special challenges small and rural hospitals face will expire. Known as the rural Medicare “extenders,” these programs are of critical importance to hospitals and the patients and communities they serve.

The Medicare-dependent Hospital (MDH) Program pays hospitals in rural areas that serve a high percentage of Medicare beneficiaries for inpatient services using the sum of their prospective payment system (PPS) payment rate plus $\frac{3}{4}$ of the amount their cost per discharge exceeds the PPS rate. These payments provide Medicare dependent hospitals the necessary stability to serve their communities. The Rural Hospital Access Act of 2017 (H.R. 1955/S. 872) makes the MDH program permanent.

The Low-volume Adjustment is an add-on payment that, prior to the passage of the Affordable Care Act (ACA) was given to hospitals that have 1,600 Medicare discharges or less and are located at least 25 miles from another comparable hospital. This payment recognizes that patient volume can affect the cost of providing services in small and isolated communities where providers face challenges achieving economies of scale. Provisions of the ACA allowed more hospitals to qualify for the adjustment, which better accounts for the relationship between cost and volume and helps maintain access to care in rural areas. The Rural Hospital Access Act of 2017 (H.R. 1955/S. 872) makes the ACA-enhanced low-volume adjustment permanent.

Ambulance Add-on Payments helps ambulance providers in rural areas which face small patient volumes and long distances ensure access to ambulances for patients in rural areas. This payment is set to expire on Dec. 31, 2017. The Medicare Ambulance Access, Fraud Prevention, and Reform Act of 2017 (S. 967) permanently extends these add-on payments.

Outpatient Therapy Caps are annual, set payment limits for outpatient physical, occupational and speech therapy services per Medicare beneficiary. Current law allows for exceptions to these caps under certain circumstances, but that exception process is currently set to expire on Dec. 31, 2017. The Medicare Access to Rehabilitation Services Act of 2017 (S. 253/H.R. 807), would repeal outpatient rehabilitation therapy caps.

WE ASK CONGRESS TO:

- ▶ ***Extend relief to rural hospitals and make permanent the rural hospital “extenders,” including the Medicare-dependent hospital and low-volume payment adjustment programs before they expire.***