

DRAFT

Two programs that rural hospitals depend upon are set to expire at the end of this month (September 30, 2022) – the Medicare-Dependent Hospital (MDH) and the Low-Volume Hospital Program. Rural communities could lose their only options for health care if these programs are allowed to expire. [Health System] currently has [number of hospitals in the program] in [state], if these programs are allowed to expire, the hospitals stand to lose [\$\$\$] in fiscal year 2023 alone.

The MDH program was established decades ago to support small rural hospitals that serve a significant Medicare population by providing them a higher Medicare payment rate. Because these hospitals primarily serve Medicare beneficiaries, MDHs rely heavily on Medicare payment to sustain hospital operations.

Under the Low-Volume Hospital Program, or Low-volume Payment Adjustment, hospitals that have fewer than 3,800 total discharges and are located more than 15 road miles from the nearest hospital may receive a higher payment based on a sliding scale. This critical program provides an additional payment to qualifying hospitals for the higher costs associated with a low number of discharges and keeps the services closer to the patients' homes.

The Centers for Medicare and Medicaid Services estimate that a one-year extension of both programs would cost \$600 million. Congress has reauthorized these programs several times recognizing that if these hospitals were not financially viable and failed, many Medicare beneficiaries would lose access to hospital services in their communities. We urge you to extend both programs to maintain critical health care services in our rural communities.

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