



CITY OF ARKANSAS CITY, KANSAS

U.S. Senator Jerry Moran
521 Dirksen Senate Office Building
Washington, DC, 20510

Senator Moran,

The Medicare Low Volume Hospital (LVH) program provides enhanced payment to hospitals that do not qualify as critical access hospitals with low patient volumes and was created in 2003 under the Medicare Prescription Drug, Improvement and Modernization Act of 2003. Similarly, the Medicare Dependent, Small Rural Hospital (MDH) program was established in 1990 to provide additional financial support to small rural hospitals with a significant percentage of Medicare patients, recognizing the low reimbursement rates of the Medicare program.

The Bipartisan Budget Act of 2018 modified the Medicare LVH adjustment criteria to allow payment increases for hospitals that have less than 3,800 total discharges and are located more than fifteen road miles from another hospital (excluding critical access, psychiatric, rehabilitation, long-term care, cancer, research, and children's hospitals) for fiscal years 2019 – 2022. However, for fiscal year 2023 and subsequent fiscal years, the payment adjustment and qualifying criteria revert to the preexisting requirements – more than twenty-five road miles and less than two hundred total discharges. This will result in payment reductions of \$12.1 million annually for Kansas hospitals. South Central Kansas Regional Medical Center, a rural quasi-municipal entity established by the City pursuant to statute, in Arkansas City, Kansas received the **LVA which was a 25% add on payment to Medicare IP payments and was approximately \$537K for 2021**. The end of these funds moving forward will have a dramatic impact on viability to continue operations each year moving forward without some intervention.

The Act also extended the MDH program through 2022. If it is allowed to expire, it will result in losses of \$2.2 million annually for Kansas hospitals.

Respectfully,

Mayor Kanyon Gingher

Commissioner Charles Jennings

Commissioner Scott Rogers

Commissioner Diana Spielman

Commissioner Jay Warren

City Hall / 118 W. Central Avenue / Arkansas City, Kansas / 67005-0778
(620) 441-4414 / Fax (620) 441-4426 / rfrazier@arkansascityks.gov
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"The City of Arkansas City strives to provide a high quality of life for its citizens by furnishing a variety of efficient services in a professional, courteous manner."



CITY OF ARKANSAS CITY, KANSAS

U.S. Senator Roger Marshall
Russell Building, Suite 479A
Washington, DC, 20510-1607

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CITY OF ARKANSAS CITY, KANSAS

Congressman Ron Estes
2411 Rayburn HOB
Washington, DC, 20510

Congressman Estes,

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