



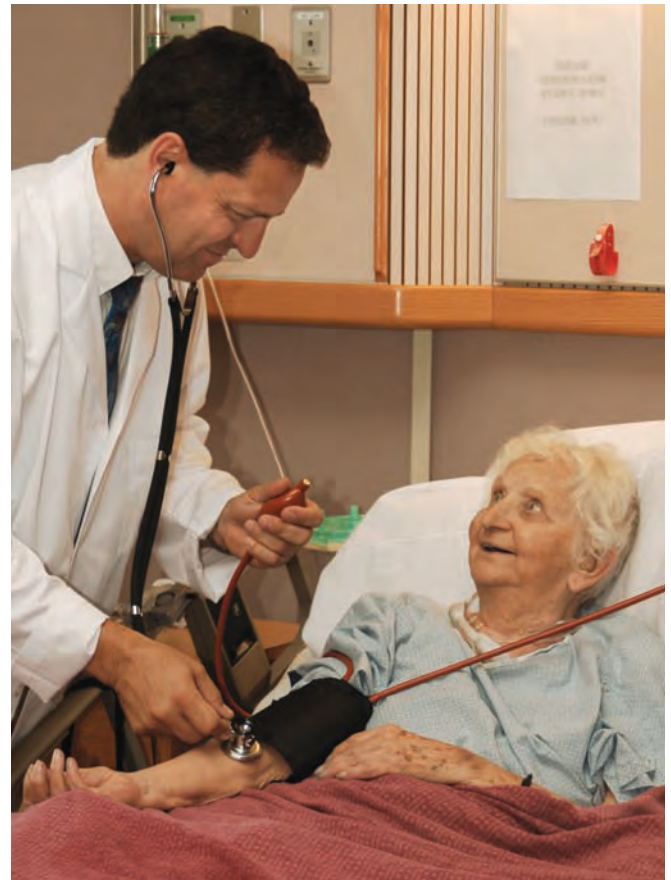
# Medicare Dependent Hospital



**F**OR COST REPORTING PERIODS BEGINNING ON OR AFTER **APRIL 1, 1990** and ending before October 1, 1994 or for discharges occurring on or after October 1, 1997 and ending before October 1, 2006, a Medicare Dependent Hospital (MDH) is a rural hospital that meets all of the following criteria:

- It has 100 or fewer beds during the cost reporting period;
- It is not also classified as a Sole Community Hospital; and
- At least 60 percent of its inpatient days or discharges were attributed to Medicare Part A beneficiaries during the hospital's cost reporting period or periods as follows:
  - For its cost reporting period ending on or after September 30, 1987 and before September 30, 1988;
  - For its cost reporting period beginning on or after October 1, 1986 and before October 1, 1987 (only if the hospital does not have a cost reporting period that meets the preceding requirement); or
  - For at least two of the last three most recent audited cost reporting periods for which there is a settled cost report.

If the cost reporting periods above are for less than 12 months, the hospital's most recent 12-month or longer cost reporting period before the short period is used.



## Medicare Dependent Hospital Payments

Payment for an MDH's inpatient operating costs are the sum of the Federal payment rate plus half of the amount that exceeds the Federal payment rate based on the highest hospital specific base year costs per discharge

for Medicare beneficiaries from 1982 or 1987, trended forward.

To find additional information about MDHs, see Chapter 3 of the **Medicare Claims Processing Manual** (Pub. 100-4) at <http://www.cms.hhs.gov/Manuals> on the Centers for Medicare & Medicaid Services website.



## HELPFUL WEBSITES

American Hospital Association Section for Small or Rural Hospitals

[http://www.aha.org/aha/key\\_issues/rural/index.html](http://www.aha.org/aha/key_issues/rural/index.html)

Critical Access Hospital Center

<http://www.cms.hhs.gov/center/cah.asp>

Federally Qualified Health Centers Center

<http://www.cms.hhs.gov/center/fqhc.asp>

Health Resources and Services Administration

<http://www.hrsa.gov>

Hospital Center

<http://www.cms.hhs.gov/center/hospital.asp>

HPSA/PSA (Physician Bonuses)

[http://www.cms.hhs.gov/hpsapsaphysicianbonuses/01\\_overview.asp](http://www.cms.hhs.gov/hpsapsaphysicianbonuses/01_overview.asp)

Medicare Learning Network

<http://www.cms.hhs.gov/MLNGenInfo>

National Association of Community Health Centers

<http://www.nachc.org>

National Association of Rural Health Clinics

<http://www.narhc.org>

National Rural Health Association

<http://www.nrharural.org>

Rural Health Center

<http://www.cms.hhs.gov/center/rural.asp>

Rural Assistance Center

<http://www.raconline.org>

Telehealth

<http://www.cms.hhs.gov/Telehealth>

U.S. Census Bureau

<http://www.Census.gov>

## REGIONAL OFFICE RURAL HEALTH COORDINATORS

Below is a list of contact information for CMS Regional Office Rural Health Coordinators who provide technical, policy, and operational assistance on rural health issues.

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The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare fee-for-service providers. For additional information visit the Medicare Learning Network's web page at <http://www.cms.hhs.gov/MLNGenInfo> on the CMS website.

### Medicare Contracting Reform (MCR) Update

In Section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) Congress mandated that the Secretary of the Department of Health and Human Services replace the current contracting authority under Title XVIII of the Social Security Act with the new Medicare Administrative Contractor (MAC) authority. This mandate is referred to as Medicare Contracting Reform. Medicare Contracting Reform is intended to improve Medicare's administrative services to beneficiaries and health care providers. All Medicare work performed by Fiscal Intermediaries and Carriers will be replaced by the new A/B MACs by 2011. Providers may access the most current MCR information to determine the impact of these changes and to view the list of current MACs for each jurisdiction at <http://www.cms.hhs.gov/MedicareContractingReform> on the CMS website.

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