



March 15, 2021

The Honorable Terri Sewell (D-AL)  
U.S. House of Representatives  
2201 Rayburn House Office Building  
Washington, DC 20515

The Honorable Tom Reed (R-NY)  
U.S. House of Representatives  
1203 Longworth House Office Building  
Washington, DC 20515

**Re: Support for Improved Reimbursement for SCHs, and MDHs**

Dear Representatives Sewell and Reed:

The Rural Hospital Coalition (RHC) applauds your efforts to improve access to health care in rural communities and strongly endorses the Rural Hospital Support Act (H.R.1887), legislation that would renew and extend the Medicare-dependent Hospital (MDH) and Low Volume Adjustment programs and would update antiquated Medicare reimbursement formulas for Sole Community Hospitals (SCHs) and MDHs.

Delivering high quality, cost-efficient care to vulnerable populations is a particular challenge for hospitals in rural areas, where communities face unique barriers to health care coverage and access. Patients in rural communities are more likely to face chronic or life-threatening illnesses, and rural hospitals often serve as their primary source of care. However, rural hospitals are increasingly facing negative operating margins, due to lower volumes and the complex care provided. The COVID-19 pandemic has added new operational challenges. This legislation would help alleviate some of these issues.

As you know, under current Medicare statute, hospitals with SCH and MDH status are paid for inpatient services furnished to Medicare beneficiaries the higher of the Inpatient Prospective Payment System rate or a hospital-specific rate, which is derived from hospital costs in one of four base years. The most recent base year available for MDHs and SCHs is 2002 and 2006, respectively. H.R.1887 would add 2016 as an available base year too.

Additionally, this bill would provide predictability and consistency to MDHs and low volume hospitals. Congress created these support mechanisms years ago, but only renews them for limited periods. The most recent reauthorization runs through October 1, 2022. H.R.1887 would make the MDH program and low-volume adjustment permanent.

The RHC is pleased to support the Rural Hospital Support Act and we look forward to working with you to achieve its passage.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Zimmerman". The signature is fluid and cursive, with the first name "Eric" being more prominent than the last name "Zimmerman".

Eric Zimmerman