



Minnesota Hospital Association

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September 23, 2022

The Honorable Amy Klobuchar
U.S. Senate
425 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Tina Smith
U.S. Senate
720 Hart Senate Office Building
Washington, DC 20510

The Honorable Angie Craig
U.S. House of Representatives
2442 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Emmer
U.S. House of Representatives
315 Cannon House Office Building
Washington, DC 20515

The Honorable Michelle Fischbach
U.S. House of Representatives
1237 Longworth House Office Building
Washington, DC 20515

The Honorable Betty McCollum
U.S. House of Representatives
2256 Rayburn House Office Building
Washington, DC 20515

The Honorable Ilhan Omar
U.S. House of Representatives
1730 Longworth House Office Building
Washington, DC 20515

The Honorable Dean Phillips
U.S. House of Representatives
2452 Rayburn House Office Building
Washington, DC 20515

The Honorable Pete Stauber
U.S. House of Representatives
461 Cannon House Office Building
Washington, DC 20515

The Honorable Brad Finstad
U.S. House of Representatives
1433 Longworth House Office Building
Washington, DC 20515

Subject: Extension of the Medicare Low Volume Adjustment Program

Dear members of the Minnesota congressional delegation,

On behalf of our rural member hospitals and health systems, the Minnesota Hospital Association (MHA) urges Congress to extend the Centers for Medicare and Medicaid Services' Low Volume Adjustment (LVA) program. This program provides critical support to hospitals in rural communities across Minnesota and is set to expire on Sept. 30, 2022.


Congress established the LVA program in 2005 to help isolated, rural hospitals with a low number of discharges. Currently under the enhanced program, eligible facilities must be more than 15 miles from another hospital paid under the Medicare Inpatient Prospective Payment System and have fewer than 3,800 annual total discharges. These LVA hospitals do not have the Critical Access Hospital (CAH) designation and receive a payment adjustment based on a sliding scale formula.

In Greater Minnesota, 20 hospitals qualify for the LVA program. If the program were to expire, those hospitals would lose a cumulative \$17 million annually. Rural hospitals are already facing unprecedented financial challenges due to labor shortages and inflationary pressures and

cannot afford to lose access to this vital financial support. According to data from the Minnesota Department of Health, non-CAH rural hospitals have the lowest net incomes, and rely on Medicare for 35.5% of their revenue.¹ If rural hospitals continue to struggle financially, they may reduce critical services or be at risk of closure.

MHA asks Congress to extend this important health care program to maintain access to high quality patient care for rural Minnesotans. We greatly appreciate your ongoing partnership to ensure financial viability for hospitals and health systems across the state.

Sincerely,

A handwritten signature in black ink that reads "Joseph A. Schindler". The signature is written in a cursive style with a long, sweeping underline.

Joseph A. Schindler
Vice President, Finance Policy & Analytics

¹ <https://www.health.state.mn.us/facilities/ruralhealth/docs/ruralhealthcb2021.pdf>