



Rural Link

Up-to-date information for Rural Health Hospitals

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mcausley@TheRybarGroup.com

Rural Link Tip

Two areas that typically lack documentation are cost control efforts and physician issues. Be aware of the documentation related to these two areas, as they are essential when filing your LVA appeal.

The Rybar Group

3150 Owen Road
Fenton, MI 48430

810-750-6822
810-750-6733 fax

Visit our redesigned website:

www.TheRybarGroup.com



Low Volume Adjustment Series Part 3: Documentation

The Rural Link is presenting a series on the Medicare Low Volume Adjustment (LVA), which is a payment made to a Sole Community (SCH) or Medicare Dependent (MDH) Hospital that experiences, due to circumstances beyond its control, a decrease of more than 5 percent in its total number of inpatient discharges from one cost reporting period to the next. Part one of the series addressed accurately reporting inpatient discharges; and part two discussed the impact of core nursing staff levels.

The third topic focuses on the required documentation that must be submitted to support an LVA request and the importance of putting into place the policies and procedures that will capture this information on a regular basis.

The request for an LVA payment must include extensive discharge data, statistical analysis, and various cost comparisons. In addition, the Provider must also document the circumstances related to the discharge decline that were beyond the Hospital's control and actions taken during the fiscal year to address the change in volume. Examples of specific activities that may require documentation include:

- Physician practice patterns and related issues
- Cost control efforts
- Events impacting the local economy

Acceptable forms of documentation include minutes from various Board of Directors and hospital committee meetings, management progress reports related to cost control and physician recruitment efforts, or benchmarking reports utilized during the fiscal year.

Many of the procedures and policies to maintain this documentation are likely already in place at most facilities. However, during a year when inpatient volume is declining significantly, extra attention must be given to documenting the issues and actions taken during the year in order to support a potential LVA request.

Please call or email Michele Causley if you have any questions.



810-750-6822 ext. 180



mcausley@TheRybarGroup.com