



FACT SHEET

20% Copay Issue

This rule applies only to Medicare Outpatient services

The change is how the copay is calculated by Medicare. Under current PPS system, calculated based on payment amount. Under CAH system, calculated based on gross charges.

This only impacts conventional Medicare Outpatient patients that do not carry a secondary insurance (such as BCBS, Presbyterian, Medicaid, etc.)

* **Does not impact Medicare Advantage Plan patients**

* **Does not impact patients with commercial insurance**

* **Does not impact patients with any other insurance or payer**

Holy Cross Hospital Statistics from FY2015

Total conventional Medicare patient OP:

Visits: 20,591 (7,068 unique patients)

Charges = \$25,293,413

Total conventional Medicare OP patient visits with no secondary insurance:

2,393 (854 unique patients – 12.1%)

Total charges: \$2,426,933 (9.6% of total)

Medicare payments: \$427,544

Are we already a Critical Access Hospital?

In several respects, we already function like a CAH hospital. Our length of stay is within the CAH requirements. Our number of beds is almost at the 25 limit. We transfer patients who need a higher level of care. But we don't get any of the CAH reimbursement advantages!

It has been suggested that we are paying a "dumb tax"

Some have suggested that we risk making the hospital financially vulnerable if we do not change our status.

Financially and clinically, there is no apparent advantage to remaining a PPS hospital (prospective payment system).