

VOLUME DECREASE ADJUSTMENT (VDA) CHECKLIST

Per [42 CFR 412.92\(e\)\(2\)](#) and [42 CFR 412.108\(d\)](#), for cost reporting periods starting on or after October 1, 1983, a sole community hospital (SCH) or a Medicare-dependent small rural hospital (MDH) can get a payment adjustment if it experiences more than a 5% decrease in total inpatient discharges compared to the previous period. If the current period or the previous period is not 12 months long, the number of discharges must be converted to a monthly figure and then multiplied by 12 to estimate the total number of discharges for a 12-month period. To qualify for a payment adjustment because of a decrease in discharges, a sole community hospital must:

1. Submit a request either before the desk review is completed or within 180 days after receiving the MAC's Notice of Program Reimbursement (NPR)
2. Provide documentation showing the size of the decrease in discharges and how it affected per discharge costs
3. Prove that the decrease was due to circumstances beyond the hospital's control

Required Information	Included in Request?
Hospital Information <ol style="list-style-type: none"> a. Name b. Address c. County d. Urban/Rural Classification e. Bed size f. Provider Number g. Date of classification as SCH or MDH 	
Discharge Data <ol style="list-style-type: none"> a. Number of discharges in the cost reporting period for which the payment adjustment is being requested b. Number of discharges in the immediately preceding cost reporting period c. Annualize discharges in the short cost reporting period if either period is not 12 months long 	
Circumstances <ol style="list-style-type: none"> a. Narrative description of the occurrence, date of its onset, and how it affected the number of discharges b. Documentation that the situation is unusual, externally imposed, and beyond the staff's control 	

<p>Cost Data</p> <ul style="list-style-type: none"> a. General ledger trial balance in excel format with all cost accounts categorized as either fixed, semi-fixed, or variable b. Calculation of total fixed and semi-fixed costs as a percentage of total cost c. List of variable costs 	
<p>Semi-Fixed Costs</p> <ul style="list-style-type: none"> a. Narrative description of actions taken to reduce semi-fixed costs 	
<p>Core Staff and Services</p> <ul style="list-style-type: none"> a. Comparison of full-time equivalent (FTE) employees and salaries by cost center in both cost reporting periods b. Identification and cost of core staff and services in each center c. Justification of core staff and services selections, including minimum staffing requirements imposed by an external source 	

This checklist, as well as the required documentation for a VDA should be submitted to VDARRequests@noridan.com.