
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES (CONTINUED)

VII. Data Sources for Computation of Disproportionate Share Payments

A Base Year is established each year for collecting the data used to set disproportionate share payments in each State Plan Year (SPY). For payments in SPY 2010 (effective October 1, 2009), the Base Year used is the fiscal year ending September 20, 2007. The Base Year will advance one year for each subsequent SPY. Data sources, and the data that will be used from them, include the following:

A. Hospital inpatient and outpatient claims data, including sub providers

1. Hospital Medicaid charges
2. Medicaid inpatient days - Excluded from this figure are Medicare crossover claims, Title XXI days and days attributable to Medicaid patients between 21 and 65 years of age in Institutions for Mental Disease (IMD). Days for OVHA members eligible under Medicaid expansion programs are included.
3. Title XIX payments

B. Hospital Medicare Cost Reports

1. Hospital cost-to-charge ratios
2. Total hospital inpatient days and total Medicaid days
3. Total inpatient charges from all payers

C. A state-designed survey

1. Attestation of federal obstetrical requirement
2. Medicaid patient services revenue
3. Total revenue for hospital patient services, including inpatient and outpatient services and services by sub provider
4. Total state and local cash subsidies for inpatient services
5. Total state and local cash subsidies for outpatient services
6. Total inpatient charges attributable to charity care. This excludes contractual allowances and bad debt.
7. Total outpatient charges attributable to charity care. This excludes contractual allowances and bad debt.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES (CONTINUED)

VIII. Disproportionate Share Payments (DSH)

Each year of the program, DVHA will determine the DSH Eligibility Group that each hospital is eligible for before calculating payments. If a hospital is eligible for more than one DSH Eligibility Group, for the purposes of computing the funding for each DSH group, the hospital will be placed in only one DSH Eligibility Group in the following sequence:

- DSH Eligibility Group #3
- DSH Eligibility Group #1
- DSH Eligibility Group #2
- DSH Eligibility Group #4

Within a DSH Eligibility Group, funds will be assigned to each hospital using the formulas described in VIII.A. Hospitals may only receive funds from one DSH Eligibility Group each year.

The Total DSH Funding for the DSH State Plan Year 2011 is \$37,448,781 (FFY dollar amount): an amount not to exceed the annual DSH allotment specified by CMS. At the time that DSH payments are disbursed, DVHA will publish the funding for each DSH Eligibility Group and a schedule showing the DSH payment made to each eligible hospital.

A. Payment Formulas

Before the calculation of funding by DSH Eligibility Group occurs, the calculation of each Hospital Specific Limit is completed as described in VIII.B. Funding for each Group is then completed as follows:

1. Funding for DSH Group #3 is done first. The amount funded for Group #3 is the lesser of 50% of the of the Total DSH Funding for the DSH SPY or 50% of the combined Hospital Specific Limit for all hospitals in the Group.
2. Subtract the amount funded for DSH Group #3 from the Total DSH Funding for the DSH SPY to derive the remaining amount to be allocated between DSH Groups #1, #2 and #4.
3. Calculate for each hospital its percentage of Title XIX statewide days in the Base Year.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES (CONTINUED)

VIII. Disproportionate Share Payments (DSH) (Continued)

A. Payment Formulas (Continued)

- a. The total statewide days value used in the calculation excludes the Title XIX days for any hospitals in DSH Group #3.
 - b. The total statewide days does include days from any in-state hospitals that were paid for Title XIX days in the Base Year even if they are not eligible for a DSH payment.
4. Sum the percentage of statewide days in the DSH Group.
- a. If a hospital was paid for Title XIX days in the Base Year but was not eligible for DSH because it did not meet the minimum requirements specified in VI.A.1 or VI.A.2, the percentage of its statewide days is included in DSH Group #4.
 - b. If a hospital was paid for Title XIX days in the Base Year but was not eligible for DSH because its Hospital Specific Limit was less than \$0, the percentage of its statewide days is included in DSH Group #4.
5. Calculate the DSH Allotment by DSH Eligibility Group using the following formula:
- Total Remaining DSH Funding Available (computed in Step 2) **
Total Percentage of Statewide Days in the DSH Group (computed in Step 4)
6. The DSH payments to each hospital in DSH Groups #1, #2 and #4 are made using the following methodology:
- a. For each DSH Group, compute an Aggregate Hospital Limit that is the sum of the individual Hospital Specific Limits within the DSH Group. The Hospital Specific Limits for hospitals meeting the criteria in VIII.A.4.a or VIII.A.4.b are not included in the calculation.
 - b. Determine each hospital's limit as a percentage of the Aggregate Hospital Limit.
 - c. Multiply the percentage computed in (b) by the DSH Group Allotment in VIII.A.5.