

Title: Disproportionate Share Hospital Payments (DSH)

Issuance Date: June 1, 2023

(Must be reviewed annually)

Applicable Regulations, Guidelines, and AHS Policy:

Federal statute or rule:

42 CFR 433.10, 42 CFR 447.297

State Plan:

State Plan: Attachment 4.19-A

Other:

Section 1923(b) of the Social Security Act

Purpose:

To document the process for annual DSH payments for qualifying in-state hospitals.

Procedure:

DVHA Reimbursement (RU) initiates the annual Disproportionate Share Hospital Payment process by completing the following tasks:

- 1) Request data:
 - a. Payer Detail reports from the Green Mountain Care Board.
 - b. Medicare Cost reports from outside consultant.
 - c. State Audit reports from the fiscal agent if they have not already provided them by the third week of January.
- 2) Update the DSH Survey tool template.
- 3) Create individual DSH Surveys for each DSH hospital utilizing data from the Payer Detail reports, Medicare Cost reports, and State Audit reports.
- 4) Perform a quality assurance review of the DSH Surveys prior to sending to the hospitals.
- 5) Email the DSH Surveys, Payer Detail reports, Medicare Cost reports, and the State Audit reports along with a copy of instructions to the respective hospitals' CFOs.

Standard Operating Procedure

- 6) Hospitals are allowed 60 days to complete and return their DSH survey with any newly supporting documentation.
- 7) Engage in questions and answers with the hospitals.
- 8) Upon receipt of the hospitals' returned DSH Surveys, fill out the tracking file spreadsheet documenting the items and date received.
- 9) Review DSH Surveys and any additional documentation for accuracy and completeness.
- 10) Use data from the returned DSH Surveys to complete the DSH 101 Final Appendices spreadsheet and calculate the preliminary DSH payments.
- 11) Email completed DSH 101 Final Appendices spreadsheet to outside consultant for quality assurance review and verification.
- 12) Once the outside consultant has completed their review and returns the DSH 101 Final Appendices, DVHA RU drafts preliminary notices that are signed by the DVHA Commissioner or Deputy Commissioner.
- 13) Fully signed preliminary notices are then sent to the respective hospitals notifying them of their potential DSH payment amount. Providers have until September to notify DVHA RU of any changes that have been made to their DSH data.

DVHA RU drafts final DSH payment notices, obtains DVHA Commissioner or Deputy Commissioner approval and signature, and sends the final notices to each respective DSH hospital, notifying them of their final approved DSH payment amount and the payment schedule.

DVHA RU sends a final approved payment document to the fiscal agent to schedule payments in the MMIS.

Note: In years where there is a change to the overall DSH payment allotment or methodology used to calculate the DSH payments, DVHA RU would add the below additional steps prior to sending out preliminary notices

- 1) DVHA RU initiates the Policy, Budget, and Reimbursement (PBR) process outlining the updated DSH payment allotment and any changes to the methodology or policy.
- 2) Once the PBR is approved, DVHA RU assists in drafting updates to the State Plan and Global Commitment Register (GCR) notification which is used for provider review and feedback.

Currently, an annual examination of the State of Vermont's compliance with the requirements of the six verifications set forth in Title 42 of the Code of Federal Regulations section 455.304 is completed by an independent accounting organization. The auditor's report is submitted to CMS by December 31st each year.

Revision History:

Date	Summary of Revisions
03/03/2022	First Draft
3/16/2022	OMU review, updated font for ADA.
6/13/2022	OMU review
05/25/2023	Updated Purpose and Procedure.

Table 1 Revision History