FY 2008 Disproportionate Share Hospital Program

Summary Information
Board of Community Health
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DSH Reform - Guiding Principles

1. DSH payments should be directed in proportion to uncompensated care provided.
2. DSH payments should be based on uncompensated care.
3. All hospitals should be reimbursed based upon a uniform methodology.
4. DSH payments must be based upon available, transparent and easily verifiable data.
5. The state should maximize DSH and UPL payments.
6. Changes in DSH payments should not put an undue burden on any hospital group.
7. Eligibility criteria should be reconsidered

Order of Discussion of Questions and HAC Vote Outcome*

Measure and Consideration of Disproportionality

- Should the model recognize disproportionality based on a percentage of uncompensated Medicaid and Uninsured to total cost? (VOTE: Yes – 9; No – 0)

b. Is it acceptable if less disproportionate hospitals receive less payment if those funds go to more disproportionate hospitals? (VOTE: Yes – 7; No – 2)

*11 members in attendance; co-chairs did not vote unless necessary for tie breaker

Order of Discussion of Questions and HAC Vote Outcome*

Stop Loss/Stop Gain

- 1. Should the FY 2008 allocation be based on a blend of the new model and FY 2007 payment amounts? (VOTE: Yes – 8; No – 1)

  2. Should the gains or losses (as a percentage) between FY 2007 and FY 2008 by any one group by comparable? (VOTE: Yes – 7; No – 2)

  3. Is it acceptable to use separate pools as a way to mitigate substantial losses or gains for any one group of hospitals? (VOTE: Yes – 7; No – 2)

*11 members in attendance; co-chairs did not vote unless necessary for tie breaker

Order of Discussion of Questions and HAC Vote Outcome*

Floors and Ceilings for Payments

- 1. Should there be a limit on the percentage of the DSH limit that any one hospital can receive? (VOTE: Yes – 8; No – 1)

  2. Should there be a minimum level of disproportionality to receive a DSH payment? (VOTE: Yes – 1; No – 8)

e. Should any one group of hospitals be held harmless from any change to the allocation methodology? (VOTE: Yes – 5; No – 6)

Eligibility

f. Should newly eligible facilities receive some level of DSH payment in FY 2008? (VOTE: Yes – 8; No – 1)

*11 members in attendance; co-chairs did not vote unless necessary for tie breaker

Summary

Facility Type	# of Providers Under 2007 Eligibility Criteria	2007 Net DSH Payment	Calculated 2008 Net DSH Payment
Small Rural			
Deemed	22	$ 19.4	$ 18.5
Eligible	42	$ 21.7	$ 21.2
Not Eligible in 07	3	$ -	$ 0.04
Not Eligible in 07 and 08	0	$ -	$ -
Total Small Rural	**67**	**$ 41.1**	**$ 39.8**
Non-Small Rural			
Deemed	18	$ 80.2	$ 77.0
Eligible	28	$ 77.1	$ 74.7
Grady	1	$ 65.2	$ 70.0
Not Eligible in 07	33	$ -	$ 1.9
Not Eligible in 07 and 08	5	$ -	$ -
Total Non-Small Rural	**85**	**$ 222.5**	**$ 223.5**

Subject to change pending final data audit and model QA