

PUBLIC NOTICE

Pursuant to Ga. Admin. Comp. Ch. 350-6-.03(2), the Georgia Department of Community Health is required to give public notice of the manner of disbursement of Indigent Care Trust Fund appropriations.

DISPROPORTIONATE SHARE HOSPITAL AND INDIGENT CARE TRUST FUND HOSPITAL PAYMENTS

The federal Disproportionate Share Hospital (DSH) Program makes funds available to hospitals to help cover the costs of uncompensated care to Medicaid members and the uninsured. The DSH Program is administered through the Indigent Care Trust Fund.

ELIGIBILITY:

Effective for DSH payment adjustments made on or after April 1, 2006, hospitals that are eligible to receive DSH payment adjustments under federal DSH criteria, and that meet at least one Division of Medical Assistance DSH criterion, will be eligible to receive an allocation of available DSH funds.

Federal Criteria:

1. The hospital has a Medicaid inpatient utilization rate of at least 1%; AND
2. The hospital has at least two (2) obstetricians who have staff privileges at the hospital and who have agreed to provide obstetric services to Medicaid recipients. This requirement does not apply to a hospital of which the inpatients are predominately individuals under 18 years of age or to hospitals which did not offer non-emergency obstetric services to the general population as of December 22, 1987. In the case of a hospital located in a rural area, the term "obstetrician" includes any physician with staff privileges at the hospital to perform non-emergency obstetric procedures. For rural hospitals subject to a federal requirement to provide obstetric services, as an alternative to determining whether deliveries are provided at the hospital, the Department will consider the following factors:
 - a. The hospital must have two or more physicians with staff privileges that are:
 - i. Enrolled in the Medicaid program;
 - ii. Credentialed to provide OB services at the hospital in family practice, general practice, or obstetrics; and
 - iii. Located within 25 miles of the hospital or in an office in the hospital network or must attest to attendance at the hospital on some routine basis; and
 - b. The hospital must be able to provide at least one obstetric service that is currently covered by Medicaid and appropriate to be provided in a hospital-based setting.

Division of Medical Assistance Criteria:

1. A hospital whose Medicaid inpatient utilization rate is at least one standard deviation above the mean Medicaid inpatient utilization rate for hospitals receiving Medicaid payments; OR

2. A hospital which has a low-income utilization rate exceeding 25 percent; OR
3. A hospital with total Medicaid and PeachCare for Kids covered charges for paid inpatient and outpatient claims exceeding 15 percent of total charges for all payer sources; OR
4. A non-State hospital with the largest number of Medicaid admissions in its Metropolitan Statistical Area; OR
5. A children's hospital; OR
6. A hospital that has been designated a Regional Perinatal Center by the Department of Human Resources; OR
7. A Georgia hospital that has been designated a Medicare rural referral center and a Medicare disproportionate share hospital provider by its fiscal intermediary; or a Georgia hospital which is a Medicare rural referral center and which has 10% or more Medicaid patient days and 30% or more Medicaid deliveries; OR
8. A State-owned and operated teaching hospital administered by the Board of Regents; OR
9. A rural, public hospital with less than 250 beds.

For both federal and Georgia DSH criteria, a hospital will be considered a rural hospital if a hospital's county is not in a Metropolitan Statistical Area, as defined by the United States Office of Management and Budget, or if the population of the hospital's county is 35,000 or less.

ALLOCATION METHODOLOGY:

Effective for DSH payment adjustments made on or after April 1, 2006, the following methodology will be used for determining payment amounts:

1. For each federal fiscal year, the amount of funds available for DSH payments will be determined based on the state's federal allotment and required state matching contribution.
2. Hospitals that meet both federal DSH eligibility criteria and at least one Division of Medical Assistance DSH criterion will be eligible to receive an allocation of available DSH allotment funds.
3. The maximum amount of DSH payments (i.e., DSH Limit) for each hospital will be the hospital's loss incurred for services provided to Medicaid and uninsured patients based on federal definitions.
4. The amount of funds available for DSH payments will be allocated among eligible hospitals.
5. Each hospital's DSH limit will be used as the basis for any allocation, subject to the following adjustments:
 - a. For non-public hospitals, the allocation basis will be reduced by the rate of State matching funds for Medicaid benefit payments.
 - b. For hospitals receiving Upper Payment Limit (UPL) rate adjustments, the allocation basis will be increased by the amount of any intergovernmental transfer or certified public expenditure provided on behalf of the hospital.
 - c. For hospitals receiving rate adjustment payments related to medical education, neonatal services or services provided under contract with the Georgia Department of Human Resources, the allocation basis will be increased by the amount of such rate adjustments.
 - d. For hospitals meeting either criterion listed below, their allocation will be increased by 10%:

- i. One whose Medicaid inpatient utilization rate is at least one standard deviation above the mean Medicaid inpatient utilization rate for hospitals receiving Medicaid payments; OR
 - ii. One which has a low-income utilization rate exceeding 25 percent.
6. An allocation pool will be established for small rural hospitals, defined as hospitals with less than 100 beds located in rural counties. A county will be considered rural if the county is not in a Metropolitan Statistical Area, as defined by the United States Office of Management and Budget, or if the population of the hospital's county is 35,000 or less. Total funds available will be based on the share of DSH funds paid to this category of hospitals for FY 2005. The department will calculate the ratio of a hospital's adjusted DSH limit amount to the aggregate of all adjusted DSH limit amounts for all hospitals in the allocation pool. A hospital's DSH payment will be based on its individual ratio applied to the allocation pool. Should the amount calculated for a hospital exceed the hospital's DSH limit, the excess amount will be redistributed to the remaining hospitals in the allocation pool.
7. After the allocation of funds to small rural hospitals, remaining DSH funds will be distributed to all other eligible hospitals. The department will calculate the ratio of a hospital's adjusted DSH limit amount to the aggregate of all adjusted DSH limit amounts for all hospitals in the 2nd allocation pool. A hospital's DSH payment will be based on its individual ratio applied to the 2nd allocation pool. Should the amount calculated for a hospital exceed the hospital's DSH limit, the excess amount will be redistributed to remaining hospitals in the 2nd allocation pool.
8. Total DSH payment amounts for non-public hospitals will be compared to the maximum amount of payments that may be made to these facilities, determined by the amount of State matching funds appropriated to the Department for this specific purpose. Should the DSH payment amounts calculated exceed the maximum amount, the excess will be redistributed proportionally from the non-public facilities that are not rural hospitals with less than 100 beds, to the public non-rural hospitals (i.e., 2nd allocation pool discussed in #7).
9. The state share of DSH payment amounts for public hospitals will come from either intergovernmental transfers made on behalf of or by the public hospital or by the hospital's certification of public expenditures.

The purpose of these changes is to more equitably distribute available DSH and ICTF funds. These changes are not expected to impact the amount of annual expenditures for these programs.

This public notice is available for review at each county Department of Family and Children Services office. Citizens wishing to comment in writing on any of the proposed changes should do so before April 13, 2006, to the Board of Community Health, Post Office Box 38406, Atlanta, Georgia 30334.

Comments submitted will be available for review by the public at the Department of Community Health, Monday – Friday, 9:00 a.m. to 4:30 p.m., in Room 4074, 2 Peachtree Street, N.W., Atlanta, Georgia 30303.

An opportunity for public comment will be held on April 13, 2006 at 12:00 p.m. in conjunction with the April meeting of the Board of Community Health. Individuals who are disabled and need assistance to participate during the meeting should call (404) 656-4479. The

Board will vote on the proposed changes after comments have been received. The April Board meeting will be held in the Floyd Room of the Twin Towers Building, 20th Floor, West Tower, 200 Piedmont Avenue, Atlanta, Georgia.

NOTICE IS HEREBY GIVEN THIS 9th DAY OF MARCH, 2006

Rhonda M. Medows, M.D., Commissioner