



David A. Cook, Commissioner

Nathan Deal, Governor

MEMORANDUM

Date: October 19, 2011

To: Chief Executive Officer
Chief Financial Officer

From: Alec Steele
Director, Reimbursement Services

Subject: FY 2012 Disproportionate Share Hospital (DSH) Payments

BY FACSIMILE

This is notification that the Department will issue interim payments to state-owned and non-state governmental owned hospitals equal to 50% of their preliminary SFY2012 DSH allocation amount. It is important to note that this initial payment is an interim estimate only. When a final payment amount has been determined, an additional payment could then be issued for the difference between the final payment amount and the initial payment. In the event that the interim payment should exceed the final payment amount, an immediate repayment would be due from the hospital for the excess amount. The Department will be able to proceed with issuing an interim payment only if an intergovernmental transfer (IGT), equal to the matching funds needed to obtain the federal DSH funds, is provided by the hospital authority or other governmental entity with which the hospital is affiliated.

No interim payments can be provided to private hospitals at this time due to the unavailability of a state matching fund source. The Department requires state appropriations to match available federal DSH funds for private hospitals. While the department has submitted a request for this funding, actual appropriation of such funds is pending the release of the Governor's Amended FY 2012 budget and the consideration of that budget by the General Assembly in the 2012 Legislative session. A final amount will not be available until the General Assembly passes an amended FY 2012 Appropriations Act, most likely to occur in late March or April 2012.

I want to take this opportunity to point out an important change for FY 2012 DSH distributions. This year, because of the cut-over from ACS to HP, we are going to send out our interim DSH payment in advance of hospitals completing their DSH Payment Surveys. We will require completion and submission of DSH Payment Surveys **prior to the distribution of the final DSH payment** but we didn't want to hold up interim payments while we are still in the process of finalizing HS&R reports. Please note that it is even more important this year to submit accurate DSH Payment Surveys, with all pertinent attachments, on or before the submission due date. Failure to comply with this requirement will result in an immediate recoupment of the interim payment. I will announce the DSH Payment Survey submission date once we have completed our testing of HS&Rs.

For the interim payments available to state owned and non-state governmental owned hospitals, detailed information about the time schedule, payment amount and intergovernmental transfer are provided on the Department's web site at www.dch.georgia.gov by selecting options for "Provider," "Hospital," "Indigent Care Trust Fund," and "Payments." You are encouraged to review your facility's data elements to ensure that the Department has accurately recorded your facility's information. If you find an error, please let us know as soon as possible by contacting me at (404) 657-9541 and Jim Erickson of Myers & Stauffer at (800) 374-6858.

As indicated in the web site information, interim payments are scheduled to be made on November 16, 2011. Please note that the required intergovernmental transfer must be received by 2 p.m. on November 4, 2011, for an interim payment to be issued. In order to assure that the timely receipt of intergovernmental transfers can be confirmed, a Notice of Intent to Transfer must be submitted by October 31, 2011, to document the expected method of transfer. IGT payments must be made via an acceptable form of Electronic Funds Transfer (EFT). DCH will not accept physical checks for IGT payments.

The interim DSH payment to governmental hospitals will be issued by EFT to the bank account previously used for DSH or Upper Payment Limit disbursements to your facility. Typically, there is a 2 or 3-day delay between when the funds are disbursed by EFT and when the funds are deposited into a provider's bank account. If there has been any change to your hospital's banking information, please provide the corrected information by October 31, 2011, to:

Ms. Linda Parson
Accounting Manager
(404) 651-9177
Fax to (770) 344-4208

Also on our web site for Indigent Care Trust Fund under Latest News is an updated Letter of Agreement form. Before interim DSH payments can be made, an updated agreement from each provider must be signed and submitted to us by November 4, 2011.

If you have any questions about this notice, please contact Annetta Smith, Program Director for Supplemental Reimbursement, at (404) 463-6669.