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State Receives Final Approval of More Than \$100 million to Support Rural Hospitals and Access to Care Statewide

Approval for the Disproportionate Share Hospital (DSH) Methodology reallocates approximately \$105 million to support rural access to care and completes the Medicaid Innovation Advancement Project, collectively delivering more than \$1 billion to address healthcare needs statewide

ATLANTA (April 20, 2023) – The Georgia Department of Community Health (DCH) announced the final approval by the Centers for Medicare & Medicaid Services (CMS) of its revised Disproportionate Share Hospital (DSH) allocation methodology, which will provide small rural hospitals access to millions in increased Medicaid funding.

The approved DSH methodology is the last component of the state's larger Medicaid Innovation Advancement Project, which included a series of Directed Payment Programs aimed at bolstering access to rural care, improving health outcomes and addressing health equity, strengthening the healthcare workforce, and reducing costs through appropriate utilization. Three new Directed Payment Programs were approved by CMS in 2022 that work in concert to free up this DSH funding. The revised DSH methodology prioritizes the needs of rural hospitals in the distribution of those funds to support and maintain access to care. In total, the project provides more than \$1 billion in new funding to hospitals across the state and reallocates more than \$100 million in existing DSH funds.

"Bringing innovative solutions to our healthcare challenges, especially in our rural communities, remains a high priority for my administration," said Governor Brian Kemp. "Today's announcement is in line with the many investments we have made from rural hospital tax credits and school-based health centers to economic development projects that create good-paying jobs and expand access to quality care. We are working hard to ensure that every Georgian, no matter their ZIP code, has the opportunity to live a healthy and prosperous life."

"This last approval completes a multi-year effort on this project to increase funding and support to hospitals around the state. Working together with our hospital providers and partners, we were able to identify new ways to leverage existing federal funds to address our state's healthcare priorities," said DCH Commissioner Caylee Noggle. "This would not have been possible without the help of so many individuals across the state, and we are grateful for their support. As a result, nearly every hospital and healthcare system in Georgia will see an increase in funding this year." The programs are subject to annual approval by CMS and amounts will change based on actual utilization.

"The Georgia Hospital Association is pleased to hear of this approval which will provide additional support to Georgia's rural hospitals," said President and CEO Earl Rogers. "These additional funds will significantly reduce uncompensated care for Georgia's rural hospitals, allowing them to continue to provide and grow the community benefit services that patients rely on. Additionally, we are extremely grateful to Governor Brian Kemp, DCH Commissioner Caylee Noggle, and the entire DCH staff for their efforts in ensuring this approval."

Payments from the Directed Payment Programs began earlier this year, and this reallocated funding will be distributed in the coming weeks. For information on these programs, please visit our [website](#).

DCH serves as the lead agency for [Medicaid](#) and [PeachCare for Kids®](#), which, combined, cover more than 2 million Georgians annually. The agency also oversees the [State Health Benefit Plan](#), [Healthcare Facility Regulation Division](#), and the [State Office of Rural Health](#), among other divisions, accounting for an annual budget of over \$18 billion. Through effective planning, purchasing and oversight, DCH provides access to affordable, quality health care to some of the state's most vulnerable and underserved populations. To learn more about DCH and its commitment to *Shaping the Future of a Healthy Georgia*, visit <https://dch.georgia.gov/>.