

## NOTICE OF PUBLIC INFORMATION

- 1. Name of the agency:** Arizona Health Care Cost Containment System (AHCCCS)
- 2. The topic of the public information notice:** Disproportionate Share Hospital (DSH) funding for Federal Fiscal Year (FFY) 2021
- 3. The public information relating to the topic:**

The State Fiscal Year (SFY) 2021 budget allocates \$142.3 million in DSH payments for Arizona public hospitals and \$0.9 million for Arizona private hospitals, Indian Health Services, and tribally operated 638 facilities ([Laws 2020, Chapter 54, Section 2](#)). After these distributions are made, the remaining Arizona DSH allotment is allocated to “Pool 5” payments pursuant to A.R.S. § 36-2903.01(P), with priority given to hospitals outside of Maricopa, Pima, and Pinal counties. A.R.S. § 36-2903.01(P) permits local, county and tribal governments and any university under the jurisdiction of the Arizona Board of Regents to provide additional matching funds to draw down federal dollars to support the costs of the uninsured and Medicaid recipients via Intergovernmental Agreements.

In order for hospitals to qualify for DSH payments, hospitals must apply for DSH during Spring 2021 and must meet the DSH eligibility requirements. DSH application dates will be posted at a later date at: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/DSH.html>. Hospitals which are determined eligible for DSH will be notified and receive an initial payment no later than December 31, 2021. The DSH eligibility requirements and methodology for determining DSH payments can be found in the [State Plan for Medicaid](#), Attachment 4.19A.

The amounts allocated for DSH payments will be impacted by the federal DSH allotment, which has yet to be determined, and may be less than the amount in the SFY 2021 budget. The Affordable Care Act mandated reductions to the DSH allotments beginning in FFY 2014, but the reductions have been postponed four times. Currently, the reduction is set to begin in FFY 2021. If the reduction goes into effect in FFY 2021, there may not be any “Pool 5” funding available and the allocation for public hospitals may be less than the appropriated \$142.3 million.

In order for a hospital to receive DSH “Pool 5” funds, if any “Pool 5” funds are available, a hospital must partner with a local, county or tribal government or any university under the jurisdiction of the Arizona Board of Regents. “Pool 5” applications are due March 31, 2022, and must be submitted by local, county and tribal governments and any university under the jurisdiction of the Arizona Board of Regents. A final, executed intergovernmental agreement must be received by AHCCCS no later than June 15, 2022 in order to receive 2021 DSH “Pool 5” funds.

Please direct any comments, which must be received no later than 5:00 p.m. on September 25, 2020, to:

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