



DSH Payments and Local Match Opportunities

Tribal Consultation Meeting

August 10, 2010

State funding for Disproportionate Share Hospital (DSH) payments was reduced to impart a total of \$500,000 in non-governmental hospital DSH payments for 2010. The usual amount of this distribution is \$26 million. Because of this, H.B. 2116 was approved to provide Arizona hospitals an opportunity to receive DSH funding through alternate matching contributions. H.B. 2116 allows political subdivisions, tribal governments and public universities to provide matching funds to draw down federal dollars to support the costs of DSH programs at designated hospitals via Intergovernmental Agreements (IGAs). For these reasons, AHCCCS proposes to revise its reimbursement methodology for DSH distributions.

Traditional DSH payments are made from four pools:

- Pool 1** Private & IHS hospitals with a high Medicaid Inpatient Utilization Rate (MIUR)
MIUR = percent of total beddays that are Medicaid
- Pool 2** Private & IHS hospitals that have a high Low Income Utilization Rate
LIUR = percent of total charges that are Medicaid and charity care
- Pool 3** Private hospitals that have at least 1% of AZ total Medicaid Utilization or a LIUR that exceeds the average
Note: Pool 3 will be eliminated in 2011
- Pool 4** Governmental hospitals (Arizona State Hospital and Maricopa Community Hospital)

In 2010, a total of \$500,000 will be distributed to hospitals in pools 1, 2, and 3. IHS Hospitals are eligible for payments from Pool 1 or Pool 2. After the initial \$500,000 distribution, all non-governmental hospitals that have qualified for DSH payments and have a local match will be moved into a new pool, pool 5. **Pool 5** will contain an allocation of \$26 million that can be distributed to hospitals, based upon a match of 1/3 local funding and 2/3 Federal funding.

Hospitals can not receive a payment greater than the difference between the *costs* for Medicaid and uninsured services and the *payments* for Medicaid and uninsured services. This difference is often referred to as the "OBRA limit."

Submitted DSH, Working on IGA

Banner Good Samaritan
 Banner Thunderbird
 Carondelet St. Joe's
 Flagstaff Hospital
 Fort Defiance Indian Hospital
 Hacienda de los Ninos
 Kingman Regional Med Ctr
 Maryvale Hospital
 Phoenix Children's Hosp
 Scottsdale - Osborn
 St. Joseph's Hospital
 University Medical Center
 University Physicians Hospital

IHS Hospitals Submitted DSH, May Qualify for IGA

Chinle Comprehensive Health Care Facility
 Hopi Health Care Center
 Hu Hu Kam Memorial Hospital
 Parker Indian Health Center
 Phoenix Indian Medical Center
 San Carlos IHS Hospital
 Sells IHS Hospital
 Whiteriver IHS Hospital

More information can be obtained from the AHCCCS website under "Notice of GME/IME Funding Opportunities" at: <http://www.azahcccs.gov/commercial/HospitalSupplements/GMEpayments.aspx>