

KANSAS MEDICAID STATE PLAN

Attachment 4.19-A

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Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

	Federal FY 2008	Federal FY 2009
Total Federal DSH Allotment	38,854,200	41,418,577
FMAP	59.43%	60.08%
Total DSH Funds Available	65,378,092	68,939,043
Federal Limit on DSH for IMD's	21,574,770	22,749,884
DSH Funds for Non-IMD Hospitals	43,803,322	46,189,159
DSH Funds Available for State FY 2009	Non-IMD	IMD
7/1/08 – 9/30/08 (1/4 of Federal '08)	10,950,831	5,393,693
10/1/08 – 6/30/09 (3/4 of Federal '09)	34,641,869	17,062,413
Total SFY 2009 DSH Funds Available	45,592,700	22,456,106
Pools of Non-IMD DSH for SFY 2009		
Out-of-State Hospitals	4,559,270	
State-Owned/Operated Teaching Hospitals	113,982	
Other in-state DSH Eligible Hospitals	40,919,448	
Total	45,592,700	

- A. The initial allocation of DSH funds will be made to hospitals that lose eligibility in any given year, that were eligible for DSH funds in each of the preceding two years. These hospitals will be eligible to receive 50% of their previous year's payment in the year they initially lose eligibility. Hospitals eligible under this provision will receive the lesser of 50% of their previous year's payment, or their UCC as defined in 6.2000 B. In addition, to be eligible for any payment these hospitals must continue to meet the minimum eligibility criteria of 1% Medicaid utilization and the Federal obstetrician requirement.
- B. The allocation of DSH funds among eligible hospitals that are not IMD will distribute DSH funds proportionally to hospitals in each pool based upon each hospitals relative burden of uncompensated care costs to total facility expenses, as follows:
- a. Hospital Burden: The hospital burden of each DSH eligible hospital is calculated to determine the percentage of the hospital's business that is related to providing uncompensated care. This burden is calculated by dividing the hospital's UCC as defined in Section 6.2000 B., by the hospital's total cost. For purposes of the hospital burden calculation, the total hospital costs will be determined from the
- TN # MS 09-02 Approval Date _____ Effective Date 04/01/09 Supersedes TN# 08-17

MAY 21 2009

OS Notification

State/Title/Plan Number: KS-09-002
Type of Action: SPA Approval
Required Date for State Notification: June 28, 2009
Fiscal Impact: FY 2009 \$ 1,010,209 Federal Share
FY 2010 \$ 1,035,464 Federal Share

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0
Number of Potential Newly Eligible People: 0
Eligibility Simplification: No

Provider Payment Increase: Yes

Delivery System Innovation: No
Number of People Losing Medicaid Eligibility: 0
Reduces Benefits: No

Detail: The purpose of this amendment is to update the State's Disproportionate Share Hospital payment pools to reflect the 2.5% increase in the federal DSH allotment permitted by the Recovery Act of 2009.

Other Considerations: This OSN has been reviewed in the context of the ARRA and approval of the OSN is not in violation of ARRA provisions.

We do not recommend the Secretary contact the governor.

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