

KANSAS MEDICAID STATE PLAN

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Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

	<u>Federal FY 2009</u>
Total Federal DSH Allotment	41,418,577
FMAP	<u>60.08%</u>
Total DSH Funds Available	68,939,043
Federal Limit on DSH for IMD's	<u>(22,749,884)</u>
DSH Funds for Non-IMD Hospitals	<u>46,189,159</u>
IMD Pool for Federal FY 2009	22,749,884
(Less) Prior Payments during FY 2009	<u>(16,842,847)</u>
Balance for 7-1-09 to 9-30-09	<u>5,907,697</u>
Non-IMD Pool for Federal FY 2009	46,189,159
(Less) Prior Payments during FY 2009	<u>(36,502,927)</u>
Balance for 7-1-09 to 9-30-09	<u>9,686,232</u>
Total IMD & Non-IMD for 7-1-09 to 9-30-09	<u>15,593,929</u>

**Pools of Non-IMD DSH for
Federal FY 2009**

Out of State Hospitals	4,618,916
State-Owned/Operated Teaching Hospitals	115,473
Other in-state DSH Eligible Hospitals	<u>41,454,770</u>
Total	<u>46,189,159</u>

- 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

OS Notification

State/Title/Plan Number: Kansas 09-008

Type of Action: SPA Approval

Required Date for State Notification: 12/03/2009

Fiscal Impact: FFY 09 \$-0- FFY 10 \$-0-

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

or

Eligibility Simplification: No

Provider Payment Increase: No or **Decrease:** No

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: 0

Reduces Benefits: No

Detail:

Effective September 4, 2009, this amendment modifies the methodology for Disproportionate Share Hospital payments. Specifically, this amendment realigns the DSH payment period from the state fiscal year to the federal fiscal year. To accomplish this, the remaining unspent balance of the 2009 federal DSH allotment will be paid to qualifying providers for the period ending September 30, 2009.

Other Considerations:

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

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

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National Institutional Reimbursement Team