

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
Reimbursement for Instate Acute Care Inpatient Hospital Services  
Disproportionate Share Hospital**

**3. Health Care Subsidy Fund – Charity Care Subsidy**

- a) The charity care subsidy shall be determined according to the following methodology in State Fiscal Year (SFY) 2013:
- i) Payments in SFY2013 will remain at \$675,000,000.
  - ii) Payments shall be calculated using a formula such that:
    - 1. Source data used shall be from calendar years 2009 and 2010 for documented charity care claims data and hospital-specific gross revenue for charity care patients and shall include all adjustments and void claims related to calendar years 2009, 2010 and any prior year submitted claims, as submitted by each acute care hospital or properly determined by the Department of Health (DOH).
    - 2. Source data used for CY 2010 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2010 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to DOH advance submission request dated February 10, 2011, as submitted by each acute care hospital by March 10, 2011, and source data used for Medicare Cost Report data shall be from calendar year 2009.
    - 3. In the event that an eligible hospital failed to submit by March 10, 2011, its total gross revenue for all patients from the CY 2010 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 10, 2011, source data from calendar year 2008 shall be used for hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E.
    - 4. Source data used for CY 2009 documented charity care for each hospital's total gross revenue for all patients shall be from the CY 2009 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data and shall be according to the DOH advance submission request dated February 11, 2010, as submitted by each acute care hospital by March 11, 2010 and source data used

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for Medicare Cost Report data shall be from calendar year 2008.

5. In the event that an eligible hospital failed to submit by March 11, 2010, its total gross revenue for all patients from the CY 2009 Acute Care Hospital Cost Report as defined by Form E4, Line 1, Column E data according to the DOH advance submission request dated February 11 2010, source data from calendar year 2008 shall be used for the hospital-specific gross revenue for charity care patients and for hospital total gross revenue for all patients as defined by Form E4, Line 1, Column E.
- iii) Each eligible hospital's charity care subsidy allocation for SFY 2012 as announced by DOH in July 2011 in accordance with the approved State Plan, for this calculation purpose only, shall be initially split into two pools, one that equals 90% of its SFY 2012 allocation and another that equals 10% of its SFY 2012 allocation.
- iv) For each eligible hospital, the difference between its CY 2010 documented charity care and its CY 2009 documented charity care shall be calculated then the percentage change in documented charity care for each eligible hospital shall be obtained by dividing this difference by its CY 2009 documented charity care.
- v) For each eligible hospital, a percentage change in documented charity care as initially calculated in accordance with subsection iv) above that is greater than 15% shall be reduced to 15% for purposes of this calculation only and that is less than -40% shall be increased to -40% for purposed of this calculation only.
- vi) For each eligible hospital, the ratio of its CY 2010 documented charity care divided by the total CY 2010 documented charity care for all hospitals shall be calculated.
- vii) For each eligible hospital, the percentage change in documented charity care as calculated in accordance with subsection iv) above, unless modified in accordance with subsection v) above (in such case the modified percentage from subsection v) above shall be used), shall be multiplied by the CY 2010 documented charity care ratio calculated in subsection vi) above.

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- viii) For each eligible hospital, the value calculated in accordance with subsection vii) above shall be multiplied by the total of the 10% pool for all eligible hospitals as calculated in subsection iii) above.
- ix) For each eligible hospital, the value calculated in accordance with subsection viii) above shall be added to its initial 10% pool value as calculated in subsection iii) above.
- x) For each eligible hospital, the amount calculated in subsection iii) above for its 90% pool and subsection ix) above for its adjusted 10% pool shall be added together producing the SFY 2013 charity care subsidy allocation for each eligible hospital.
- xi) Notwithstanding the provisions above, an eligible hospital shall not receive a lower SFY 2013 charity care subsidy allocation than its 2012 charity care subsidy allocation if it had increased documented charity care as calculated in subsection iv) above, and an eligible hospital shall not receive a greater SFY 2013 charity care subsidy allocation than its 2012 charity Care subsidy allocation if it had decreased documented charity care as calculated in subsection iv) above.
- xii) If necessary, a proportionate increase or decrease shall be applied to the 10% pool value as calculated in subsection ix) for each eligible hospital based on its percentage of total CY 2010 documented charity care such that the total calculated SFY 2013 charity care subsidy allocation for all hospitals shall equal \$675,000,000, except that portion applied to the subsidy for any eligible hospital shall be modified as necessary to comply with subsection xi) above.
- xiii) The resulting number will constitute each eligible hospital's SFY 2013 charity care subsidy allocation.

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