

**Principles of Kansas Medicaid
Disproportionate Share Hospital (DSH) Payments
2018**

The Division of Health Care Finance is proposing reforms to the current Medicaid Disproportionate Share Hospital (DSH) program which currently provides over \$45 million in federal funds annually to the state. The goals of these reforms are to:

- Maintain the state's support for the DSH program and devise a formula that always expends the maximum amount allowed by Federal regulations;
- Direct resources equitably towards hospitals that provide a high level of services to Medicaid beneficiaries and the uninsured;
- Develop a methodology that updates the critical access hospital hold harmless provision (transition payment), and that is equitable to all critical access hospitals.
- Develop a transition period from the current Medicaid DSH plan to the revised DSH plan to protect the financial stability of DSH eligible hospitals.
- Review the formula to ensure payments are reasonably related to the cost of caring for the Medicaid eligible individuals and the uninsured for the State of Kansas.
- Treat losses equally whether attributable to Medicaid, or uninsured (inpatient or outpatient) services;
- Ensure the continued predictability and stability in DSH payments over time.