

## DSH 2018 State Plan Amendment Overview

Current State Plan	Proposed Model
<b>Qualification</b>	<b>Qualification</b>
Hospitals must have either a MIUR at least one standard deviation above the statewide mean <b>or</b> a LIUR greater than 25% to qualify for DSH	Hospitals may now qualify with a MIUR greater than the lesser of 25% or one standard deviation above the statewide mean <b>or</b> a LIUR that is greater than 25%.
<b>Pools</b>	<b>Pools</b>
<ol style="list-style-type: none"> <li>1. IMD Hospitals</li> <li>2. Out-of-State Hospitals</li> <li>3. State Owned or Operated Teaching Hospitals</li> <li>4. Non-IMD Hospitals</li> </ol>	<ol style="list-style-type: none"> <li>1. IMD Hospitals</li> <li>2. Out-of-State Hospitals</li> <li>3. State Owned or Operated Teaching Hospitals</li> <li>4. Large Hospitals</li> <li>5. Non-IMD Hospitals</li> </ol>
	<p>Large hospital pool (Hospitals with 500+ available beds) determination is as follows:</p> <ol style="list-style-type: none"> <li>1. The pool will receive an initial allocation of \$18,677,107 in DSH funds. The pool's allotted DSH funds will increase/decrease each based on the percent the federal DSH allotment increases/decreases for the state.</li> </ol> <p>Adjust for the change in the hospitals qualifying under large hospital:</p> <ol style="list-style-type: none"> <li>1. If a hospital is no longer eligible for the large hospital pool a reduction to the large hospital pool will be made equal to the hospital's prior year DSH payment. The prior year payment will exclude pool reclassifications from the IMD pool.</li> <li>2. If a hospital becomes newly eligible for the large hospital pool an increase to the large hospital pool will be made equal to the hospital's prior year DSH payment. The prior year DSH payment will exclude pool reclassifications from the IMD pool.</li> </ol>
<b>CAH Transition</b>	<b>CAH Transition</b>
<ol style="list-style-type: none"> <li>1. Pay 100% of the current year payment to CAHs that increase in payment for every year of transition.</li> </ol>	CAH transition has been eliminated.
<ol style="list-style-type: none"> <li>2. Pay CAHs that decrease in payment the lesser of their 2007 payment or current year DSH limit for every year of transition.</li> </ol>	

<b>Non-CAH Transition</b>	<b>Transition</b>
<p>Three year transition based on one of two conditions in comparison to 2007 payments:</p>	<p>The IMD pool and state-owned/operated teaching hospitals will be excluded from the transition provisions. All other CAHs and non-CAHs will be treated the same for transition purposes. Three year transition with calculated DSH payments consisting of 50% of current year calculated DSH payment, 25% of prior year DSH payment and 25% of two years prior DSH payment.</p>
<p>1. Pay non-CAHs decreasing facilities their 2007 payment less 1/3, 2/3 or all of the difference between 2007 and 2008 payments per year.</p>	
<p>2. Pay non-CAH increasing facilities a fixed percentage of their 2008 payment until the federal allotment is reached.</p>	
<b>Cliff Provision</b>	<b>Cliff Provision</b>
<p>Hospitals that lose eligibility in any given year, that were eligible for DSH funds in each of the preceding two years will receive the lesser of 50% of their previous year's DSH payment or their UCC.</p>	<p>Cliff provision has been eliminated.</p>
<b>Non-IMD Calculation</b>	<b>Non-IMD Calculation</b>
<p>Hospital burden of each DSH eligible hospital is calculated by dividing hospital's UCC by total hospital cost. Then each facility is ranked based on their hospital burden relative to all other eligible hospitals' burden.</p> <p>Percentage rank is determined by taking the hospital-specific burden less the lowest overall hospital burden divided by the average of the three highest hospitals' burden less the lowest hospital burden.</p>	<p>Three year rolling average hospital burden will be used to determine percent of each hospital's business is related to providing Kansas uncompensated care and will be determined as follows:</p>
	<ol style="list-style-type: none"> <li>1. The average of the current year and two previous DSH years' hospital-specific burden.</li> <li>2. If no burden was calculated in either of the previous two years, the applicable years will not be used in the average.</li> <li>3. If a burden was calculated, even if it was zero, it will be used in the three-year rolling average hospital burden.</li> </ol>
	<p>Percentage rank will no longer be used in the calculation.</p>
	<p>All rural hospitals will have a scaling factor of 150% applied to the hospital-specific DSH limit. The term "rural hospitals" refers to all critical access hospitals, rural hospitals, frontier hospitals, and densely settled rural hospitals, as determined by the State.</p>
	<p>CAHs eligible for a DSH payment will receive the greater of the current year calculated DSH payment or 37% of their hospital-specific DSH limit.</p>