Rule No. 560-X-23-.06 Disproportionate Share Hospital (DSH) Payments

1) For the period October 1~~, 2009~~, through September 30~~, 2011~~, ~~Non-State Government-Owned and Operated Hospitals and State-Owned Hospitals which are~~ qualified hospitals, ~~to, and which do, certify public expenditures claimable for Federal Financial Participation (FFP)~~ in accordance with 42 CFR 433.51(b), will be paid a DSH payment as described in the Alabama Medicaid Agency State Plan and amendments thereto as currently approved by the Hospital Services and Reimbursement Panel. ~~based on the difference between the hospital's reasonable costs incurred in serving Medicaid inpatients, as determined in accordance with Medicare principles outlined in Exhibit C of AL 09-005 Attachment 4.19-A of the Medicaid State Plan, and the interim payments made under paragraph (c) of this Rule.~~

~~(2) For the period from October 1, 2009, to September 30, 2011, the Alabama Medicaid Agency shall appropriate and expend the full disproportionate share allotment to hospitals under Section 1923(f)(3) of the Social Security Act (the Act) in a manner consistent with the hospital specific DSH limits under section 1923(g) of the Act.~~

~~(a) Payments to disproportionate share hospitals shall be made to all hospitals qualifying for DSH payments under Section 1923(b) and 1923 (d) of the Act.~~

~~(b) Medicaid shall pay qualifying public and state owned disproportionate share hospitals an amount equal to each hospital's allowable uncompensated care cost under the hospital specific DSH limit in Section 1923(g) of the Act during state fiscal year 2007. State owned institutions for mental disease shall receive no more than the same disproportionate share hospital payments the institutions received in state fiscal year 2009.~~

~~(c) Qualifying public and state owned disproportionate share hospitals as defined on Exhibit C of AL 09-005 Attachment 4.19-A of the Medicaid State Plan shall receive an amount such that the sum of net inpatient hospital base payments, net outpatient hospital base payments, and DSH payments are equal to the greater of 2007 total Medicaid inpatient, outpatient and DSH payments or ninety-five percent of allowable Medicaid costs.~~

~~(d) The DSH allotment remaining after DSH payments have been made to public and state owned hospitals shall be paid to private hospitals as defined in Exhibit C of AL 09-005 Attachment 4.19-A of the Medicaid State Plan. DSH payments shall be paid to eligible private hospitals as follows:~~

~~(1) A payment equal to 7.93 percent of each hospital's eligible uncompensated care costs in state fiscal year 2007; and~~

~~(2) A payment equal to each eligible hospital's pro rata share of the DSH allotment remaining following payment under subsection (a). The payment shall be based upon each hospital's eligible uncompensated care costs under the hospital specific DSH limit in Section 1923(g) of the Act during state fiscal year 2007, divided by the total eligible uncompensated care costs for all eligible private disproportionate share hospitals during state fiscal year 2007.~~

~~(e) Total DSH payments to each hospital shall be made during the first month of the state fiscal year.~~

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Statutory Authority: State Plan, Title XIX, Social Security Act, 42 C.F.R. Section 401, et seq.
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