

Disproportionate Share Hospital (DSH) Supplemental Payment Program

SFY 2022 Reports

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Steve Sisolak
Governor



Richard Whitley, MS
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF HEALTH CARE FINANCING AND POLICY

Helping people. It's who we are and what we do.



Suzanne Bierman,
JD MPH
Administrator

DATE: September 15, 2021

TO: Senator Chris Brooks, Chair - Interim Finance Committee
Assemblywoman Maggie Carlton, Vice Chair - Interim Finance Committee
Brenda Erdoes, Director - Interim Finance Committee

Disproportionate Share Hospital Supplemental Payment Program

Per NRS 422.390, the Division of Health Care Financing and Policy (DHCFP) is submitting this quarterly report on the Disproportionate Share Hospital (DSH) Supplemental Payment Program for the first quarter (Q1) of state fiscal year (SFY) 2022.

Title XIX of the Social Security Act authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income families, the elderly and persons with disabilities. Section 1902(a)(13)(A)(iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such disproportionate share hospital payments, including aggregate annual state-specific limits on Federal Financial Participation (FFP) under Section 1923(f), and hospital-specific limits on DSH payments under section 1923(g).

DSH Authority - Policy:

- DSH Audit Final Rule, Federal Register Vol. 73, No. 245
- Social Security Act Sec. 1923
- 42 CFR447 Subpart E (447.296 – 447.299)
- State Plan 4.19-A pages 21 – 25
- NRS 422.380 – 422.390
- NAC 422.015 – 422.165

DSH Allotments

DSH allotments reflect the annual maximum amount of FFP available to the State for the DSH program. The DSH allotment is determined by the Centers for Medicare and Medicaid Services (CMS) as the higher of (1) the federal fiscal year (FFY) 2004 DSH allotment or (2) the prior year's DSH allotment increased by the percentage of change in the consumer price index for all urban consumers (CPI-U) for the prior fiscal year. The resulting amount must not exceed the greater of (1) the DSH allotment for the previous fiscal year or (2) 12% of total State Plan medical assistance expenditures during the fiscal year. CMS often updates the allotment amounts prior to

finalization, which results in revision of the corresponding DSH payments. The FFY 2019, FFY 2020 and FFY 2021 preliminary DSH allotments have been released and are subject to revision by CMS.

Under the Affordable Care Act (ACA), DSH allotments were scheduled to be reduced beginning in FFY 2014 and continuing through FFY 2020 due to decreases in the rate of uninsured and under-insured individuals as estimated by the Congressional Budget Office. Subsequent legislation has both modified the amounts and postponed the timing of these reductions until FFY 2021 through FFY 2026. However, in January 2021 the allotment reduction was postponed to FFY 2024. The national aggregate allotment reductions if implemented in FFY 2024 are as follows:

- \$4,000,000,000 for FFY 2024
- \$8,000,000,000 for FFY 2025
- \$8,000,000,000 for FFY 2026
- \$8,000,000,000 for FFY 2027
- \$8,000,000,000 for FFY 2028
- \$8,000,000,000 for FFY 2029

Federal Regulations require CMS to allocate the ACA DSH reductions to states based on the following criteria:

1. The largest percentage of reductions must be imposed on:
 - a. States that have the lowest percentage of uninsured
 - b. States that do not target DSH payments to hospitals with high volumes of Medicaid inpatients
 - c. States that do not target DSH payments to hospitals with high levels of uncompensated care
2. A smaller percentage of reductions must be imposed on “Low DSH” states

Intergovernmental Transfers (IGT)

Based on the projected FFY 2022 preliminary allotment amount and the increase of the FFY 2021, calculated in SFY 2022 Q1 (FFY 2021 Q4), the SFY 2022 total IGT is now projected to be \$65,284,075. The SFY 2022 IGT breakdown by County is: Clark County \$63,784,075 and Washoe County \$1,500,000.

For SFY 2022 Q1, DCHFP will invoice a total IGT of \$14,110,277.50. The first quarter IGT breakdown by County is: Clark County \$13,786,124.55 and Washoe County \$324,152.95.

Beginning in 2014, the IGT amount due from the counties has been offset by a credit from the Indigent Accident Fund (IAF) pursuant to NAC 422.105(4). For SFY 2022, the IAF credit is estimated to be \$8,639,576.81 for Clark County and \$203,388.20 for Washoe County, to be applied quarterly.

DSH Payment Calculation

The SFY 2022 Q1 Quarterly DSH projected payment total is \$27,541,569.07.

The Federal Medical Assistance Percentage (FMAP) for SFY 2022 Q1 is 69.50%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2022 Q1 Total
\$19,141,390.50	\$8,400,178.57	\$27,541,569.07

The SFY 2022 Q1 DSH distribution within each hospital pool is based on the following:

1. 50% of the DSH payment for each pool is distributed based on the Uncompensated Care Percentage of each hospital within the pool.
2. 50% of the DSH payment for each pool is distributed based on the amount of Uncompensated Care provided by each hospital within the pool.

Disproportionate Share Hospital Payments

July 15, 2021 DHCFP received notification from CMS that states as directed by the ARP, CMS is required to recalculate Federal Share DSH allotments to an amount that will allow states to make the same amount of TC DSH payments as they would have been otherwise able to make in the absence of the FFCRA FMAP increase. This resulted in an increase DSH allotment for both FFY 2020 and FFY 2021.

The SFY 2022 DSH payments are estimated to total \$93,061,095.59 based on the projected allotment amount of \$55,938,658 and the allotment increase released by CMS on 7/15/2021 for FFY 2021 that will be factored into SFY 2022 Q1 (FFY 2021 Q4).

SFY 2022 DSH payments have not yet been issued.

1st Quarter - SFY 2022 Preliminary DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment (SFY 2021 Q4)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2022 Q1 Total Projected DSH Payment
Pool A		\$24,228,318.30				
	University Medical Center		\$79,644,051.00	\$585,963,061.00	13.59%	\$24,228,318.30
	A SUBTOTAL		\$79,644,051.00	\$585,963,061.00		\$24,228,318.30
Pool B		\$465,452.52				
	Boulder City Hospital		\$2,791,402.00	\$27,619,792.00	10.11%	\$29,387.85
	Centennial Hills Medical Center		\$17,588,410.00	\$264,149,514.00	6.66%	\$34,316.69
	Henderson Hospital		\$21,922,342.00	\$236,746,124.00	9.26%	\$44,009.47
	Mountainview Hospital		\$36,036,570.00	\$507,661,600.00	7.10%	\$52,552.91
	North Vista Hospital		\$3,387,795.00	\$109,324,321.00	3.10%	\$19,883.43
	Southern Hills Hospital		\$17,907,958.00	\$248,201,087.00	7.22%	\$33,639.51
	Spring Valley Medical Center		\$24,010,478.00	\$329,906,392.00	7.28%	\$43,964.03
	St Rose Dominican Hospital - San Martin		\$20,414,295.00	\$159,354,078.00	12.81%	\$53,151.26
	St Rose Dominican Hospital - Siena		\$19,347,112.00	\$462,124,043.00	4.19%	\$30,098.16
	Summerlin Hospital Medical Center		\$12,489,551.00	\$432,843,036.00	2.89%	\$21,410.12
	Sunrise Hospital & Medical Center		\$48,288,935.00	\$660,783,933.00	7.31%	\$70,899.37
	Valley Hospital Medical Center		\$14,124,538.00	\$270,556,792.00	5.22%	\$32,079.72
	B SUBTOTAL		\$238,309,386.00	\$3,709,270,712.00		\$465,452.52
Pool C		\$1,613,935.95				
	Renown Regional Medical Center		\$85,153,702.00	\$779,981,320.00	10.92%	\$1,613,935.95
	C SUBTOTAL		\$85,153,702.00	\$779,981,320.00		\$1,613,935.95
Pool D		\$369,057.03				
	Humboldt General Hospital		(\$1,770,462.00)	\$41,863,968.00	-4.23%	\$0.00
	Mt Grant General Hospital		\$61,743.00	\$11,881,647.00	0.52%	\$0.00
	South Lyon Health Center		\$240,777.00	\$5,760,804.00	4.18%	\$157,654.18
	William Bee Ririe		\$380,704.00	\$26,290,192.00	1.45%	\$211,402.85
	D SUBTOTAL		(\$1,087,238.00)	\$85,796,611.00		\$369,057.03
Pool E		\$864,805.27				
	Banner Churchill Community Hospital		\$5,888,427.00	\$45,259,110.00	13.01%	\$217,787.68
	Carson Tahoe Regional Medical Center		\$19,434,510.00	\$293,701,235.00	6.62%	\$335,163.00
	Desert View Regional Medical Center		\$3,507,005.00	\$35,976,644.00	9.75%	\$152,401.32
	Northeastern Nevada Regional Hospital		\$5,058,312.00	\$69,950,144.00	7.23%	\$159,453.27
	E SUBTOTAL		\$33,888,254.00	\$444,887,133.00		\$864,805.27
SFY 2022 Q1 Quarterly DSH Payments :						\$27,541,569.07

Verification of DSH Eligibility

Verification of DSH eligibility begins in January of each year and finished by June in order to complete the annual calculations.

Twenty two hospitals in Nevada are eligible to receive DSH Payments in SFY 2022. Twenty of the eligible hospitals will receive DSH payments for SFY 2022 Q1.

Per NAC 422.165 – Based on available funds, DHCFP will transfer a \$50,000 payment to public hospitals that are located in a county that does not have any other hospitals and are not eligible for DSH payments. For SFY 2022 three hospitals are eligible for this payment:

1. Grover C. Dils Medical Center
2. Battle Mountain General Hospital
3. Pershing County General Hospital

Disproportionate Share Hospital Redistributions

Effective January 2009, in order to receive Federal Financial Participation for the DSH program, CMS requires states to submit an independent certified audit and report to ensure the appropriate use of Medicaid DSH payments and compliance with hospital-specific payment limits. Beginning with the DSH audits for SFY 2011, CMS is requiring states to recoup DSH payments from hospitals if the initial DSH payment they received exceeded the hospital's final Uncompensated Care Costs based on audit.

Through Myers and Stauffer LC, DHCFP's contracted auditor, the independent certified audits for the SFY 2011 through SFY 2018 DSH programs have been completed. The SFY 2019 DSH audit will begin later this year.

Please contact Tim Ryan at 775-684-3632, or at tiryana@dhcfp.nv.gov if you have any questions regarding this report.

Sincerely,



Phillip Burrell (Oct 6, 2021 14:44 CDT)

Phillip Burrell
Deputy Administrator
Division of Health Care Financing and Policy

Cc: Suzanne Bierman, Administrator - DHCFP
Sandie Ruybalid, Deputy Administrator – DHCFP
Tim Ryan, Management Analyst IV - DHCFP
Gina Callister, Management Analyst III – DHCFP
Patrick McDonnell, Publications & Outreach Coordinator – DHCFP

Steve Sisolak
Governor



Richard Whitley, MS
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF HEALTH CARE FINANCING AND POLICY

Helping people. It's who we are and what we do.



Suzanne Bierman,
JD MPH
Administrator

DATE: December 15, 2021

TO: Senator Chris Brooks, Chair - Interim Finance Committee
Assemblywoman Maggie Carlton, Vice Chair - Interim Finance Committee
Brenda Erdoes, Director - Interim Finance Committee

Disproportionate Share Hospital Supplemental Payment Program

Per NRS 422.390, the Division of Health Care Financing and Policy (DHCFP) is submitting this quarterly report on the Disproportionate Share Hospital (DSH) Supplemental Payment Program for the Second quarter (Q2) of state fiscal year (SFY) 2022.

Title XIX of the Social Security Act authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. Section 1902(a)(13)(A)(iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such disproportionate share hospital payments, including aggregate annual state-specific limits on Federal Financial Participation (FFP) under Section 1923(f), and hospital-specific limits on DSH payments under section 1923(g).

DSH Authority - Policy:

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DSH Allotments

DSH allotments reflect the annual maximum amount of FFP available to the State for the DSH program. The DSH allotment is determined by the Centers for Medicare and Medicaid Services (CMS) as the higher of (1) the federal fiscal year (FFY) 2004 DSH allotment or (2) the prior year's DSH allotment increased by the percentage of change in the consumer price index for all urban consumers (CPI-U) for the prior fiscal year. The resulting amount must not exceed the greater of (1) the DSH allotment for the previous fiscal year or (2) 12% of total State Plan medical assistance expenditures during the fiscal year. CMS often updates the allotment amounts prior to

finalization, which results in revision of the corresponding DSH payments. The FFY 2019, FFY 2020 and FFY 2021 preliminary DSH allotments have been released and are subject to revision by CMS.

Under the Affordable Care Act (ACA), DSH allotments were scheduled to be reduced beginning in FFY 2014 and continuing through FFY 2020 due to decreases in the rate of uninsured and under-insured individuals as estimated by the Congressional Budget Office. Subsequent legislation has both modified the amounts and postponed the timing of these reductions until FFY 2021 through FFY 2026. However, in January 2021 the allotment reduction was postponed to FFY 2024. The national aggregate allotment reductions if implemented in FFY 2024 are as follows:

- \$4,000,000,000 for FFY 2024
- \$8,000,000,000 for FFY 2025
- \$8,000,000,000 for FFY 2026
- \$8,000,000,000 for FFY 2027
- \$8,000,000,000 for FFY 2028
- \$8,000,000,000 for FFY 2029

Federal Regulations require CMS to allocate the ACA DSH reductions to states based on the following criteria:

1. The largest percentage of reductions must be imposed on:
 - a. States that have the lowest percentage of uninsured
 - b. States that do not target DSH payments to hospitals with high volumes of Medicaid inpatients
 - c. States that do not target DSH payments to hospitals with high levels of uncompensated care
2. A smaller percentage of reductions must be imposed on “Low DSH” states

Intergovernmental Transfers (IGT)

Based on the projected FFY 2022 preliminary allotment amount and the increase of the FFY 2021, calculated in SFY 2022 Q1 (FFY 2021 Q4), the SFY 2022 total IGT is now projected to be \$65,284,075. The SFY 2022 IGT breakdown by County is: Clark County \$63,784,075 and Washoe County \$1,500,000.

For SFY 2022 Q2, DCHFP will invoice a total IGT of \$14,110,277.50. The first quarter IGT breakdown by County is: Clark County \$13,786,124.55 and Washoe County \$324,152.95.

Beginning in 2014, the IGT amount due from the counties has been offset by a credit from the Indigent Accident Fund (IAF) pursuant to NAC 422.105(4). For SFY 2022, the IAF credit is estimated to be \$8,639,576.81 for Clark County and \$203,388.20 for Washoe County, to be applied quarterly.

DSH Payment Calculation

The SFY 2022 Q2 Quarterly DSH projected payment total is \$21,839,842.17.

The Federal Medical Assistance Percentage (FMAP) for SFY 2022 Q2 is 68.79%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2022 Q2 Total
\$15,023,627.43	\$6,816,214.74	\$21,839,842.17

The SFY 2022 Q2 DSH distribution within each hospital pool is based on the following:

1. 50% of the DSH payment for each pool is distributed based on the Uncompensated Care Percentage of each hospital within the pool.
2. 50% of the DSH payment for each pool is distributed based on the amount of Uncompensated Care provided by each hospital within the pool.

Disproportionate Share Hospital Payments

On July 15, 2021 DHCFP received notification from CMS stating that, as directed by the ARP, CMS is required to recalculate Federal Share DSH allotments to an amount that will allow states to make the same amount of total computable DSH payments as they would have been otherwise able to make in the absence of the FFCRA FMAP increase. This resulted in an increased DSH allotment for both FFY 2020 and FFY 2021.

The SFY 2022 DSH payments are estimated to total \$93,061,095.59 based on the projected allotment amount of \$55,938,658 and the allotment increase released by CMS on 7/15/2021 for FFY 2021 that was factored into SFY 2022 Q1 (FFY 2021 Q4).

SFY 2022 DSH payments have been issued through December 2021.

2nd Quarter - SFY 2022 Preliminary DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment (SFY 2022 Q2)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2022 Q2 Total Projected DSH Payment
Pool A		\$19,212,509.16				
	University Medical Center		\$79,644,051.00	\$585,963,061.00	13.59%	\$19,212,509.16
	A SUBTOTAL		\$79,644,051.00	\$585,963,061.00		\$19,212,509.16
Pool B		\$369,093.33				
	Boulder City Hospital		\$2,791,402.00	\$27,619,792.00	10.11%	\$16,826.28
	Centennial Hills Medical Center		\$17,588,410.00	\$264,149,514.00	6.66%	\$22,479.33
	Henderson Hospital		\$21,922,342.00	\$236,746,124.00	9.26%	\$28,576.14
	Mountainview Hospital		\$36,036,570.00	\$507,661,600.00	7.10%	\$36,190.38
	North Vista Hospital		\$3,387,795.00	\$109,324,321.00	3.10%	\$12,172.68
	Southern Hills Hospital		\$17,907,958.00	\$248,201,087.00	7.22%	\$21,964.92
	Spring Valley Medical Center		\$24,010,478.00	\$329,906,392.00	7.28%	\$29,312.67
	St Rose Dominican Hospital - De Lima		\$8,294,461.00	\$24,652,782.00	33.65%	\$62,210.31
	St Rose Dominican Hospital - San Martin		\$20,414,295.00	\$159,354,078.00	12.81%	\$33,448.35
	St Rose Dominican Hospital - Siena		\$19,347,112.00	\$462,124,043.00	4.19%	\$20,587.92
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	Valley Hospital Medical Center		\$14,124,538.00	\$270,556,792.00	5.22%	\$21,054.42
	B SUBTOTAL		\$246,603,847.00	\$3,733,923,494.00		\$369,093.33
Pool C		\$1,279,814.76				
	Renown Regional Medical Center		\$85,153,702.00	\$779,981,320.00	10.92%	\$1,279,814.76
	C SUBTOTAL		\$85,153,702.00	\$779,981,320.00		\$1,279,814.76
Pool D		\$237,612.27				
	Humboldt General Hospital		(\$1,770,462.00)	\$41,863,968.00	-4.23%	\$0.00
	Mt Grant General Hospital		\$61,743.00	\$11,881,647.00	0.52%	\$0.00
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	Carson Tahoe Regional Medical Center		\$19,434,510.00	\$293,701,235.00	6.62%	\$287,108.55
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Through Myers and Stauffer LC, DHCFP's contracted auditor, the independent certified audits for the SFY 2011 through SFY 2018 DSH programs have been completed. The SFY 2019 DSH audit will begin later this year.

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Sincerely,



Phillip Burrell (Dec 13, 2021 17:10 CST)

Phillip Burrell
Deputy Administrator
Division of Health Care Financing and Policy

Cc: Suzanne Bierman, Administrator - DHCFP
Sandie Ruybalid, Deputy Administrator – DHCFP
Tim Ryan, Management Analyst IV - DHCFP
Gina Callister, Management Analyst III – DHCFP