

Disproportionate Share Hospital (DSH) Supplemental Payment Program

SFY 2020 Reports

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH CARE FINANCING AND POLICY
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DATE: September 13, 2019

TO: Senator Joyce Woodhouse, Chair - Interim Finance Committee
Assemblywoman Maggie Carlton, Vice Chair - Interim Finance Committee
Rick Combs, 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) 2020.

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 CFR 447 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 2018 and FFY 2019 DSH allotments are currently preliminary amounts and are subject to revision by CMS. The FFY 2020 preliminary DSH allotment has not been released yet.

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. However, subsequent legislation has both modified the amounts and postponed the timing of these reductions until FFY 2020 through FFY 2025. The national aggregate allotment reductions are set to begin in FFY 2020 as follows:

- \$4,000,000,000 for FFY 2020
- \$8,000,000,000 for FFY 2021
- \$8,000,000,000 for FFY 2022
- \$8,000,000,000 for FFY 2023
- \$8,000,000,000 for FFY 2024
- \$8,000,000,000 for FFY 2025

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 2020 preliminary allotment amount, the SFY 2020 total IGT is projected to be \$53,392,297. The SFY 2020 IGT breakdown by County is: Clark County \$51,915,279 and Washoe County \$1,477,018.

For SFY 2020 Q1 DCHFP will invoice a total IGT of \$11,137,333. The quarterly IGT breakdown by County is: Clark County \$10,829,235.35 and Washoe County \$308,097.65.

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 2020, the IAF credit is estimated to be \$8,598,337.61 for Clark County and \$244,627.39 for Washoe County, to be applied quarterly.

DSH Payment Calculation

The SFY 2020 Q1 Quarterly DSH payment total is \$20,514,930.

The Federal Medical Assistance Percentage (FMAP) for SFY 2020 Q1 is 64.87%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2020 Q1 Total
\$13,308,035	\$7,206,895	\$20,514,930

The SFY 2020 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

The SFY 2020 DSH payments are estimated to total \$75,744,498 based on the current FFY 2019 preliminary allotment amount of \$53,232,142 and FFY 2020 projected allotment of \$47,077,683, respectively. DSH monthly payments for SFY 2020 Q1 are projected to average \$6,838,310 for a quarterly DSH payment total of \$20,514,930.

SFY 2020 Q1 DSH payments have been issued all to hospitals.

1st Quarter - SFY 2020 DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment (SFY 2020 Q1)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2020 Q1 Total DSH Payment
Pool A		\$18,046,985				
	University Medical Center		\$140,270,563	\$644,299,120	21.77%	\$18,046,985
	A SUBTOTAL		\$140,270,563	\$644,299,120		\$18,046,985
Pool B		\$346,701				
	Boulder City Hospital		\$2,143,609	\$24,957,790	8.59%	\$17,086
	Centennial Hills Medical Center		\$13,908,335	\$274,782,378	5.06%	\$19,333
	Henderson Hospital		\$12,750,866	\$165,286,667	7.71%	\$23,277
	Mountainview Hospital		\$24,496,757	\$415,945,970	5.89%	\$28,586
	North Vista Hospital		\$3,745,129	\$98,806,599	3.79%	\$9,591
	Southern Hills Hospital		\$16,447,742	\$177,809,843	9.25%	\$28,760
	Spring Valley Medical Center		\$22,356,305	\$364,006,933	6.14%	\$27,474
	St Rose Dominican Hospital - De Lima		\$14,685,961	\$81,804,077	17.95%	\$43,188
	St Rose Dominican Hospital - San Martin		\$15,221,822	\$183,499,112	8.30%	\$26,136
	St Rose Dominican Hospital - Siena		\$19,851,768	\$465,085,210	4.27%	\$22,255
	Summerlin Hospital Medical Center		\$19,593,960	\$443,439,136	4.42%	\$22,338
	Sunrise Hospital & Medical Center		\$54,547,540	\$602,446,949	9.05%	\$56,319
	Valley Hospital Medical Center		\$16,854,694	\$304,185,830	5.54%	\$22,358
	B SUBTOTAL		\$236,604,488	\$3,602,056,494		\$346,701
Pool C		\$1,202,175				
	Renown Regional Medical Center		\$57,722,211	\$711,232,435	8.12%	\$1,202,175
	C SUBTOTAL		\$57,722,211	\$711,232,435		\$1,202,175
Pool D		\$274,900				
	Humboldt General Hospital		\$600,843	\$41,366,646	1.45%	\$70,322
	Mt Grant General Hospital		\$0	\$9,033,169	0.00%	\$0
	South Lyon Health Center		\$475,547	\$6,143,937	7.74%	\$137,441
	William Bee Ririe		\$502,744	\$26,686,987	1.88%	\$67,137
	D SUBTOTAL		\$1,579,134	\$83,230,739		\$274,900
Pool E		\$644,169				
	Banner Churchill Community Hospital		\$6,355,274	\$42,936,126	14.80%	\$254,137
	Carson Tahoe Regional Medical Center		\$10,121,714	\$283,021,911	3.58%	\$185,389
	Desert View Regional Medical Center		\$2,977,196	\$39,189,339	7.60%	\$126,324
	Northeastern Nevada Regional Hospital		\$2,850,650	\$84,160,469	3.39%	\$78,319
	E SUBTOTAL		\$22,304,834	\$449,307,845		\$644,169
SFY 2020 Q1 Quarterly DSH Payments :						\$20,514,930

The total quarterly DSH payments for SFY 2020 Q1 are anticipated to be \$20,514,930.

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.

September 13, 2019

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Twenty three hospitals in Nevada are eligible to receive DSH Payments in SFY 2020. All 23 of the eligible hospitals will receive DSH payments for SFY 2020 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 2020 three hospitals are eligible for this payment:

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

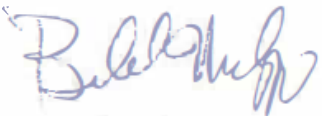
Disproportionate Share Hospital Redistributions

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 Meyers and Stauffer LC, DHCFP's contracted auditor, the independent certified audits for the SFY 2011 through SFY 2016 DSH programs have been completed. The audit of the SFY 2016 DSH program results indicate an amount is due back from University Medical Center. This will be initiated and complete in SFY 2020 Q2.

Please contact Sarah Lamb at 775-684-3621, or at s.lamb@dhcfp.nv.gov if you have any questions regarding this report.

Sincerely,



Budd Milazzo
Chief Financial Officer
Division of Health Care Financing and Policy

Cc: Suzanne Bierman, Administrator - DHCFP
Cody Phinney, Deputy Administrator – DHCFP
Sarah Lamb, Management Analyst IV - DHCFP
Gina Callister, Supplemental Reimbursement Analyst – 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 13, 2019

TO: Senator Joyce Woodhouse, Chair - Interim Finance Committee
Assemblywoman Maggie Carlton, Vice Chair - Interim Finance Committee
Rick Combs, 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) 2020.

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 CFR 447 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 2018 and FFY 2019 DSH

allotments are currently preliminary amounts and are subject to revision by CMS. The FFY 2020 preliminary DSH allotment has not been released yet.

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. However, subsequent legislation has both modified the amounts and postponed the timing of these reductions until FFY 2020 through FFY 2025. The national aggregate allotment reductions are set to begin in FFY 2020 as follows:

- \$4,000,000,000 for FFY 2020
- \$8,000,000,000 for FFY 2021
- \$8,000,000,000 for FFY 2022
- \$8,000,000,000 for FFY 2023
- \$8,000,000,000 for FFY 2024
- \$8,000,000,000 for FFY 2025

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 2020 preliminary allotment amount, the SFY 2020 total IGT is projected to be \$53,392,297. The SFY 2020 IGT breakdown by County is: Clark County \$51,915,279 and Washoe County \$1,477,018.

For SFY 2020 Q2 DCHFP will invoice a total IGT of \$11,137,333. The quarterly IGT breakdown by County is: Clark County \$10,829,235.35 and Washoe County \$308,097.65.

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 2020, the IAF credit is estimated to be \$8,598,337.61 for Clark County and \$244,627.39 for Washoe County, to be applied quarterly.

DSH Payment Calculation

The SFY 2020 Q2 Quarterly DSH payment total is \$18,387,909.

The Federal Medical Assistance Percentage (FMAP) for SFY 2020 Q2 is 63.93%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2020 Q2 Total
\$11,755,390	\$6,632,519	\$18,387,909

The SFY 2020 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

The SFY 2020 DSH payments are estimated to total \$75,744,498 based on the current FFY 2019 preliminary allotment amount of \$53,232,142 and FFY 2020 projected allotment of \$47,077,683, respectively. DSH monthly payments for SFY 2020 Q2 are projected to average \$6,136,617 for a quarterly DSH payment total of \$18,387,909.

SFY 2020 Q2 DSH payments have been issued all to hospitals.

2nd Quarter - SFY 2020 DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment (SFY 2020 Q2)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2020 Q2 Total DSH Payment
Pool A		\$16,195,149				
	University Medical Center		\$140,270,563	\$644,299,120	21.77%	\$16,195,149
	A SUBTOTAL		\$140,270,563	\$644,299,120		\$16,195,149
Pool B		\$311,127				
	Boulder City Hospital		\$2,143,609	\$24,957,790	8.53%	\$15,333
	Centennial Hills Medical Center		\$13,908,335	\$274,782,378	5.06%	\$17,349
	Henderson Hospital		\$12,750,866	\$165,286,667	7.7%	\$20,889
	Mountainview Hospital		\$24,436,757	\$415,945,970	5.89%	\$25,653
	North Vista Hospital		\$3,745,129	\$96,806,599	3.79%	\$8,607
	Southern Hills Hospital		\$16,447,742	\$177,809,843	9.25%	\$25,809
	Spring Valley Medical Center		\$22,356,305	\$364,006,933	6.14%	\$24,654
	St Rose Dominican Hospital - De Lima		\$14,685,961	\$81,804,077	17.95%	\$38,757
	St Rose Dominican Hospital - San Martin		\$15,221,822	\$183,499,112	8.30%	\$23,454
	St Rose Dominican Hospital - Siena		\$19,851,768	\$465,065,210	4.27%	\$19,971
	Summerlin Hospital Medical Center		\$19,593,960	\$443,439,136	4.42%	\$20,046
	Sunrise Hospital & Medical Center		\$54,547,540	\$602,446,949	9.05%	\$50,541
	Valley Hospital Medical Center		\$16,854,694	\$304,165,830	5.54%	\$20,064
	B SUBTOTAL		\$236,604,488	\$3,602,056,494		\$311,127
Pool C		\$1,202,175				
	Renown Regional Medical Center		\$57,722,211	\$711,232,435	8.12%	\$1,078,818
	C SUBTOTAL		\$57,722,211	\$711,232,435		\$1,078,818
Pool D		\$219,429				
	Humboldt General Hospital		\$600,843	\$41,366,646	1.45%	\$43,684
	Mt Grant General Hospital		\$0	\$9,033,169	0.00%	\$0
	South Lyon Health Center		\$475,547	\$6,143,937	7.74%	\$112,701
	William Bee Ririe		\$502,744	\$26,686,987	1.86%	\$62,844
	D SUBTOTAL		\$1,579,134	\$83,230,739		\$219,429
Pool E		\$583,386				
	Barner Churchill Community Hospital		\$6,355,274	\$42,936,126	14.80%	\$230,157
	Carson Tahoe Regional Medical Center		\$10,121,714	\$283,021,911	3.58%	\$167,895
	Desert View Regional Medical Center		\$2,977,196	\$39,189,339	7.60%	\$114,405
	Northeastern Nevada Regional Hospital		\$2,850,650	\$84,160,469	3.39%	\$70,929
	E SUBTOTAL		\$22,304,834	\$449,307,845		\$583,386
SFY 2020 Q2 Quarterly DSH Payments :						\$18,387,909

The total quarterly DSH payments for SFY 2020 Q2 are anticipated to be \$18,387,909.

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 three hospitals in Nevada are eligible to receive DSH Payments in SFY 2020. All 23 of the eligible hospitals will receive DSH payments for SFY 2020 Q2.

Per NAC 422.165 – Based on available funds, DHCFFP 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 2020 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.

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Chief Financial Officer
Division of Health Care Financing and Policy

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Director



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Suzanne Bierman, JD, MPH
Administrator

DATE: March 13, 2020

TO: Senator Joyce Woodhouse, Chair - Interim Finance Committee
Assemblywoman Maggie Carlton, Vice Chair - Interim Finance Committee
Rick Combs, 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 third quarter (Q3) of state fiscal year (SFY) 2020.

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).

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allotments have been finalized by CMS. The FFY 2020 preliminary DSH allotment has been released and is 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 2020 through FFY 2025. However, on December 20, 2019 a bill was signed postponing the allotment reduction for FFY 2020 to May 23, 2020. The national aggregate allotment reductions if implemented in FFY 2020 are as follows:

- \$4,000,000,000 for FFY 2020
- \$8,000,000,000 for FFY 2021
- \$8,000,000,000 for FFY 2022
- \$8,000,000,000 for FFY 2023
- \$8,000,000,000 for FFY 2024
- \$8,000,000,000 for FFY 2025

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 2020 preliminary allotment amount, the SFY 2020 total IGT is projected to be \$53,392,297. The SFY 2020 IGT breakdown by County is: Clark County \$51,915,279 and Washoe County \$1,477,018.

For SFY 2020 Q3 DCHFP will invoice a total IGT of \$11,137,333. The quarterly IGT breakdown by County is: Clark County \$10,829,235.35 and Washoe County \$308,097.65.

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 2020, the IAF credit is estimated to be \$8,598,337.61 for Clark County and \$244,627.39 for Washoe County, to be applied quarterly.

DSH Payment Calculation

The SFY 2020 Q3 Quarterly DSH payment total is \$18,484,191.

The Federal Medical Assistance Percentage (FMAP) for SFY 2020 Q3 is 63.93%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2020 Q3 Total
\$11,816,943	\$6,667,248	\$18,484,191

The SFY 2020 Q3 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

The SFY 2020 DSH payments are estimated to total \$75,744,498 based on the current FFY 2019 preliminary allotment amount of \$53,232,142 and FFY 2020 projected allotment of \$47,077,683, respectively. DSH monthly payments for SFY 2020 Q3 are projected to average \$6,161,397 for a quarterly DSH payment total of \$18,484,191.

SFY 2020 Q3 DSH payments have been issued all to hospitals.

3rd Quarter - SFY 2020 DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment (SFY 2020 Q3)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2020 Q3 Total DSH Payment
Pool A		\$16,195,152				
	University Medical Center		\$140,270,563	\$644,299,120	21.77%	\$16,195,152
	A SUBTOTAL		\$140,270,563	\$644,299,120		\$16,195,152
Pool B		\$317,382				
	Boulder City Hospital		\$2,143,609	\$24,957,790	8.59%	\$15,102
	Centennial Hills Medical Center		\$13,908,335	\$274,782,378	5.06%	\$18,957
	Henderson Hospital		\$12,750,866	\$165,286,667	7.71%	\$20,280
	Mountainview Hospital		\$24,496,757	\$415,945,970	5.89%	\$22,515
	North Vista Hospital		\$3,745,129	\$98,806,599	3.79%	\$0
	Southern Hills Hospital		\$16,447,742	\$177,809,843	9.25%	\$22,092
	Spring Valley Medical Center		\$22,356,305	\$364,006,933	6.14%	\$24,624
	St Rose Dominican Hospital - De Lima		\$14,685,961	\$81,804,077	17.95%	\$39,843
	St Rose Dominican Hospital - San Martin		\$15,221,822	\$183,499,112	8.30%	\$22,869
	St Rose Dominican Hospital - Siena		\$19,851,768	\$465,085,210	4.27%	\$24,672
	Summerlin Hospital Medical Center		\$19,593,960	\$443,439,136	4.42%	\$22,635
	Sunrise Hospital & Medical Center		\$54,547,540	\$602,446,949	9.05%	\$52,827
	Valley Hospital Medical Center		\$16,854,694	\$304,185,830	5.54%	\$30,966
	B SUBTOTAL		\$236,604,488	\$3,602,056,494		\$317,382
Pool C		\$1,202,175				
	Renown Regional Medical Center		\$57,722,211	\$711,232,435	8.12%	\$1,078,818
	C SUBTOTAL		\$57,722,211	\$711,232,435		\$1,078,818
Pool D		\$119,439				
	Humboldt General Hospital		\$600,843	\$41,366,646	1.45%	\$0
	Mt Grant General Hospital		\$0	\$9,033,169	0.00%	\$0
	South Lyon Health Center		\$475,547	\$6,143,937	7.74%	\$112,701
	William Bee Rife		\$502,744	\$26,686,987	1.88%	\$6,738
	D SUBTOTAL		\$1,579,134	\$83,230,739		\$119,439
Pool E		\$773,400				
	Banner Churchill Community Hospital		\$6,355,274	\$42,936,126	14.80%	\$298,851
	Carson Tahoe Regional Medical Center		\$10,121,714	\$283,021,911	3.58%	\$237,105
	Desert View Regional Medical Center		\$2,977,196	\$39,189,339	7.60%	\$148,653
	Northeastern Nevada Regional Hospital		\$2,850,850	\$84,160,469	3.39%	\$88,791
	E SUBTOTAL		\$22,304,834	\$449,307,845		\$773,400
SFY 2020 Q3 Quarterly DSH Payments :						\$18,484,191

The total quarterly DSH payments for SFY 2020 Q3 are anticipated to be \$18,484,191.

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 hospitals in Nevada are eligible to receive DSH Payments in SFY 2020. All 20 of the eligible hospitals will receive DSH payments for SFY 2020 Q3.

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 2020 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 Meyers and Stauffer LC, DHCFP's contracted auditor, the independent certified audits for the SFY 2011 through SFY 2016 DSH programs have been completed. The audit of the SFY 2016 DSH program results indicate an amount is due back from University Medical Center. This was initiated and complete in SFY 2020 Q3.

Please contact Sarah Lamb at 775-684-3621, or at s.lamb@dhcfp.nv.gov if you have any questions regarding this report.

Sincerely,



Tiffany Lewis
Chief Financial Officer
Division of Health Care Financing and Policy

Cc: Suzanne Bierman, Administrator - DHCFP
Cody Phinney, Deputy Administrator – DHCFP
Sarah Lamb, Management Analyst IV - DHCFP
Gina Callister, Supplemental Reimbursement Analyst – 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: June 15, 2020

TO: Senator Joyce Woodhouse, Chair - Interim Finance Committee
Assemblywoman Maggie Carlton, Vice Chair - Interim Finance Committee
Rick Combs, 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 fourth quarter (Q4) of state fiscal year (SFY) 2020.

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 CFR 447 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 2018 has been finalized and FFY 2019 and FFY 2020 preliminary DSH allotments have been released and is 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 May 2020 the CARES Act was signed postponing the allotment reduction for FFY 2021 to December 1, 2020. The national aggregate allotment reductions if implemented in FFY 2021 are as follows:

- \$4,000,000,000 for FFY 2021
- \$8,000,000,000 for FFY 2022
- \$8,000,000,000 for FFY 2023
- \$8,000,000,000 for FFY 2024
- \$8,000,000,000 for FFY 2025
- \$8,000,000,000 for FFY 2026

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 2020 preliminary allotment amount, the SFY 2020 total IGT is projected to be \$59,129,237. The SFY 2020 IGT breakdown by County is: Clark County \$57,629,237 and Washoe County \$1,500,000.

For SFY 2020 Q4, DCHFP will invoice a total IGT of \$12,571,567.75. The fourth quarter IGT breakdown by County is: Clark County \$12,257,724.59 and Washoe County \$313,843.16.

In addition to the SFY 2020 Q4 IGT above, as the CARES Act postponed the planned FFY 2020 DSH allotment reduction to FFY 2021, DCHFP will be invoicing an additional IGT amount of \$4,302,704.25 for SFY Q1-Q3. The breakdown by County for the additional IGT funds to be collected is: \$4,285,467.75 from Clark County, and \$17,236.50 from Washoe County.

Clark County’s contractual IGT authority for SFY 2020 is \$44,364,846, but with the increased IGT amount after the CARES Act postponed the planned DSH allotment reduction until FFY 2021, the total IGT invoiced to Clark County will be \$49,030,898.39 for SFY 2020. DCHFP will be collecting the additional IGT funds in the amount of \$4,666,052.36 from Clark County in SFY 2021, upon approval of an amendment to the Clark County IGT contract.

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 2020, the IAF credit is estimated to be \$8,598,337.61 for Clark County and \$244,627.39 for Washoe County, to be applied quarterly.

DSH Payment Calculation

The SFY 2020 Q4 Quarterly DSH payment total is \$26,763,119.

The Federal Medical Assistance Percentage (FMAP) for SFY 2020 Q4 is 70.13%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2020 Q4 Total
\$18,768,975	\$7,994,144	\$26,763,119

The SFY 2020 Q4 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

The SFY 2020 DSH payments are estimated to total \$84,081,174 based on the current FFY 2019 preliminary allotment amount of \$53,232,142 and FFY 2020 projected allotment of \$54,084,637, respectively. DSH monthly payments for SFY 2020 Q4 reflect the allotment increase due to the delay of the ACA DSH reduction. The actual distribution for April was \$6,161,397, May \$9,270,147 and June \$11,331,575 for a total of \$26,763,119 DSH payments for SFY 2020 Q4.

SFY 2020 Q4 DSH payments have been issued all to hospitals.

4th Quarter - SFY 2020 DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment (SFY 2020 Q4)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2020 Q4 Total DSH Payment
Pool A		\$23,528,921				
	University Medical Center		\$140,270,563	\$644,299,120	21.77%	\$23,528,921
	A SUBTOTAL		\$140,270,563	\$644,299,120		\$23,528,921
Pool B		\$457,633				
	Boulder City Hospital		\$2,143,609	\$24,957,790	8.59%	\$21,996
	Centennial Hills Medical Center		\$13,908,335	\$274,782,378	5.06%	\$27,171
	Henderson Hospital		\$12,750,866	\$165,286,667	7.71%	\$29,603
	Mountainview Hospital		\$24,496,757	\$415,945,970	5.89%	\$33,443
	North Vista Hospital		\$3,745,129	\$98,806,599	3.79%	\$0
	Southern Hills Hospital		\$16,447,742	\$177,809,843	9.25%	\$32,958
	Spring Valley Medical Center		\$22,356,305	\$364,006,933	6.14%	\$35,779
	St Rose Dominican Hospital - De Lima		\$14,685,961	\$81,804,077	17.95%	\$57,630
	St Rose Dominican Hospital - San Martin		\$15,221,822	\$183,499,112	8.30%	\$33,358
	St Rose Dominican Hospital - Siena		\$19,851,768	\$465,085,210	4.27%	\$34,754
	Summerlin Hospital Medical Center		\$19,593,960	\$443,439,136	4.42%	\$32,280
	Sunrise Hospital & Medical Center		\$54,547,540	\$602,446,949	9.05%	\$76,216
	Valley Hospital Medical Center		\$16,854,694	\$304,185,830	5.54%	\$42,448
	B SUBTOTAL		\$236,604,488	\$3,602,056,494		\$457,633
Pool C		\$1,202,175				
	Renown Regional Medical Center		\$57,722,211	\$711,232,435	8.12%	\$1,567,346
	C SUBTOTAL		\$57,722,211	\$711,232,435		\$1,567,346
Pool D		\$75,096				
	Humboldt General Hospital		\$600,843	\$41,366,646	1.45%	(\$57,103)
	Mt Grant General Hospital		\$0	\$9,033,169	0.00%	\$0
	South Lyon Health Center		\$475,547	\$6,143,937	7.74%	\$112,703
	William Bee Ririe		\$502,744	\$26,686,987	1.88%	\$19,496
	D SUBTOTAL		\$1,579,134	\$83,230,739		\$75,096
Pool E		\$1,134,123				
	Banner Churchill Community Hospital		\$6,355,274	\$42,936,126	14.80%	\$439,531
	Carson Tahoe Regional Medical Center		\$10,121,714	\$283,021,911	3.58%	\$344,699
	Desert View Regional Medical Center		\$2,977,196	\$39,189,339	7.60%	\$218,611
	Northeastern Nevada Regional Hospital		\$2,850,650	\$84,160,469	3.39%	\$131,283
	E SUBTOTAL		\$22,304,834	\$449,307,845		\$1,134,123
SFY 2020 Q4 Quarterly DSH Payments :						\$26,763,119

The total quarterly DSH payments for SFY 2020 Q4 are \$26,763,119.

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