

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Nevada

Attachment 4.19-A

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SUPPLEMENTAL PAYMENT FOR NON-STATE GOVERNMENTALLY OWNED OR OPERATED HOSPITALS

The state will determine annually the payments to be made to non-state, governmentally owned or operated hospitals under this section of the plan using the following methodology:

1. Identify all non-state government owned (NSGO) or operated acute care hospitals.
2. For each facility identified in Step #1, compute total Medicaid Fee-for-Service inpatient hospital payments using latest available data projected to the current period.
3. For each facility, calculate the difference between payments identified in Step #2, and the hospital's Medicare UPL. This difference is the total maximum disbursement available under this section of the state plan.

These calculations will be set on a prospective basis and will not be retroactively adjusted to previous fiscal years.

A. Calculation of Supplemental Payment for NSGO Hospitals

The state shall determine the **maximum** annual supplemental amount payable to hospitals prospectively for period that will begin each July 1. ~~On a quarterly basis, hospitals will receive a supplemental payment equal to twenty five percent (25%) of the annually determined supplemental amount. A quarterly payment will be made in each calendar quarter during the state's fiscal year.~~ The state shall determine the amount of supplemental payments to each facility using the following criteria:

1. Total supplemental payments under this section of the state plan will not exceed the difference between Medicaid payments and the Medicare UPL calculated in step #3 above.
2. Facilities participating in the supplemental payment program will be identified.
3. Total supplemental payments will be apportioned to public hospitals participating in the supplemental payment program using each hospital's participation percentage. This percentage is calculated by dividing each supplemental payment hospital's Medicaid days by the total Medicaid days for all supplemental payment hospitals.
4. Medicaid days for each supplemental payment hospital shall be identified using the most recent Medicare cost report data available at the time the calculation are prepared.
5. Once these participation percentages are determined they will be final and not subject to recalculation, except when errors are found in the calculations. The state will not recalculate the percentages following receipt of more accurate data, such as a more current or audited Medicare cost report.

B. Adjustment to Supplemental Payment for NSGO Hospitals to Preserve DSH

1. **The total annual supplemental payment for each hospital will be the lesser of:**

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- a) The total supplemental payment as calculated above in Paragraph A; or
 - b) If the uncompensated care limit of DSH Distribution Pool A or Distribution Pool D per the Medicaid State Plan Attachment 4.19-A, Page 23 for the same time period beginning July 1 as above is less than the maximum amount of DSH payment available to the Distribution Pool, the supplemental payment as calculated in this section above for the individual hospitals in the DSH Distribution Pool will be reduced by the amount necessary to allow the Distribution Pool to receive the maximum DSH payment allowable. In no event will the adjustment for each individual hospital reduce the supplemental payment as calculated in Section A to less than \$0.
2. For the purpose of the reduction discussed in Paragraph B.1.b above, the Supplemental Payment for NSGO Hospitals for all hospitals in each DSH Pool will be reduced by the lesser of:
- a) The amount of the smallest calculated annual Supplemental Payment for NSGO Hospitals in Paragraph A, if there are sufficient DSH funds in the pool to distribute this DSH payment amount equally to all hospitals in the pool, or
 - b) The remaining amount of DSH funds available in the pool which will be distributed by dividing a hospital's maximum allowed DSH payment by the total maximum allowed DSH payments for the hospitals in the distribution calculation.

No hospital will receive a DSH payment greater than the hospital's uncompensated care limit. If a hospital in the pool is projected to have negative uncompensated care costs, as determined in Section VIII of this Attachment 4.19-A, prior to the adjustment calculation described in Paragraph B.2, the hospital will be excluded from the adjustment calculation; the Supplemental Payment for NSGO Hospitals for such hospital will be that as calculated in Paragraph A. If a hospital in the pool has its annual Supplemental Payment for NSGO Hospitals reduced to \$0, this hospital will be removed from further repetitions of Paragraph B.2.

The process in Paragraph B.2.a - b will be repeated until all DSH funds allocated to the DSH Distribution Pool have been distributed or the annual Supplemental Payment for NSGO Hospitals for all hospitals in the DSH Pool have been reduced to \$0.

C. Payment of the Supplemental Payment for NSGO Hospitals

On a quarterly basis, hospitals will receive a supplemental payment equal to twenty-five percent (25%) of the annually determined supplemental amount. A quarterly payment will be made in each calendar quarter during the state's fiscal year.

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