

**Disproportionate Share Hospital (DSH)  
Supplemental Payment Program**

**SFY 2015 Reports**

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BRIAN SANDOVAL  
Governor

STATE OF NEVADA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
**DIVISION OF HEALTH CARE FINANCING AND POLICY**  
1100 E. William Street, Suite 101  
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ROMAINE GILLILAND  
Director

LAURIE SQUARTSOFF  
Administrator

DATE: 10/6/2014

TO: Senator Debbie Smith, 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, DHCFP is submitting this revised quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for SFY 2015 Q1.

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 (DSH) payments, including aggregate annual state-specific limits on Federal financial participation under Section 1923(f), and hospital-specific limits on DSH payments under section 1923(g).

DHS 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

### **Intergovernmental Transfers (IGT)**

The SFY 2015 Total IGT is calculated at \$55,077,867.31. The IGT breakdown by County is: Clark County \$53,577,867.31 and Washoe County \$1,500,000.

For SFY 2015 Q1 DCHFP invoiced and collected a total IGT of \$13,769,466.83. The IGT breakdown by County is: Clark County \$13,394,466.83 and Washoe County \$375,000.00.

The IGT amount due from the counties is offset by a credit from the Indigent Accident Fund. For SFY 2015 this credit is estimated to be \$7,284,791.09 for Clark County and \$201,781.42 for Washoe County. The quarterly projected credit applied to each county's IGT balance due is \$1,821,197.77 for Clark County \$50,437.85 for Washoe County.



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### Disproportionate Share Hospital Payments

The SFY 2015 DSH Initial Allotment is calculated at \$78,170,217.84. DSH payments for the SFY 2015 Q1 are anticipated to be \$6,514,033.01 monthly, for a quarterly DSH payment total of \$19,542,099.05

The FMAP in place for SFY2015 Q1 is 63.10%, resulting in a Federal/State share breakdown of:

	Federal Portion	State Portion	Total
SFY 2015 Q1	\$12,577,294.95	\$6,964,804.10	\$19,542,099.05

### 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.

Out of 45 Hospitals in Nevada, 22 are eligible for DSH Payments. All 22 that are eligible for DSH payments are receiving DSH payments in SFY 2015 Q1.

Per NAC 422.165 – Based on available funds, DHCFP will transfer a \$50,000.00 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 SFY15 three hospitals were eligible for this payment:

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

These \$50,000.00 payments are processed and issued to eligible hospitals July 2014. The funding for these payments is from the State General Fund and not from the County IGT.

### DSH Payment Calculation

The SFY 2015 Q1 Quarterly DSH payment total is \$19,542,099.05.

The SFY 2015 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.



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Laurie Squartsoff  
Administrator

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.

1st Quarter - SFY 2015 DSH Calculation						
Hospital Pools	Hospitals	Total Pool Allotment	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2015 Q1 Total DSH Payment
<b>Pool A</b>		<b>\$17,191,184.54</b>				
	University Medical Center		\$142,219,135.00	\$551,540,022.00	25.79%	\$17,191,184.54
	<b>A SUBTOTAL</b>		<b>\$142,219,135.00</b>	<b>\$551,540,022.00</b>	<b>25.79%</b>	<b>\$17,191,184.54</b>
<b>Pool B</b>		<b>\$330,261.47</b>				
	Boulder City Hospital		\$1,088,894.00	\$17,167,994.00	6.34%	\$9,664.98
	Centennial Hills Medical Center		\$14,629,201.00	\$169,371,142.50	8.64%	\$21,332.26
	Mountainview Hospital		\$25,078,015.00	\$250,337,668.00	10.02%	\$29,782.26
	North Vista Hospital		\$13,684,483.00	\$129,396,318.00	10.58%	\$23,491.90
	Southern Hills Hospital		\$10,462,679.00	\$113,612,068.00	9.21%	\$19,553.03
	Spring Valley Medical Center		\$18,420,884.00	\$275,520,380.00	6.69%	\$20,923.25
	St Rose Dominican Hospital - De Lima		\$16,646,039.00	\$115,787,833.00	14.38%	\$30,718.56
	St Rose Dominican Hospital - San Martin		\$15,367,517.00	\$141,314,104.00	10.87%	\$24,961.75
	St Rose Dominican Hospital - Siena		\$28,462,858.00	\$323,276,906.00	8.80%	\$30,166.70
	Summerlin Hospital Medical Center		\$18,627,634.00	\$325,662,299.50	5.72%	\$19,682.90
	Sunrise Hospital & Medical Center		\$71,591,795.00	\$491,918,167.00	14.55%	\$65,118.49
	Valley Hospital Medical Center		\$31,637,629.00	\$294,912,525.00	10.73%	\$34,865.39
	<b>B SUBTOTAL</b>		<b>\$265,697,628.00</b>	<b>\$2,648,277,405.00</b>	<b>116.53%</b>	<b>\$330,261.47</b>
<b>Pool C</b>		<b>\$1,145,167.00</b>				
	Renown Regional Medical Center		\$27,292,159.00	\$460,448,754.00	5.93%	\$1,145,167.00
	<b>C SUBTOTAL</b>		<b>\$27,292,159.00</b>	<b>\$460,448,754.00</b>	<b>5.93%</b>	<b>\$1,145,167.00</b>
<b>Pool D</b>		<b>\$261,864.13</b>				
	Humboldt General Hospital		\$2,611,663.00	\$41,290,309.00	6.33%	\$90,050.01
	Mt Grant General Hospital		\$304,359.00	\$7,485,481.00	4.07%	\$25,781.23
	South Lyon Health Center		\$390,261.00	\$5,517,111.00	7.07%	\$41,599.60
	William Bee Ririe		\$2,299,132.00	\$20,812,499.00	11.05%	\$104,433.28
	<b>D SUBTOTAL</b>		<b>\$5,605,415.00</b>	<b>\$75,105,400.00</b>	<b>28.51%</b>	<b>\$261,864.12</b>
<b>Pool E</b>		<b>\$613,621.91</b>				
	Banner Churchill Community Hospital		\$5,249,311.00	\$36,671,825.00	14.31%	\$166,183.37
	Carson Tahoe Regional Medical Center		\$18,152,415.00	\$190,522,618.00	9.53%	\$259,007.01
	Desert View Regional Medical Center		\$3,549,152.00	\$31,848,050.00	11.14%	\$123,935.73
	Northeastern Nevada Regional Hospital		\$3,356,035.00	\$86,835,404.00	3.86%	\$64,495.81
	<b>E SUBTOTAL</b>		<b>\$30,306,913.00</b>	<b>\$345,877,897.00</b>	<b>38.85%</b>	<b>\$613,621.92</b>
	<b>SFY 2015 Q1 Total DSH Distribution :</b>	<b>\$19,542,099.05</b>	<b>\$471,121,250.00</b>	<b>\$4,081,249,478.00</b>		<b>\$19,542,099.05</b>

### Disproportionate Share Hospital Redistributions

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.

DHCFP has received the audit results of DSH payments for SFY 2011 from Meyers and Stauffer LC, our contracted auditor. The results indicate that during SFY 2011, two hospitals (S Lyon Medical Center and



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ROMAINE GILLILAND  
*Director*

LAURIE SQUARTSOFF  
*Administrator*

Humboldt General Hospital) received DSH payments that exceeded their Uncompensated Care Costs in the amount of \$117,356.00. PER NRS 422.387 (b) & (c), DHCFP will be recouping the overpayments and re-distributing those amounts to the remaining eligible hospitals.

Please contact me at 775-684-3791, or at [jprentice@dncfp.nv.gov](mailto:jprentice@dncfp.nv.gov) if you have any questions regarding this report.

Sincerely,

A handwritten signature in cursive script that reads "Janice Prentice".

Janice Prentice,  
Chief, Rates and Cost Containment  
Department of Health Care Financing and Policy

Cc: Laurie Squartsoff, Administrator – DHCFP  
Leah Lamborn, CFO – DHCFP  
Silvia Giancontieri, RACC Supervisor - DHCFP



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DATE: 12/12/2014

TO: Senator Debbie Smith, 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, DHCFP is submitting this revised quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for SFY 2015 Q2.

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 (DSH) payments, including aggregate annual state-specific limits on Federal financial participation under Section 1923(f), and hospital-specific limits on DSH payments under section 1923(g).

DHS 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

### **Intergovernmental Transfers (IGT)**

Based on the preliminary allotment amount released by CMS, the SFY 2015 Total IGT has been revised to \$54,920,284.15, a reduction of \$157,583.16 from initial IGT amount calculated at \$55,077,867.31.

The SFY 2015 IGT breakdown by County is: Clark County \$53,420,284.15 and Washoe County \$1,500,000.

For SFY 2015 Q2 DHCFP invoiced and collected a total IGT of \$13,769,466.83. The IGT breakdown by County is: Clark County \$13,394,466.83 and Washoe County \$375,000.00.



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The IGT amount due from the counties is offset by a credit from the Indigent Accident Fund. For SFY 2015 this credit is estimated to be \$7,284,791.09 for Clark County and \$201,751.40 for Washoe County. The quarterly projected credit applied to each county's IGT balance due is \$1,821,197.77 for Clark County \$50,437.85 for Washoe County.

### Disproportionate Share Hospital Payments

The SFY 2015 DSH payments were revised to \$77,940,303.69 based on the CMS preliminary FFY 2015 allotment amount of \$50,113,446.00. The FFY 2015 allotment had initially been projected at \$50,310,743.00. DSH payments for October and November 2014 were \$6,514,235.41 monthly. Based on the revised calculation, the December 2014 DSH payment was \$6,481,390.55, for a quarterly DSH payment total of \$19,509,861.37. The DSH payments for SFY 2015 Quarters 2-4 are anticipated to be \$58,398,204.64.

The FMAP in place for SFY2015 Q2 is 64.36%, resulting in a Federal/State share breakdown of:

	Federal Portion	State Portion	Total
SFY 2015 Q2	\$12,556,546.78	\$6,953,314.59	\$19,509,861.37

### 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.

Out of 45 Hospitals in Nevada, 22 are eligible for DSH Payments for SFY 2015. All 22 that are eligible for DSH payments are receiving DSH payments in SFY 2015 Q2.

Per NAC 422.165 – Based on available funds, DHCFP will transfer a \$50,000.00 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 SFY15 three hospitals were eligible for this payment:

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

These \$50,000.00 payments are processed and issued to eligible hospitals July 2014. The funding for these payments is from the State General Fund and not from the County IGT.



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## DSH Payment Calculation

The SFY 2015 Q2 Quarterly DSH payment total is \$19,509,861.37.

The SFY 2015 Q2 DSH distribution within each hospital pool is based on the following:

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

SFY 2015 DSH Calculation - 2nd Quarter						
Hospital Pools	Hospitals	Total Pool Allotment SFY 2014 (Quarter 2-4)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2015 Q2 Quarterly Payment
<b>Pool A</b>		<b>\$51,372,900.62</b>				
	University Medical Center		\$142,219,135.00	\$551,540,022.00	25.79%	\$17,162,825.06
	<b>A SUBTOTAL</b>		<b>\$142,219,135.00</b>	<b>\$551,540,022.00</b>	<b>25.79%</b>	<b>\$17,162,825.06</b>
<b>Pool B</b>		<b>\$986,929.66</b>				
	Boulder City Hospital		\$1,088,894.00	\$17,167,994.00	6.34%	\$9,649.04
	Centennial Hills Medical Center		\$14,629,201.00	\$169,371,142.50	8.64%	\$21,297.06
	Mountainview Hospital		\$25,078,015.00	\$250,337,668.00	10.02%	\$29,733.13
	North Vista Hospital		\$13,684,483.00	\$129,396,318.00	10.58%	\$23,453.15
	Southern Hills Hospital		\$10,462,679.00	\$113,612,068.00	9.21%	\$19,520.78
	Spring Valley Medical Center		\$18,420,884.00	\$275,520,380.00	6.69%	\$20,888.73
	St Rose Dominican Hospital - De Lima		\$16,646,039.00	\$115,787,833.00	14.38%	\$30,667.89
	St Rose Dominican Hospital - San Martin		\$15,367,517.00	\$141,314,104.00	10.87%	\$24,920.57
	St Rose Dominican Hospital - Siena		\$28,462,858.00	\$323,276,906.00	8.80%	\$30,116.93
	Summerlin Hospital Medical Center		\$18,627,634.00	\$325,662,299.50	5.72%	\$19,650.43
	Sunrise Hospital & Medical Center		\$71,591,795.00	\$491,918,167.00	14.55%	\$65,011.07
	Valley Hospital Medical Center		\$31,637,629.00	\$294,912,525.00	10.73%	\$34,807.88
	<b>B SUBTOTAL</b>		<b>\$265,697,628.00</b>	<b>\$2,648,277,405.00</b>	<b>116.53%</b>	<b>\$329,716.66</b>
<b>Pool C</b>		<b>\$3,422,134.79</b>				
	Renown Regional Medical Center		\$27,292,159.00	\$460,448,754.00	5.93%	\$1,143,277.88
	<b>C SUBTOTAL</b>		<b>\$27,292,159.00</b>	<b>\$460,448,754.00</b>	<b>5.93%</b>	<b>\$1,143,277.88</b>
<b>Pool D</b>		<b>\$782,535.94</b>				
	Humboldt General Hospital		\$2,811,863.00	\$41,290,309.00	6.33%	\$89,901.46
	Mt Grant General Hospital		\$304,359.00	\$7,485,481.00	4.07%	\$25,738.70
	South Lyon Health Center		\$390,261.00	\$5,517,111.00	7.07%	\$41,530.97
	William Bee Ririe		\$2,299,132.00	\$20,812,499.00	11.05%	\$104,260.99
	<b>D SUBTOTAL</b>		<b>\$5,605,415.00</b>	<b>\$75,105,400.00</b>	<b>28.51%</b>	<b>\$261,432.12</b>
<b>Pool E</b>		<b>\$1,833,703.63</b>				
	Banner Churchill Community Hospital		\$5,249,311.00	\$36,671,825.00	14.31%	\$165,909.22
	Carson Tahoe Regional Medical Center		\$18,152,415.00	\$190,522,618.00	9.53%	\$258,579.73
	Desert View Regional Medical Center		\$3,549,152.00	\$31,848,050.00	11.14%	\$123,731.27
	Northeastern Nevada Regional Hospital		\$3,356,035.00	\$86,835,404.00	3.86%	\$64,389.41
	<b>E SUBTOTAL</b>		<b>\$30,306,913.00</b>	<b>\$345,877,897.00</b>	<b>38.85%</b>	<b>\$612,609.64</b>
<b>SFY 2015 Total DSH Distribution (Q2-Q4):</b>		<b>\$58,398,204.64</b>	<b>\$471,121,250.00</b>	<b>\$4,081,249,478.00</b>		
						<b>SFY 2015 Q2 Quarterly DSH Payments: \$19,509,861.37</b>



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## **Disproportionate Share Hospital Redistributions**

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.

DHCFP has received the audit results of DSH payments for SFY 2011 from Meyers and Stauffer LC, our contracted auditor. The results indicate that during SFY 2011, two hospitals (S Lyon Medical Center and Humboldt General Hospital) received DSH payments that exceeded their Uncompensated Care Costs in the amount of \$117,356.00. PER NRS 422.387 (b) & (c), DHCFP is recouping the overpayments and redistributing those amounts to the remaining eligible hospitals.

Please contact me at 775-684-3791, or at [jprentice@dhcfp.nv.gov](mailto:jprentice@dhcfp.nv.gov) if you have any questions regarding this report.

Sincerely,

A handwritten signature in cursive script that reads "Janice Prentice".

Janice Prentice,  
Chief, Rates and Cost Containment  
Department of Health Care Financing and Policy

Cc: Laurie Squartsoff, Administrator – DHCFP  
Leah Lamborn, CFO – DHCFP  
Debra Sisco, RACC Supervisor – DHCFP  
Lynne Foster, HIPPA Privacy Officer - DHCFP



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RICHARD WHITLEY  
*Interim Director*

LAURIE SQUARTSOFF  
*Administrator*

DATE: March 13, 2015

TO: Assemblyman Paul Anderson, Chair- Interim Finance Committee  
Senator Ben Kieckhefer, Vice Chair- Interim Finance Committee  
Rick Combs, Director - Interim Finance Committee

### **Disproportionate Share Hospital Supplemental Payment Program**

Per NRS 422.390, DHCFP is submitting this revised quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for SFY 2015 Q3.

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 (DSH) payments, including aggregate annual state-specific limits on Federal financial participation 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 maximum amount of federal DSH funding available to the State. The DSH allotment is determined by the Centers for Medicare and Medicaid Services (CMS) as the higher of (1) the 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 for the prior fiscal year. The resulting amount must not exceed the greater of (1) the DSH allotment for the previous year or (2) 12% of total State Plan medical assistance expenditures during the FFY. CMS often updates the allotment amounts prior to finalization which results in revision of the corresponding DSH payments. The FFY 2014 and the FFY 2015 DSH allotments are currently preliminary amounts and subject to revision by CMS.

Under the Affordable Care Act, 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 2017 through FFY 2024. The following table specifies the upcoming reductions to the aggregate Federal DSH allotments. The projected NV DSH allotment is a DHCFP estimate, as CMS has not released any projection.

FFY	Reduction to Aggregate Federal DSH Allotment	Projected NV DSH Allotment
2016	No Reduction	\$48,067,446
2017	\$1,800,000,000	\$47,661,671
2018	\$4,700,000,000	\$42,229,313
2019	\$4,700,000,000	\$42,999,318
2020	\$4,700,000,000	\$43,780,674
2021	\$4,800,000,000	\$44,360,059
2022	\$5,000,000,000	\$44,737,641
2023	\$5,000,000,000	\$45,554,061
2024	\$4,400,000,000	\$46,382,516

### Intergovernmental Transfers (IGT)

Based on the preliminary allotment amount released by CMS, the SFY 2015 Total IGT has been revised to \$54,920,284.15, a reduction of \$157,583.16 from initial IGT amount calculated at \$55,077,867.31. The SFY 2015 IGT breakdown by County is: Clark County \$53,420,284.15 and Washoe County \$1,500,000.

For SFY 2015 Q3 DCHFP invoiced and collected a total IGT of \$13,690,675.24. The IGT breakdown by County is: Clark County \$13,315,675.24 and Washoe County \$375,000.00.

Beginning in 2014, the IGT amount due from the counties has been offset by a credit from the Indigent Accident Fund (IAF). For SFY 2015, the IAF credit is estimated to be \$7,284,791.09 for Clark County and \$201,751.40 for Washoe County, to be applied quarterly.

### Disproportionate Share Hospital Payments

The SFY 2015 DSH payments were revised to \$77,940,303.69 based on the CMS preliminary FFY 2015 allotment amount of \$50,113,446.00. The FFY 2015 allotment had initially been projected at \$50,310,743.00. DSH payments for SFY 2015 Q3 were \$6,481,390.55 monthly for a quarterly DSH payment total of \$19,444,171.65.

The FMAP in place for SFY 2015 Q3 is 64.36%, resulting in a Federal/State share breakdown of:

Federal Portion	State Portion	SFY 2015 Q3 Total
\$12,514,268.87	\$6,929,902.78	\$19,444,171.65

The total quarterly DSH payments for SFY 2015 Q4 are anticipated to be \$19,444,171.62.

## DSH Payment Calculation

The SFY 2015 Q3 Quarterly DSH payment total is \$19,444,171.65.

The SFY 2015 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.

SFY 2015 DSH Calculation - 3rd Quarter						
Hospital Pools	Hospitals	Total Pool Allotment SFY 2014 <i>(Quarter 2-4)</i>	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2015 Q3 Quarterly Payment
<b>Pool A</b>		<b>\$51,372,900.62</b>				
	University Medical Center		\$142,219,135.00	\$551,540,022.00	25.79%	\$17,105,037.81
	<b>A SUBTOTAL</b>		<b>\$142,219,135.00</b>	<b>\$551,540,022.00</b>	<b>25.79%</b>	<b>\$17,105,037.81</b>
<b>Pool B</b>		<b>\$986,929.66</b>				
	Boulder City Hospital		\$1,088,894.00	\$17,167,994.00	6.34%	\$9,616.56
	Centennial Hills Medical Center		\$14,629,201.00	\$169,371,142.50	8.64%	\$21,225.36
	Mountainview Hospital		\$25,078,015.00	\$250,337,668.00	10.02%	\$29,633.01
	North Vista Hospital		\$13,684,483.00	\$129,396,318.00	10.58%	\$23,374.17
	Southern Hills Hospital		\$10,462,679.00	\$113,612,068.00	9.21%	\$19,455.06
	Spring Valley Medical Center		\$18,420,884.00	\$275,520,380.00	6.69%	\$20,818.41
	St Rose Dominican Hospital - De Lima		\$16,646,039.00	\$115,787,833.00	14.38%	\$30,564.83
	St Rose Dominican Hospital - San Martin		\$15,367,517.00	\$141,314,104.00	10.87%	\$24,836.67
	St Rose Dominican Hospital - Siena		\$28,462,858.00	\$323,276,908.00	8.80%	\$30,015.51
	Summerlin Hospital Medical Center		\$18,627,634.00	\$325,662,299.50	5.72%	\$19,584.27
	Sunrise Hospital & Medical Center		\$71,591,795.00	\$491,918,167.00	14.55%	\$64,792.17
	Valley Hospital Medical Center		\$31,637,629.00	\$294,912,525.00	10.73%	\$34,690.68
	<b>B SUBTOTAL</b>		<b>\$265,697,628.00</b>	<b>\$2,648,277,405.00</b>	<b>116.53%</b>	<b>\$328,606.50</b>
<b>Pool C</b>		<b>\$3,422,134.79</b>				
	Renown Regional Medical Center		\$27,292,159.00	\$460,448,754.00	5.93%	\$1,139,428.45
	<b>C SUBTOTAL</b>		<b>\$27,292,159.00</b>	<b>\$460,448,754.00</b>	<b>5.93%</b>	<b>\$1,139,428.45</b>
<b>Pool D</b>		<b>\$782,535.94</b>				
	Humboldt General Hospital		\$2,611,663.00	\$41,290,309.00	6.33%	\$89,598.78
	Mt Grant General Hospital		\$304,359.00	\$7,485,481.00	4.07%	\$25,652.04
	South Lyon Health Center		\$390,261.00	\$5,517,111.00	7.07%	\$41,391.15
	William Bee Ririe		\$2,299,132.00	\$20,812,499.00	11.05%	\$103,909.96
	<b>D SUBTOTAL</b>		<b>\$5,605,415.00</b>	<b>\$75,105,400.00</b>	<b>28.51%</b>	<b>\$260,551.93</b>
<b>Pool E</b>		<b>\$1,833,703.63</b>				
	Banner Churchill Community Hospital		\$5,249,311.00	\$36,671,825.00	14.31%	\$165,350.58
	Carson Tahoe Regional Medical Center		\$18,152,415.00	\$190,522,618.00	9.53%	\$257,709.10
	Desert View Regional Medical Center		\$3,549,152.00	\$31,848,050.00	11.14%	\$123,314.67
	Northeastern Nevada Regional Hospital		\$3,356,035.00	\$86,835,404.00	3.86%	\$64,172.61
	<b>E SUBTOTAL</b>		<b>\$30,306,913.00</b>	<b>\$345,877,897.00</b>	<b>38.85%</b>	<b>\$64,172.61</b>
	<b>SFY 2015 Total DSH Distribution (Q2-Q4):</b>	<b>\$58,398,204.64</b>	<b>\$471,121,250.00</b>	<b>\$4,081,249,478.00</b>		<b>\$19,444,171.65</b>
				<b>SFY 2015 Q3 Quarterly DSH Payments:</b>		<b>\$19,444,171.65</b>

## 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.

Out of 45 Hospitals in Nevada, 22 are eligible for DSH Payments for SFY 2015. All 22 that are eligible for DSH payments are receiving DSH payments in SFY 2015 Q3.

Per NAC 422.165 – Based on available funds, DHCFP will transfer a \$50,000.00 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 2015 three hospitals were eligible for this payment:

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

These \$50,000.00 payments were processed and issued to eligible hospitals July 2014. The funding for these payments is from the State General Fund and not from the County IGT.

### **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.

DHCFP has received the audit results of DSH payments for SFY 2011 from Meyers and Stauffer LC, our contracted auditor. The results indicate that during SFY 2011, two hospitals (South Lyon Medical Center and Humboldt General Hospital) received DSH payments that exceeded their Uncompensated Care Costs in the amount of \$117,357.00. Per NRS 422.387 (b) & (c), DHCFP completed the recoupment of the overpayments and the redistribution of those amounts to the remaining eligible hospitals.

Please contact me at 775-684-3791, or at [jprentice@dncfp.nv.gov](mailto:jprentice@dncfp.nv.gov) if you have any questions regarding this report.

Sincerely,



Janice Prentice,  
Chief, Rates and Cost Containment  
Department of Health Care Financing and Policy

Cc: Laurie Squartsoff, Administrator – DHCFP  
Leah Lamborn, CFO – DHCFP  
Debra Sisco, RACC Supervisor – DHCFP  
Lynne Foster, HIPPA Privacy Officer - DHCFP



BRIAN SANDOVAL  
*Governor*

STATE OF NEVADA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
**DIVISION OF HEALTH CARE FINANCING AND POLICY**  
1100 E. William Street, Suite 101  
Carson City, Nevada 89701  
(775) 684-3600

RICHARD WHITLEY  
*Interim Director*

LAURIE SQUARTSOFF  
*Administrator*

DATE: June 12, 2015

TO: Assemblyman Paul Anderson, Chair- Interim Finance Committee  
Senator Ben Kieckhefer, Vice Chair- Interim Finance Committee  
Rick Combs, Director - Interim Finance Committee

### **Disproportionate Share Hospital Supplemental Payment Program**

Per NRS 422.390, DHC FP is submitting this revised quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for SFY 2015 Q4.

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 (DSH) payments, including aggregate annual state-specific limits on Federal financial participation 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 maximum amount of federal DSH funding available to the State. The DSH allotment is determined by the Centers for Medicare and Medicaid Services (CMS) as the higher of (1) the 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 for the prior fiscal year. The resulting amount must not exceed the greater of (1) the DSH allotment for the previous year or (2) 12% of total State Plan medical assistance expenditures during the FFY. CMS often updates the allotment

amounts prior to finalization which results in revision of the corresponding DSH payments. The FFY 2014 and the FFY 2015 DSH allotments are currently preliminary amounts and subject to revision by CMS. CMS has not yet released a preliminary DSH allotment for FFY 2016.

Under the Affordable Care Act, 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 2018 through FFY 2025. The following table specifies the upcoming reductions to the aggregate Federal DSH allotments. The projected NV DSH allotment is a DHCFFP estimate, as CMS has not released any projection.

<b>FFY</b>	<b>Reduction to Aggregate Federal DSH Allotment</b>	<b>Projected NV DSH Allotment</b>
<b>2016</b>	No Reduction	\$50,030,100
<b>2017</b>	No Reduction	\$51,504,472
<b>2018</b>	\$2,000,000,000	\$47,993,514
<b>2019</b>	\$3,000,000,000	\$46,628,629
<b>2020</b>	\$4,000,000,000	\$45,275,096
<b>2021</b>	\$5,000,000,000	\$43,933,080
<b>2022</b>	\$6,000,000,000	\$42,602,752
<b>2023</b>	\$7,000,000,000	\$41,284,283
<b>2024</b>	\$8,000,000,000	\$39,977,848
<b>2025</b>	\$8,000,000,000	\$40,818,515

### **Intergovernmental Transfers (IGT)**

Based on the preliminary allotment amount released by CMS, the SFY 2015 Total IGT has been revised to \$54,920,284.15, a reduction of \$157,583.16 from initial IGT amount calculated at \$55,077,867.31. The SFY 2015 IGT breakdown by County is: Clark County \$53,420,284.15 and Washoe County \$1,500,000.

For SFY 2015 Q4 DCHFP invoiced and collected a total IGT of \$13,690,675.24. The IGT breakdown by County is: Clark County \$13,315,675.24 and Washoe County \$375,000.00.

Beginning in 2014, the IGT amount due from the counties has been offset by a credit from the Indigent Accident Fund (IAF). For SFY 2015, the IAF credit is estimated to be \$7,284,791.09 for Clark County and \$201,751.40 for Washoe County, to be applied quarterly.

### **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.

Out of 45 Hospitals in Nevada, 22 are eligible for DSH Payments for SFY 2015. All 22 that are eligible for DSH payments are receiving DSH payments in SFY 2015 Q4.

Per NAC 422.165 – Based on available funds, DHCFFP will transfer a \$50,000.00 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 2015 three hospitals were eligible for this payment:

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

These \$50,000.00 payments were processed and issued to eligible hospitals July 2014. The funding for these payments is from the State General Fund and not from the County IGT.

### **Disproportionate Share Hospital Payments**

The SFY 2015 DSH payments were revised to \$77,940,303.69 based on the CMS preliminary FFY 2015 allotment amount of \$50,113,446.00. The FFY 2015 allotment had initially been projected at \$50,310,743.00. DSH payments for SFY 2015 Q4 were \$6,481,390.55 monthly for a quarterly DSH payment total of \$19,444,171.64.

The FMAP in place for SFY 2015 Q4 is 64.36%, resulting in a Federal/State share breakdown of:

<b>Federal Portion</b>	<b>State Portion</b>	<b>SFY 2015 Q4 Total</b>
\$12,514,268.87	\$6,929,902.77	\$19,444,171.64

The total quarterly DSH payments for SFY 2016 Q1 are anticipated to be \$19,466,068.

## DSH Payment Calculation

The SFY 2015 Q4 Quarterly DSH payment total is \$19,444,171.64.

The SFY 2015 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.

SFY 2015 DSH Calculation - 4th Quarter						
Hospital Pools	Hospitals	Total Pool Allotment SFY 2015 (Quarter 2-4)	Uncompensated Care Cost (UCC)	Hospital Net Patient Revenue	Uncompensated Care Percentage (UCP)	SFY 2015 Q4 Quarterly Payment
<b>Pool A</b>		<b>\$51,372,900.62</b>				
	University Medical Center		\$142,219,135.00	\$551,540,022.00	25.79%	\$17,105,037.73
	<b>A SUBTOTAL</b>		<b>\$142,219,135.00</b>	<b>\$551,540,022.00</b>	<b>25.79%</b>	<b>\$17,105,037.73</b>
<b>Pool B</b>		<b>\$986,929.66</b>				
	Boulder City Hospital		\$1,088,894.00	\$17,167,994.00	6.34%	\$9,616.55
	Centennial Hills Medical Center		\$14,629,201.00	\$169,371,142.50	8.64%	\$21,225.39
	Mountainview Hospital		\$25,078,015.00	\$250,337,668.00	10.02%	\$29,633.04
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	Summerlin Hospital Medical Center		\$18,627,634.00	\$325,662,299.50	5.72%	\$19,584.27
	Sunrise Hospital & Medical Center		\$71,591,795.00	\$491,918,167.00	14.55%	\$64,792.19
	Valley Hospital Medical Center		\$31,637,629.00	\$294,912,525.00	10.73%	\$34,690.66
	<b>B SUBTOTAL</b>		<b>\$265,697,628.00</b>	<b>\$2,648,277,405.00</b>	<b>116.53%</b>	<b>\$328,606.49</b>
<b>Pool C</b>		<b>\$3,422,134.79</b>				
	Renown Regional Medical Center		\$27,292,159.00	\$460,448,754.00	5.93%	\$1,139,428.47
	<b>C SUBTOTAL</b>		<b>\$27,292,159.00</b>	<b>\$460,448,754.00</b>	<b>5.93%</b>	<b>\$1,139,428.47</b>
<b>Pool D</b>		<b>\$782,535.94</b>				
	Humboldt General Hospital		\$2,611,663.00	\$41,290,309.00	6.33%	\$86,598.77
	Mt Grant General Hospital		\$304,359.00	\$7,485,481.00	4.07%	\$25,652.05
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	<b>D SUBTOTAL</b>		<b>\$5,605,415.00</b>	<b>\$75,105,400.00</b>	<b>28.51%</b>	<b>\$257,551.93</b>
<b>Pool E</b>		<b>\$1,833,703.63</b>				
	Banner Churchill Community Hospital		\$5,249,311.00	\$36,671,825.00	14.31%	\$165,350.60
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	<b>E SUBTOTAL</b>		<b>\$30,306,913.00</b>	<b>\$345,877,897.00</b>	<b>38.85%</b>	<b>\$610,547.02</b>
SFY 2015 Total DSH Distribution (Q2-Q4):		<b>\$58,398,204.64</b>	<b>\$471,121,250.00</b>	<b>\$4,081,249,478.00</b>		
<b>SFY 2015 Q4 Quarterly DSH Payments:</b>						<b>\$19,441,171.64</b>

## 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.

DHCFP has received the audit results of DSH payments for SFY 2011 from Meyers and Stauffer LC, our contracted auditor. The results indicate that during SFY 2011, two hospitals (South Lyon Medical Center and Humboldt General Hospital) received DSH payments that exceeded their Uncompensated Care Costs in the amount of \$117,357.00. Per NRS 422.387 (b) & (c), DHCFP completed the recoupment of the overpayments and the redistribution of those amounts to the remaining eligible hospitals.

### SFY 2015 DSH Program Summary

SFY 2015 Payments to Hospitals*	SFY 2015 IGT Received	SFY 2015 Federal Portion	SFY 2015 State Portion*	SFY 2015 Overall State Savings
\$78,090,303.69	\$54,920,284.14	\$49,916,149.00	\$28,174,154.69	\$26,746,129.45

*\*Includes \$150,000 in payments from the State General Fund pursuant to NAC 422.165*

Please contact me at 775-684-3791, or at [jprentice@dhcfp.nv.gov](mailto:jprentice@dhcfp.nv.gov) if you have any questions regarding this report.

Sincerely,



Janice Prentice,  
Chief, Rates and Cost Containment  
Department of Health Care Financing and Policy

Cc: Laurie Squartsoff, Administrator – DHCFP  
Leah Lamborn, CFO – DHCFP  
Debra Sisco, RACC Supervisor – DHCFP  
Lynne Foster, HIPPA Privacy Officer - DHCFP