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State/Territory Name: Wisconsin

State Plan Amendment (SPA): WI-26-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

9/23/2026

Amanda Dreyer
State Medicaid Director
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

RE: TN WI-26-0013

Dear Director Dreyer:

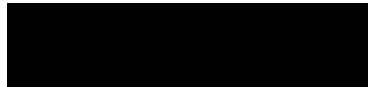
The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Wisconsin state plan amendment (SPA) to Attachments 4.19-A WI-26-0013, which was submitted to CMS on June 26, 2026. This plan amendment removes “Supplemental DSH Payments for In-State Hospitals” and makes changes to the “Rural Critical Care Supplement” qualification criteria addressing the removal of Supplemental (“Big”) DSH, as required by the 2025-2027 State Biennial Budget.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of June 16, 2026. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Tom Caughey at 517-487-8598 or via email at tom.caughey@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

2. STATE
WI

4. PROPOSED EFFECTIVE DATE
6/16/2026

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY	26	\$(110,500,000)
b. FFY	27	\$(110,500,000)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*)

4.19-A
Pgs. 36-38 (23-0024)
Pg. 38a (NEW)

Removing “Supplemental DSH Payments for In-State Hospitals” and make changes to the “Rural Critical Care Supplement” qualification criteria addressing the removal of Supplemental (“Big”) DSH, as required by the 2025-2027 State Biennial Budget.

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

Signed by: Nathan Bollhorst
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15. RETURN TO
Allie Merfeld
State Plan Amendment Coordinator
Department of Health Services
201 East Washington Ave
Room B300
Madison, WI 53701-0309

FOR CMS USE ONLY

17. DATE APPROVED
9/23/2026

PLAN APPROVED - ONE COPY ATTACHED

19. SIGNATURE OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL
Director, FMG

9/22/2026 - State authorized pen and ink change in block 6

REMOVED

REMOVED

9300 Critical Care Supplement

NOTE: The supplemental payment described in this §9300 is NOT a disproportionate share hospital (DSH) adjustment under §1923 of the Social Security Act.

9310 Introduction. The following section establishes critical care supplement (CCS) payments for qualifying critical access hospitals located in the State of Wisconsin. The CCS pool amount is equal to \$4,500,000 GPR plus the matching federal share of payments; qualifying providers will receive a proportion of this pool. To qualify for CCS payments under this section, hospitals must not qualify for any disproportionate share hospital (DSH) payments as specified in §9200 and must meet the criteria outlined in §9311.

9311 Qualifying Criteria. To be eligible for CCS payments, a hospital must meet the following criteria:

- a) The hospital is recognized as a hospital by DQA.
- b) The hospital meets the definition of “Critical Access Hospital” under 42 C.F.R. 485, subpart F and under §3000 of this Inpatient Hospital State Plan.
- c) The hospital is located in the State of Wisconsin.
- d) The hospital provides a wide array of services, including services provided through an emergency department recognized by DQA.
- e) In the most recent year for which information is available, charged at least 6 percent of overall charges for services to the Medical Assistance program for services provided to Medical Assistance recipients.
- f) Hospitals that meet the former Supplemental DSH payments qualifying criteria in §9312 (a) through (d) and (f) must be determined by the Department to have been ineligible for the former Supplemental DSH payments under (e) in order to be eligible for the Critical Care Supplement under §9300.

9312 Supplemental DSH Qualifying Criteria

- a) The hospital is recognized as a hospital by DQA.
- b) The hospital is located in the State of Wisconsin.
- c) The hospital provides a wide array of services, including services provided through an emergency department recognized by DQA.
- d) The hospital has a Medicaid inpatient utilization rate (MIUR) greater than or equal to 6 percent. A hospital's MIUR is defined as the fraction (expressed as a percentage) whose numerator is the hospital's number of inpatient days attributable to patients who (for such days) were eligible for WMP and whose denominator is the total number of the hospital's inpatient days. Medicaid inpatient days (the numerator) will include WMP HMO recipient days and recipient days of other states' Medicaid programs reported by a hospital.
- e) The hospital meets applicable, minimum requirements to be a DSH under 42 USC 1396r-4 and any other applicable federal law.
- f) The hospital must meet the obstetrician requirements as specified in §9212.

9313 CCS Allocation Methodology. The Department distributes CCS payments in accordance with an annual budget set on a state fiscal year basis. To distribute this CCS money among the qualifying hospitals, the Department performs a series of calculations using the following formulas:

- a) The sum of all CCS payments made to hospitals equals the annual budget amount:
 $Annual\ Budget = Payment\ to\ Hospital\ 1 + Payment\ to\ Hospital\ 2 + \dots + Payment\ to\ Hospital\ n$
- b) The CCS payment made to each separately licensed, qualifying hospital for a given state fiscal year under this section is the product of its “CCS add-on percentage” and its “projected WMP inpatient fee-for-service payments”:
 $Payment\ to\ Hospital\ i = (CCS\ Add-On\ Percentage \times Projected\ WMP\ IP\ FFS\ Payments)$
- c) A hospital's projected WMP inpatient fee-for-service payment for a given state fiscal year is the projected payment developed through the rate setting process from two years' prior; for example, the projected payments for SFY 2018 are drawn from SFY 2016 projected payments.
- d) A hospital's CCS add-on percentage is its “CCS add-on factor” minus 100% (in other words, the CCS add-on factor compares base payments to total (base + CCS) payments while the CCS add-on percentage compares base payments to CCS payments only):
 $CCS\ Add-On\ Percentage\ of\ Hospital\ i = CCS\ Add-On\ Factor\ of\ Hospital\ i - 1$

- e) A hospital's CCS add-on factor is a function of the "base CCS add-on factor" and the amount by which its percentage of overall charges for Medical Assistance services exceeds 6 percent, such that a hospital with a higher percentage of overall charges for Medicaid services receives a higher CCS add-on factor:

CCS Add-On Factor of Hospital i = Base CCS Add-On Factor + ((Percentage of Overall Charges for Medical Assistance Services of Hospital i – 0.06) x 0.75)

- f) The base CCS add-on factor is determined per the constraints provided by the equations above. Since one of those equations (for the CCS payment) is nonlinear, there is no clean formula for the base CCS add-on factor; rather, it can only be derived by iteratively solving the above system of equations. This is possible due to the fact that every other variable involved in the above equations has a known value.

Given the base CCS add-on factor for a given state fiscal year, the Department employs the above formulas to calculate the CCS supplemental payment to each qualifying hospital.