

**Methods and Standards for Establishing Payment Rates for Inpatient Hospital Care**

**31. Reserved for future use**

**32. Iowa State-Owned Teaching Hospital Disproportionate-Share Fund**

In addition to payments from the Graduate Medical Education and Disproportionate Share Fund, payment will be made to Iowa hospitals qualifying for the Iowa state-owned teaching hospital disproportionate share fund. Interim monthly payments based on estimated allowable costs will be paid to qualifying hospitals under this provision. The total amount of funding that is allocated on July 1 of each year to the Iowa state-owned teaching hospital disproportionate-share fund is \$26,633,430.

Hospitals qualify for Iowa state-owned teaching hospital disproportionate-share payments if they meet the disproportionate share qualifications defined in Section 29.g and being an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American College of Graduate Medical Education.

The total amount of disproportionate-share payments from the Graduate Medical Education and Disproportionate Share Fund and the Iowa state-owned teaching hospital disproportionate-share fund shall not exceed the amount of the state's allotment under Public Law 102-234. In addition, the total amount of all disproportionate-share payments shall not exceed the hospital-specific disproportionate-share limits under Public Law 103-666.

The Department's total year end DSH obligations to a qualifying hospital will be calculated following completion of the CMS 2552-96, Hospital and Healthcare Complex Cost Report desk review or audit.

TN No. MS-10-017

Effective

SEP - 1 2010

Supersedes TN No. MS-10-007

Approved

JUN - 6 2011

## OS Notification

**State/Title/Plan Number:** Iowa 10-017

**Type of Action:** SPA Approval

**Required Date for State Notification:** 6/12/2011

**Fiscal Impact:** FFY 10 \$-0- FFY 11 \$-0-

**Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment:** 0

**Number of Potential Newly Eligible People:** 0

or

**Eligibility Simplification:** No

**Provider Payment Increase:** No or **Decrease:** No

**Delivery System Innovation:** No

**Number of People Losing Medicaid Eligibility:** 0

**Reduces Benefits:** No

### **Detail:**

Effective September 1, 2010, this amendment removes from Attachment 4.19-A of the Iowa Medicaid State plan the final settlement process for non-state government-owned or operated hospitals which limited reimbursement to no more than cost. The cost limitation was a requirement of the IowaCare 1115 demonstration waiver which expired August 31, 2010. Under the previous reimbursement methodology, these facilities received the regular DRG payments that all hospitals received under the State plan, but were subject to a final settlement. This amendment simply removes the settlement process. The facilities will continue to receive the regular DRG payments. The State has responded satisfactorily to the standard funding questions. Tribal consultation was not necessary as the proposed revisions do not negatively impact access to care for AI/AN's.

### **Other Considerations:**

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor. This OSN has been reviewed in the context of the ARRA and approval of the OSN is not in violation of ARRA provisions.

### **CMS Contact:**

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