

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

Effective October 1, 2000, the Department established an additional class of disproportionate share (DSH) payments to certain qualifying hospitals, which the Department determined advanced the Department's goal of enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

The Department intends to consider a hospital eligible, provided it is an acute care general hospital that meets all of the following criteria:

- (a) The hospital provides in excess of 100,000 inpatient days to Medical Assistance (MA) eligible individuals as reported on its Fiscal Year 2004-2005 MA Hospital Cost Report (MA 336);
- (b) The hospital has a Low-Income Utilization Rate in excess of the 95<sup>th</sup> percentile of the Low-Income Utilization Rate for all enrolled acute care general hospitals as reported on its Fiscal Year 2004-2005 MA Hospital Cost Report (MA 336);
- (c) The hospital's ratio of MA revenue to net patient revenue exceeds the 98<sup>th</sup> percentile for all Commonwealth acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (d) The dollar value of the hospital's uncompensated care equals or exceeds the 94<sup>th</sup> percentile of the value to uncompensated care for all acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (e) The hospital is located in a Census tract designated by the Bureau of Primary Health Care of the Health Resource and Services Administration as a Medically Underserved Area.

For Fiscal Year 2009-2010, the fiscal impact as a result of these payments is \$38.858 million in total funds (\$17.560 million in State General Funds and \$21.298 million in Federal funds).

Payments will be divided proportionally among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to the total MA inpatient days of all qualifying facilities.

All payment limitations are still applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payments in excess of its hospital-specific limit.