

Bulletin Number: MSA 15-63

Distribution: Hospitals

Issued: December 30, 2015

Subject: Disproportionate Share Hospital (DSH) Balance

Effective: February 1, 2016

Programs Affected: Medicaid

Beginning with Fiscal Year (FY) 2015, the Michigan Department of Health and Human Services (MDHHS) will establish a process to allocate unspent Disproportionate Share Hospital (DSH) allotment to qualifying hospitals with remaining DSH limit capacity after the applicable year's final DSH audit is complete. MDHHS will allocate unspent DSH allotment through a new pool using the distribution methodology established in Step 3: Final DSH Audit-Related DSH Redistribution of the State's multi-step DSH process outlined in the MDHHS Medicaid Provider Manual. Specifically, the funds from this new pool will first be allocated to State Government-owned or – operated hospitals up to applicable Federal DSH limits. Any remaining unspent DSH allotment will be allocated proportionally to all other hospitals based on the following formula:

- a.
$$\frac{(\text{Hospital's Remaining Audited DSH Ceiling Capacity} + \text{Indigent Care Agreement (ICA) DSH Payment Amount} + \text{University DSH Payment Amount} + \text{Government Provider (GP) DSH Payment Amount})}{(\sum \text{of all Hospitals' Audited Remaining DSH Ceiling Capacity} + \text{ICA DSH Payment Amount} + \text{University DSH Payment Amount} + \text{GP DSH Payment Amount})} = (\text{Hospital Pool Factor})$$
- b.
$$(\text{Hospital Pool Factor}) \times (\text{Pool Amount}) = \text{Pool Payment}$$

No hospital will receive a DSH payment from this pool that exceeds its audited DSH limit.

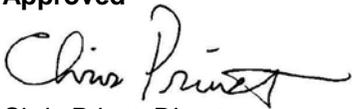
Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Chris Priest, Director
Medical Services Administration