

Michigan Department of Community Health

Bulletin Number: MSA 09-08

Distribution: Hospitals

Issued: February 11, 2009

Subject: Fiscal Year 2009 Outpatient Uncompensated Care Disproportionate Share Hospital (DSH) Pool

Effective: March 13, 2009

Programs Affected: Medicaid

The purpose of this bulletin is to describe the State fiscal year (FY) 2009 and subsequent fiscal year funding distributions of the Outpatient Uncompensated Care Disproportionate Share Hospital (DSH) Pool. The \$60 million Outpatient Uncompensated Care DSH Pool will be distributed to all qualifying privately owned or operated and non-state government owned or operated DSH eligible hospitals in Michigan.

All DSH Hospitals

The \$60 million Outpatient Uncompensated Care DSH Pool will be evenly divided between two components, the small and rural pool and the large-urban pool. Each component will be allocated \$30 million of the total \$60 million. The criteria recognized in Section 7.3.D of the Hospital Reimbursement Appendix that cites data elements relative to bed number and rural and urban designations will be applied to FY 09 and each subsequent fiscal year distribution.

General Funding Methodology

The funding formula cited in Section 7.3.D of the Hospital Reimbursement Appendix remains relevant to the Outpatient Uncompensated Care DSH Pool for FY 09 and each subsequent fiscal year. Hospital distributions will be based on each hospital's proportion of outpatient uncompensated care relative to other hospitals in each component of the pool.

Payment Limitations to Individual Hospitals

Payments to individual hospitals from any component of the Outpatient Uncompensated Care DSH Pool remain limited by room available under each hospital's specific DSH ceiling in accordance with Section 7.4 of the Hospital Reimbursement Appendix of the Medicaid Provider Manual. The following table details the guidelines for limiting pool allocations.

Pool Components	Hospital Reported DSH Data Used for DSH Ceiling Calculation	State Maintained Data Used for DSH Ceiling Calculation
Small and Rural & Large-Urban	State FY DSH ceiling- based on trended data from cost reports/Michigan Medicaid forms for hospital fiscal years ending during the second previous State FY (between 10/1 and 9/30).	Remaining DSH ceiling amount based on projected Medicaid and projected DSH payments made for current State FY.

Redistribution of Payments Limited by DSH Ceilings

Pool component payments calculated for individual hospitals that are in excess of an individual hospital DSH ceiling will be redistributed in the same manner described in Section 7.3.D of the Hospital Reimbursement Appendix.

Manual Maintenance

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

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, 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



Stephen Fitton, Acting Director
Medical Services Administration