

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

- (ii) supporting patient specific demographic data that does not identify individuals, but is sufficient for audit of the hospitals' compliance with the Medicaid ineligibility requirement as required by the Department, including:
  - (a) patient age;
  - (b) family size;
  - (c) number of dependent children; and
  - (d) household income.

**e. Non-state (public), Non-Rural Community Hospitals Disproportionate Share Hospital (DSH)**

- 1) A public, non-rural community hospital is defined as any non-state, non-rural hospital (including hospitals with distinct part psychiatric units, long term care hospitals, rehabilitation, and free standing psychiatric hospitals) that ~~is owned by a parish, city, or other local government agency or instrumentality; and~~ meets the qualifying criteria for disproportionate share hospital in I.D.1. and that is either:
  - (i) owned by a parish, city, or other local governmental agency or instrumentality; or
  - (ii) Thibodaux Regional Medical Center, formerly owned by a parish, city, or other local government or instrumentality after January 1, 2019.
- 2) Uncompensated care costs are defined as the hospital's costs of furnishing inpatient and outpatient hospital services, net of Medicare costs, Medicaid payments (excluding disproportionate share payments), costs associated with patients who have insurance for services provided, private payer payments, and all other inpatient and outpatient payments received from patients. Uncompensated care costs payments for the period(s) covering the state fiscal year to which the payment is applicable shall be calculated as follows:
  - (i) Initial Payment – Based on data per the most recently filed Medicare cost report.
  - (ii) Interim Reconciliation Payment – Based on as filed cost report(s) for applicable state fiscal year.
  - (iii) Final Payment – Based on the final uncompensated care costs as calculated per the CMS mandated audit for the state fiscal year.

TN \_\_\_\_\_  
Supersedes  
TN \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_

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DSH payments to individual public non-rural community hospitals shall be equal to 100 percent of the hospital's uncompensated costs. DSH payments under this payment methodology shall be subject to the adjustment provision below in §3. Payments will be made annually.

- 3) In the event it is necessary to reduce the amount of disproportionate share payments to remain within the federal disproportionate share allotment for this group, the Department shall calculate a pro rata decrease for each public non-rural community hospital based on the ratio determined by dividing that hospital's uncompensated cost by the total uncompensated cost for all qualifying public non-rural community hospitals during the state fiscal year; and then multiplying by the amount of disproportionate share payments calculated in excess of the federal disproportionate allotment.
- 4) It is mandatory that hospitals seek all third party payments including Medicare, Medicaid and other third party carriers and payments from patients. Hospitals must certify that excluded from net uncompensated cost are any costs for the care of persons eligible for Medicaid at the time of registration. Hospitals must maintain a log documenting the provision of uninsured care as directed by the Department. Hospitals must adjust uninsured charges to reflect retroactive Medicaid eligibility determination.
- 5) A hospital receiving DSH payments shall furnish emergency and nonemergency services to uninsured persons with family incomes less than or equal to 100 percent of the federal poverty level on an equal basis to insured patients.
- 6) Aggregate DSH payments for hospitals that receive payment from this category, and any other DSH category, shall not exceed the hospital's specific DSH limit. If payments calculated under this methodology would cause a hospital's aggregate DSH payment to exceed the limit, the payment from this category shall be capped at the hospital's specific DSH limit. The remaining payments shall be redistributed to the other hospitals in accordance with these provisions.

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