

DSH 2008 Modeling Overview

Current State Plan	Proposed Model @ 10%
Eligible hospitals payable based on class: MUR eligible for payment of a small percentage of inpatient Medicaid payments, LIUR eligible for payment up to OBRA limit.	Eligible hospitals payable up to OBRA limit regardless of classification of hospital.
LIUR payment amount based on a two step allocation. Step one allocates payment of inpatient losses. Step two allocates payment of outpatient losses. Allocation based on percent to total losses. Methodology reimburses 100% on inpatient losses and 30%-50% of outpatient losses. MUR, due to eligibility based on inpatient only, receives 100% of eligible amount.	Payment amount based on ranking of eligible facilities as a function of funding necessity. Inpatient and Outpatient losses reimbursed on same percentage ranking. Methodology reimburses all losses between 0% and 100% of total losses.
Critical Access Hospitals treated equivalently with other hospitals.	1. Pay 100% of the 2008 Payment to CAHs that increase in payment for every year of transition.
	2. Pay CAHs that decrease in payment the lesser of their 2007 payment or 2008 DSH limit for every year of transition.
	3. Additional payment from State General Fund to pay CAHs Medicaid fee-for-service costs.
No transition.	Three year transition based on one of two conditions in comparison to 2007 payments:
	1. Pay non- CAHs decreasing facilities their 2007 payment less 1/3, 2/3 or all of the difference between 2007 and 2008 payments per year.
	2. Pay non-CAH increasing facilities a fixed percentage of their 2008 payment until the federal allotment is reached. For Model 3A 10% this equals 64%, 81% and 98% in years 1 through 3 respectively.
No pool of out of state facilities.	Separate pool of out of state facilities with a maximum pooled payment of 10% of the non-psychiatric federal allotment.