



## Medicaid DSH Provisions of Final Health Care Reform Legislation (HR 4872)

### 1. Medicaid

The reconciliation bill made significant improvements to the DSH provisions in the Senate bill. Reductions in both Medicare and Medicaid DSH are not as large, and the Secretary of Health and Human Services will have significant authority to target Medicaid DSH reductions across states based on:

- Percentage of state population that is uninsured;
- Whether state is targeting DSH to hospitals with high Medicaid patient loads and high uncompensated care costs (excluding bad debt);
- “Low DSH” states will face smaller proportional reductions compared to “high DSH” states.

Below are the aggregate DSH reductions to be made by year. The aggregate federal DSH allotment for all states in FY 2009 was approximately \$11 billion, and by FY 2014 will be roughly \$13 billion:

\$500 million	FY 2014
\$600 million	FY 2015
\$600 million	FY 2016
\$1.8 billion	FY 2017
\$5 billion	FY 2018
\$5.6 billion	FY 2019
\$4 billion	FY 2020

### Opportunities for the Safety Net

There are provisions in the new law that can help hospitals and clinics prepare for the coverage expansion in 2014. These include grants to establish “collaborative care networks” to promote coordination across community health centers, safety net hospitals, public health departments, etc. In addition, Medicaid funding is available for hospitals to begin investing in Health Information Technology (HIT) this year.

### 2. Medicare DSH

The final bill moves up the start of Medicare DSH reductions by one year to 2014 but lowers the percentage reductions and total overall reductions from 2010-2019. Instead of an aggregate reduction of \$25 billion over the ten year time frame, the reduction will be \$22 billion. These reductions will be done through a formula that takes into account similar criteria as the Medicaid DSH criteria, including the percentage of uninsured in the state in which the hospital is located, and the hospital's uncompensated care costs.

#### Federal Medicaid DSH Allotments

State	FY2008	FY2009	DSH per resident, 2009
Alabama	\$289,640,400	\$308,756,666.00	\$66.60
Alaska	\$19,186,622	\$20,452,939.00	\$31.02
Arizona	\$95,369,400	\$101,663,780.00	\$15.78
Arkansas	\$40,632,340	\$43,314,075.00	\$15.42
California	\$1,032,579,800	\$1,100,730,067.00	\$30.23
Colorado	\$87,127,600	\$92,878,022.00	\$19.05
Connecticut	\$188,384,000	\$200,817,344.00	\$58.24
Delaware	\$8,527,387	\$9,090,194.00	\$10.57
District of Columbia	\$57,692,600	\$61,500,312.00	\$104.95
Florida	\$188,384,000	\$200,817,344.00	\$11.15
Georgia	\$253,141,000	\$269,848,306.00	\$28.50
Hawaii	NA	\$10,000,000.00	\$8.10
Idaho	\$15,482,811	\$16,504,676.00	\$10.97
Illinois	\$202,512,800	\$215,878,645.00	\$17.04
Indiana	\$201,335,400	\$214,623,536.00	\$34.21
Iowa	\$37,093,883	\$39,542,079.00	\$13.28
Kansas	\$38,854,200	\$41,418,577.00	\$15.29
Kentucky	\$136,578,400	\$145,592,574.00	\$34.45
Louisiana	\$731,960,000	\$750,259,000.00	\$176.24
Maine	\$98,901,600	\$105,429,106.00	\$80.40
Maryland	\$71,821,400	\$76,561,612.00	\$13.83
Massachusetts	\$287,285,600	\$306,246,450.00	\$48.04
Michigan	\$249,608,800	\$266,082,981.00	\$26.98
Minnesota	\$70,350,945	\$74,994,108.00	\$14.56
Mississippi	\$143,642,800	\$153,123,225.00	\$52.92
Missouri	\$446,234,600	\$475,686,084.00	\$81.69
Montana	\$10,691,523	\$11,397,164.00	\$11.94
Nebraska	\$26,654,661	\$28,413,868.00	\$16.16
Nevada	\$43,563,800	\$46,439,011.00	\$18.06
New Hampshire	\$150,800,000	\$160,752,800.00	\$123.25
New Jersey	\$606,361,000	\$646,380,826.00	\$75.79
New Mexico	\$19,186,622	\$20,452,939.00	\$10.46
New York	\$1,512,959,000	\$1,612,814,294.00	\$84.03
North Carolina	\$277,866,400	\$296,205,582.00	\$32.39
North Dakota	\$8,997,202	\$9,591,017.00	\$15.53

Ohio	\$382,655,000	\$407,910,230.00	\$36.01
Oklahoma	\$34,109,548	\$36,360,778.00	\$10.30
Oregon	\$42,636,936	\$45,450,973.00	\$12.02
Pennsylvania	\$528,652,600	\$563,543,672.00	\$46.06
Rhode Island	\$61,224,800	\$65,265,637.00	\$62.72
South Carolina	\$308,478,800	\$328,838,401.00	\$74.35
South Dakota	\$10,403,173	\$11,089,783.00	\$14.04
Tennessee	NA	\$305,451,928.00	\$49.81
Texas	\$900,711,000	\$960,157,926.00	\$40.21
<b>United States</b>	<b>\$10,367,561,890</b>	<b>\$11,337,262,543.00</b>	<b>\$37.72</b>
Utah	\$18,478,571	\$19,698,157.00	\$7.29
Vermont	\$21,193,200	\$22,591,951.00	\$36.93
Virginia	\$82,519,327	\$87,965,603.00	\$11.56
Washington	\$174,255,200	\$185,756,043.00	\$28.73
West Virginia	\$63,579,600	\$67,775,854.00	\$37.78
Wisconsin	\$89,042,355	\$94,919,150.00	\$17.25
Wyoming	\$213,184	\$227,254.00	\$0.44
Source: <a href="http://www.statehealthfacts.org">www.statehealthfacts.org</a>			

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