

Federal DSH Year	Qtr	Hospital Tax / Expense (Unrelated to DSH Payments. Based on SFYE)	Uninsured	Medicaid Fee for Service	Medicaid MCO Data	Medicaid Secondary to Medicare	Medicaid Secondary to Commercial	CR RCC Data	DSH Payments	% of UPL	December 19, 2008 CMS Audit Ruling	Clifton-Gunderson Audits
2008	1	Fixed \$264m distributed based on hospital expenses. Oct to June Hospital taxes were distributed based on <u>FY 2005</u> CR data. July to Sept taxes were distributed based on CR data for FY 2006	Hospitals provided data from 2005 Accounts were determined based on hospital-specific guidelines	Not included in DSH calculation	Unreimbursed costs are included in the calculation of the hospital-specific DSH UPL <u>but were limited to no more than 5% of MCO costs to estimate the impact of the October 1, 2007 Medicaid FFS rate update. MCO participation in the base year was minimal.</u>	No adjustment made to the hospital-specific DSH UPL for Medicaid secondaries..	No adjustment made to the hospital-specific DSH UPL.	2005	4 routine payments		Hospital and SCDHHS data will be audited and UPL calculations and DSH distribution results are due to CMS in 2011. Results will be posted as public data but no redistribution of DSH payments based upon the audits will be made.	None
	2											
	3											
	4											
2009	1	Fixed \$264m distributed based on hospital expenses. Oct to June Hospital taxes were distributed based on <u>FY 2006</u> CR data. July to Sept taxes were distributed based on CR data for FY 2007 N/A	Hospitals provided data from 2006 Accounts were determined based on hospital-specific guidelines.	Not included in DSH calculation	Unreimbursed costs are included in the calculation of the hospital-specific DSH UPL <u>but used 06 data so were limited to no more than 5% of the Medicaid MCO costs to estimate the impact of the October 1, 2007 Medicaid FFS rate update. MCO participation in the base year was minimal.</u>	No adjustment made to the hospital-specific DSH UPL for Medicaid secondaries..	No adjustment made to the hospital-specific DSH UPL.	2006	4 routine payments	73%	Hospital and SCDHHS data will be audited and UPL calculations and DSH distribution results are due to CMS in 2012. Results will be posted as public data but no redistribution of DSH payments based upon the audits will be made.	Negotiated 2005 and 06 data request by CG. Completed audits due to SCDHHS by September 30, 2009. Request began April 2009. SCDHHS summary report due to CMS by December 31, 2009. Due date for state audits reports to CMS for 05/06 extended to 12/31/10 along with 07 reports. Summary reports for all three years are due to SCDHHS by September 30, 2010.
	2											
	3											
	4											
	5th Pmt											
2010	1	Fixed \$264m distributed based on hospital expenses. Oct to June Hospital taxes were distributed based on <u>FY 2007</u> CR data. (The additional participation of a new hospital redistributed 3rd qtr payments.) July to Sept taxes were distributed based on CR data for FY 2008 N/A	2009 Calculations	2009 Calculations	No Calculations	No Calculations	No Calculations	No Calculations	Paid 1st and 2nd qtr of 2010 statewide UPL distributed by 2009 hospital-specific percentages.	73%	Per rule, hospital and SCDHHS data will be audited and UPL calculations and DSH distribution results will be public data in 2013. No redistribution of DSH payments based upon the audits will be made.	Clifton-Gunderson performing audits. Promised completion in January 2010
	2											
	3											
	4											
	5th Pmt											
	6th Pmt											
2011	1	Barring changes to state Medicaid laws, fixed \$264m distributed based on hospital expenses. Oct to June Hospital taxes were distributed based on <u>FY 2008</u> CR data. July to Sept taxes were distributed based on CR data for FY 2009	DSH payments should resume to a 4 quarter structure barring no further SCDHHS reviews and barring an extension of ARRA.	DSH Rule requires that these amounts be netted to cost which should have no impact because of Cost Report settlements	MCO data will be netted to cost per new DSH Rule.	Per Audit Rule, dual eligible (i.e. Mcr/Mcd) costs and payments are a factor of the hospital-specific DSH UPL calculation according to December 19, 2008 Federal DSH Ruling	Per audit Rule, dual eligible (i.e. Mcr/Comm) costs and payments are a factor of the hospital-specific DSH UPL calculation according to December 19, 2008 Federal DSH Ruling	TBD	DSH payments should resume to a 4 quarter structure barring no further SCDHHS reviews and barring an extension of ARRA.	TBD	Hospital and SCDHHS data will be audited and UPL calculations and DSH distribution results will be public data in 2014. FY 2011 DSH payments will be redistributed based upon the results of the audit in 2015. (Redistribution is pending a congressional request to CMS. (2)	TBD
	2											
	3											
	4											

(1) - FFS data will not be considered in the hospital-specific DSH UPL calculation. FFS assumed to be settled to cost via the Cost Report and therefore excluded from DSH calculations. FFS will be audited and adjustments made by CG. PLEASE NOTE THAT INTERIM AND FINAL MEDICAID RETROSPECTIVE COST SETTLEMENTS CAN POSSIBLY IMPACT THE CALCULATION OF THE HOSPITAL SPECIFIC DSH UPLS BEGINNING ON AND AFTER FFY 2011 IF NOT FINALIZED TIMELY.

Other 2010 issues:
SCDHHS will be auditing Managed care variances from 2009 greater than \$500k
SCDHHS will be auditing Uninsured care variances from 2009 and the baseline will be determined based upon the submission of the amended FY 2008 uninsured da