CABINET FOR HEALTH AND FAMILY SERVICES

Department for Medicaid Services

Division of Hospital and Provider Operations

(New Administrative Regulation)

907 KAR 1:820. Disproportionate Share Hospital Distributions.

RELATES TO: KRS 205.565, 205.637, 205.639, 205.640, 205.641, 216.380, 42 C.F.R. Parts 412, 413, 440.10, 440.140, 447.250-447.280, 42 U.S.C. 1395f(l), ww(d)(5)(F), x(mm), 1396a, 1396b, 1396d, 1396r-4

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 205.560(2), 205.637(3), 205.639, 205.640, 216.380(12), 42 C.F.R. Parts 412, 413, 447.252, 447.253, 42 U.S.C. 1395ww(d)(5)(F), 1396a, 1396r-4

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services has responsibility to administer the Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with a requirement that may be imposed, or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry. This administrative regulation establishes disproportionate share hospital fund distribution provisions in accordance with KRS 205.639 and 205.640.

Section 1. Definitions. (1) “Acute care hospital” is defined by KRS 205.639(1).

(2) “Countable resource” means cash or an asset readily convertible to cash including a checking account, savings account, stock, bond, mutual fund, certificate of de

posit, money market account or similar financial instrument

(3) "Critical access hospital" or "CAH" means a hospital meeting the licensure requirements established in 906 KAR 1:110, Critical access hospital services.

(4) "Department" means the Department for Medicaid Services or its designated agent.

(5) "Disproportionate share hospital" or "DSH" means an in-state hospital that:

(a) Has an inpatient Medicaid utilization rate of one (1) percent or higher; and

(b) Meets the criteria established in 42 U.S.C. 1396r-4(d).

(6) “DRG” means diagnostic related group.

(7) “DRG-reimbursed hospital” means an in-state hospital reimbursed via a DRG methodology pursuant to 907 KAR 1:013, Diagnostic related group hospital reimbursement.

(8) "Federal Register" means the official daily publication for rules, proposed rules, and notices of federal agencies and organizations, as well as executive orders and other presidential documents.

(9) "Indigent care" means the un-reimbursed cost to a hospital of providing a service on an inpatient or outpatient basis:

(a) To an individual who is:

1. Determined to be indigent in accordance with KRS 205.640; and

2. Not a Medicaid recipient; and

(b) For which an individual shall not be billed by the hospital.

(10) "Indigent care eligibility criteria" means the criteria as specified in Section 9 of this administrative regulation used by a hospital to determine if an individual is eligible

for indigent care.

(11) “Long term acute care hospital” means a hospital that meets the requirements established in 42 C.F.R. 412.23(e).

(12) "Per diem rate" means a hospital’s all-inclusive daily rate as calculated by the department.

(13) “Private psychiatric hospital” is defined by KRS 205.639(2).

(14) “Pro rata basis” means a basis for allocating an amount proportionately to all hospitals within a hospital category.

(15) "Rehabilitation hospital" means a hospital meeting the licensure requirements as established in 902 KAR 20:240, Comprehensive physical rehabilitation hospital services.

(16) "Resident" means an individual living in Kentucky who is not receiving public assistance in another state.

(17) “State mental hospital” is defined by KRS 205.639(3).

(18) "Third-party payor" means a payor of a third party pursuant to KRS 205.510(16).

(19) “University hospital” is defined by KRS 205.639(4).

Section 2. Disproportionate Share Hospital Distribution General Provisions. A DSH distribution shall:

(a) Be made to a qualified hospital;

(b) Be based upon available funds in accordance with KRS 205.640;

(c) Be based upon a hospital’s proportion of inpatient and outpatient indigent care from the preceding state fiscal year;

(d) Be a prospective amount. For example, a DSH distribution made to a hospital in

October 2007 shall cover the state fiscal year beginning July 1, 2007 and ending June 30, 2008;

(e) Not be subject to settlement or revision based on a change in utilization during the year to which it applies; and

(f) Be made on an annual basis.

Section 3. Disproportionate Share Hospital Distribution to a DRG-Reimbursed Acute Care Hospital.

(1) The department shall determine a DSH distribution to a DRG-reimbursed acute care hospital by:

(a) Determining a hospital's average reimbursement per discharge;

(b) Dividing the hospital's average reimbursement per discharge by Medicaid days per discharge;

(c) Multiplying the amount established in paragraph (b) by the hospital's total number of inpatient indigent care days for the most recently completed state fiscal year to establish the hospital's inpatient indigent care cost;

(d) Determining an in-state hospital's outpatient indigent care cost by multiplying each in-state hospital's indigent outpatient charges by the most recent cost-to-charge ratio used by the Department of Labor in accordance with 803 KAR 25:091, Workers' compensation hospital fee schedule;

(e) Combining the inpatient indigent care cost established in paragraph (c) with the outpatient indigent care cost established in paragraph (d) to establish a hospital's indigent care cost total; and

(f) Comparing the total indigent care cost for each DRG-reimbursed hospital to the

indigent care costs of all hospitals receiving DSH distributions under the acute care pool pursuant to KRS 205.640(3)(d) to establish a DSH distribution on a pro rata basis.

Section 4. Disproportionate Share Hospital Distribution to a Critical Access Hospital, Rehabilitation Hospital or Long Term Acute Care Hospital. The department shall determine a DSH distribution to a critical access hospital, rehabilitation hospital or long term acute care hospital:

(1) For the period beginning state fiscal year beginning July 1, 2007 and ending June 30, 2008 by:

(a) Multiplying the hospital's per diem rate in effect as of June 30, 2007 by its total number of inpatient indigent care days for the preceding state fiscal year (July 1, 2006 - June 30, 2007) to establish the hospital's inpatient indigent care cost;

(b) Determining an in-state hospital's outpatient indigent care cost by multiplying each in-state hospital's indigent outpatient charges by the most recent cost-to-charge ratio used by the Department of Labor in accordance with 803 KAR 25:091, Workers' compensation hospital fee schedule;

(c) Combining the inpatient indigent care cost established in paragraph (a) with the outpatient indigent care cost established in paragraph (b) to establish a hospital's indigent care cost total; and

(d) Comparing the indigent care cost totals for each critical access hospital, rehabilitation hospital and long term acute care hospital to the indigent care costs of all hospitals receiving DSH distributions from the acute care pool pursuant to KRS 205.640(30(d) to establish a hospital's DSH distribution on a pro rata basis; and

(2) For the state fiscal year period beginning July 1, 2008 and subsequent state fiscal

years, by:

(a) Multiplying the hospital's per diem rate in effect as of August 1 of the state fiscal year period included in the state fiscal year period referenced in subsection (2) of this Section by its total number of inpatient indigent care days for the preceding state fiscal year to establish the hospital's inpatient indigent care cost; and

(b) Determining an in-state hospital's outpatient indigent care cost by multiplying each in-state hospital's indigent outpatient charges by the most recent cost-to-charge ratio used by the Department of Labor in accordance with 803 KAR 25:091, Workers' compensation hospital fee schedule;

(c) Combining the inpatient indigent care cost established in paragraph (a) with the outpatient indigent care cost established in paragraph (b) to establish a hospital's indigent care cost total; and

(d) Comparing the indigent care cost totals for each critical access hospital, rehabilitation hospital and long term acute care hospital to the indigent care costs of all hospitals receiving DSH distributions from the acute care pool pursuant to KRS 205.640(30(d) to establish a hospital's DSH distribution on a pro rata basis.

Section 5. Disproportionate Share Hospital Distribution to a Private Psychiatric Hospital. The department shall determine a DSH distribution to a private psychiatric hospital:

(1) For the period beginning state fiscal year beginning July 1, 2007 and ending June 30, 2008 by:

(a) Multiplying the hospital's per diem rate in effect as of June 30, 2007 by its total number of inpatient indigent care days for the preceding state fiscal year (July 1, 2006 -

June 30, 2007) to establish the hospital's inpatient indigent care cost;

(b) Determining an in-state hospital's outpatient indigent care cost by multiplying each in-state hospital's indigent outpatient charges by the most recent cost-to-charge ratio used by the Department of Labor in accordance with 803 KAR 25:091, Workers' compensation hospital fee schedule or by establishing an inpatient equivalency;

(c) Combining the inpatient indigent care cost established in paragraph (a) with the outpatient indigent care cost established in paragraph (b) to establish a hospital's indigent care cost total; and

(d) Comparing the indigent care cost totals of each private psychiatric hospital to establish, using the DSH funding allocated to private psychiatric hospitals, a private psychiatric hospital's DSH distribution on a pro rata basis; and

(2) For the state fiscal year period beginning July 1, 2008 and subsequent state fiscal years, by:

(a) Multiplying the hospital's per diem rate in effect as of August 1 of the state fiscal year period included in the state fiscal year period referenced in subsection (2) of this Section by its total number of inpatient indigent care days for the preceding state fiscal year to establish the hospital's inpatient indigent care cost; and

(b) Determining an in-state hospital's outpatient indigent care cost by multiplying each in-state hospital's indigent outpatient charges by the most recent cost-to-charge ratio used by the Department of Labor in accordance with 803 KAR 25:091, Workers' compensation hospital fee schedule or by establishing an inpatient equivalency;

(c) Combining the inpatient indigent care cost established in paragraph (a) with the outpatient indigent care cost established in paragraph (b) to establish a hospital's

indigent care cost total; and

(d) Comparing the indigent care cost totals of each private psychiatric hospital to establish, using the DSH funding allocated to private psychiatric hospitals, a private psychiatric hospital's DSH distribution on a pro rata basis.

Section 6. Disproportionate Share Hospital Distribution to a State Mental Hospital. The Department shall determine a DSH distribution to a state mental hospital by:

(1) Comparing each state mental hospital's costs of services provided to individuals meeting the indigent eligibility criteria established in Section 9 of this administration regulation, minus any payment made by or on behalf of the individual to the hospital; and

(2) Using the DSH funding allocated to state mental hospitals to establish a state mental hospital's DSH distribution on a pro rata basis.

Section 7. Disproportionate Share Hospital Distribution to a University Hospital. The department's DSH distribution to a university hospital shall:

(1) Be based on the hospital's historical proportion of the costs of services to Medicaid recipients, minus reimbursement paid via 907 KAR 1:013, Diagnostic related group (DRG) inpatient hospital reimbursement, or 907 KAR 1:815, Non-diagnostic related group inpatient hospital reimbursement, plus the costs of services to indigent and uninsured patients minus any distributions made on behalf of indigent and uninsured patients; and

(2) Be contingent upon a facility providing up to 100 percent of matching funds to receive federal financial participation for distribution under this subsection.

(3) Comply with KRS 205.640(3)(a)2.

Section 8. Indigent Care Eligibility. (1) Prior to billing a patient and prior to submitting the cost of a hospital service to the department as uncompensated, a hospital shall use the indigent care eligibility form, DSH-001, Application for Disproportionate Share Hospital Program, to assess a patient's financial situation to determine if:

(a) Medicaid or Kentucky Children's Health Insurance Program (KCHIP) may cover hospital expenses; or

(b) A patient meets the indigent care eligibility criteria.

(2) An individual referred to Medicaid or KCHIP by a hospital shall apply for the referred assistance, Medicaid or KCHIP, within thirty (30) days of completing the DSH-001, Application for Disproportionate Share Hospital Program, at the hospital.

Section 9. Indigent Care Eligibility Criteria. (1) A hospital shall receive disproportionate share hospital funding for an inpatient or outpatient medical service provided to an indigent patient under the provisions of this administrative regulation if the following apply:

(a) The patient is a resident of Kentucky;

(b) The patient is not eligible for Medicaid or KCHIP;

(c) The patient is not covered by a third-party payor;

(d) The patient is not in the custody of a unit of government that is responsible for coverage of the acute care needs of the individual;

(e) The hospital shall consider all income and countable resources of the patient's family unit and the family unit shall include:

1. The patient;

2. The patient's spouse;

3. The minor's parent or parents living in the home; and

4. Any minor living in the home;

(f) A household member who does not fall in one (1) of the groups listed in paragraph (e) of this subsection shall be considered a separate family unit;

(g) Countable resources of a family unit shall not exceed:

1. $2,000 for an individual;

2. $4,000 for a family unit size of two (2); and

3. Fifty (50) dollars for each additional family unit member;

(h) Countable resources shall be reduced by unpaid medical expenses of the family unit to establish eligibility; and

(i) The patient or family unit's gross income shall not exceed the federal poverty limits published annually in the Federal Register and in accordance with KRS 205.640.

(2) Except as provided in subsection (3) of this section, total annual gross income shall be the lessor of:

(a) Income received during the twelve (12) months preceding the month of receiving a service; or

(b) The amount determined by multiplying the patient's or family unit's income, as applicable, for the three (3) months preceding the date the service was provided by four (4).

(3) A work expense for a self-employed patient shall be deducted from gross income if:

(a) The work expense is directly related to producing a good or service; and

(b) Without it the good or service could not be produced.

(4) A hospital shall notify the patient or responsible party of his eligibility for indigent care.

(5) If indigent care eligibility is established for a patient, the patient shall remain eligible for a period not to exceed six (6) months without another determination.

Section 10. Indigent Care Eligibility Determination Fair Hearing Process. (1) If a hospital determines that a patient does not meet indigent care eligibility criteria as established in Section 9 of this administrative regulation, the patient or responsible party may request a fair hearing regarding the determination within thirty (30) days of receiving the determination.

(2) If a hospital receives a request for a fair hearing regarding an indigent care eligibility determination, impartial hospital staff not involved in the initial determination shall conduct the hearing within thirty (30) days of receiving the hearing request.

(3) A fair hearing regarding a patient's indigent care eligibility determination shall allow the individual to:

(a) Review evidence regarding the indigent care eligibility determination;

(b) Cross-examine witnesses regarding the indigent care eligibility determination;

(c) Present evidence regarding the indigent care eligibility determination; and

(d) Be represented by counsel.

(4) A hospital shall render a fair hearing decision within fourteen (14) days of the hearing and shall provide a copy of its decision to:

(a) The patient or responsible party who requested the fair hearing; and

(b) The department.

(5) A fair hearing process shall be terminated if a hospital reverses its earlier decision

and notifies, prior to the hearing, the patient or responsible party who requested the hearing.

(6) A patient or responsible party may appeal a fair hearing decision to a court of competent jurisdiction in accordance with KRS 13B.140.

Section 11. Indigent Care Reporting Requirements. (1) On a quarterly basis, a hospital shall collect and report to the department indigent care patient and cost data.

(2) If a patient meeting hospital indigent care eligibility criteria is later determined to be Medicaid or KCHIP eligible or has other third-party payor coverage, a hospital shall adjust its indigent care report previously submitted to the department in a future reporting period.

Section 12. Merged Facility. If two (2) separate entities merge into one (1) organization and one (1) of the merging entities has disproportionate status and the other does not, the department shall retain for the merged entity the status of the entity which reported the highest number of Medicaid days paid.

Section 13. Incorporation by Reference. (1) The following material is incorporate by reference:

(a) “The Disproportionate Share Hospital (DSH) Program Manual”, July 2007 edition; and

(b) The “DSH-001, Application for Disproportionate Share Hospital (DSH) Program”, March 2007 edition.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department for Medicaid Services, 275 East Main Street, Frankfort, Kentucky 40621, Monday through Friday, 8 a.m. to 4:30 p.m.

907 KAR 1:820

REVIEWED:

Date	Shawn. M. Crouch, Commissioner Department for Medicaid Services

APPROVED:

Date	Mark D. Birdwhistell, Secretary Cabinet for Health and Family Services

907 KAR 1:820

A public hearing on this administrative regulation shall, if requested, be held on December 21, 2007, at 9:00 a.m. in the Cabinet for Health and Family Services Cafeteria Meeting Room, First Floor, 275 East Main Street, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by December 14, 2007, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until close of business January 2, 2008. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Jill Brown, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, (502) 564-7905, Fax: (502) 564-7573

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Administrative Regulation #: 907 KAR 1:820
Cabinet for Health Services
Department for Medicaid Services
Agency Contact Person: Stuart Owen (502) 564-6204 or Barry Ingram (502) 564-5969

(1) Provide a brief summary of:
(a) What this administrative regulation does: This administrative regulation establishes disproportionate share hospital (DSH) distribution provisions. Previously DSH distribution provisions were established in 907 KAR 1:013, Payments for hospital inpatient services and are now being separated into a stand-alone administrative regulation. Additionally, policy is amended to utilize more current data, previously 2003 data was used, to determine DSH distributions. The amendment is enacted to ensure compliance with the Centers for Medicare and Medicaid Services (CMS) evolved interpretation of disproportionate share hospital distribution requirements.
(b) The necessity of this administrative regulation: This administrative regulation is necessary to ensure compliance with CMS's evolved interpretation of DSH distribution requirements.
(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of KRS 205.639, 205.640, 205.641 and federal requirements by amending DSH distribution provisions.
(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation amends DSH distributions in accordance with KRS 205.639, 205.640, 205.641 and federal requirements.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
(a) How the amendment will change this existing administrative regulation: This is a new administrative regulation which was previously contained in a larger-in-scope inpatient hospital reimbursement administrative regulation. The Department for Medicaid Services (DMS) is dividing the larger administrative regulation into three narrower-in-scope administrative regulations. This administrative regulation establishes DSH distribution provisions. Previously DSH distribution provisions were established in 907 KAR 1:013, Payments for hospital inpatient services and are now being separated into a stand-alone administrative regulation. The amendment will utilize more current data to determine DSH distributions and to ensure that DSH distribution methodologies are tailored to respective hospital types. Additionally, DSH distribution policy is being revised to comply with CMS's evolved interpretation of applicable requirements. An initial amendment was submitted to the Legislative Research Commission (LRC) on October 15, 2007; however did not include a method-

ology to establish outpatient indigent care cost in a hospital's DSH distribution as this amendment does.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to ensure compliance with KRS 205.640 and with CMS's evolved interpretation of DSH distribution requirements.

(c) How the amendment conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of KRS 205.639, 205.640, 205.641 and federal requirements by amending DSH distribution provisions.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation amends DSH distributions in accordance with KRS 205.639, 205.640, 205.641 and federal requirements.

(3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: This administrative regulation will affect any in-state inpatient hospital which provides care to indigent individuals.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The administrative regulation establishes DSH distribution policy for the regulated entities rather than imposes mandates with associated costs.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The administrative regulation establishes DSH distribution policy for the regulated entities rather than imposes mandates with associated costs.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The administrative regulation establishes DSH distribution policy for the regulated entities rather than imposes mandates with associated costs. The amendment will utilize more current data to determine DSH distributions and to ensure that DSH distribution methodologies are tailored to respective hospital types. An initial amendment was submitted to LRC on October 15, 2007; however did not include a methodology to establish outpatient indigent care cost in a hospital's DSH distribution as this amendment does.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: DMS expends $197 million ($137,072,600 federal funds and $59,927,400 state funds) annually on DSH distributions.

(b) On a continuing basis: DMS expends $197 million ($137,072,600 federal funds and $59,927,400 state funds) annually on DSH distributions.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used

for implementation and enforcement of this administrative regulation are federal funds authorized under the Social Security Act, Title XIX and matching funds of general fund appropriations.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: The current fiscal year budget will not need to be adjusted to provide funds for implementing this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish or increase any fees.

(9) Tiering: Is tiering applied? (Explain why tiering was or was not used)
DSH distributions conform with KRS 205.639 and 205.640 which establish tiered DSH distribution based on hospital type.

FEDERAL MANDATE ANALYSIS COMPARISON

Regulation Number: 907 KAR 1:820 Agency Contact: Stuart Owen (502) 564-6204 or Barry Ingram (502) 564-5969

1. Federal statute or regulation constituting the federal mandate.
Relevant provisions are established in KRS 205.639, KRS 205.640, KRS 205.641, 42 CFR 412.106, 42 CFR 412.320, 42 U.S.C. §1395ww(d), 42 U.S.C. §1396r-4(a).

2. State compliance standards.

KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with a requirement that may be imposed or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry. KRS 205.639, KRS 205.640 and KRS 205.641 establish disproportionate share hospital (DSH) provisions.

3. Minimum or uniform standards contained in the federal mandate.
42 CFR 447.272 limits DSH payments, in aggregate, to the federal share of the DSH limit pursuant to 42 USC 1396r-4(f), the hospital specific limit pursuant to 42 USC 1396r-4(g) or the institution for mental disease limit pursuant to 42 USC 1396r-4(h).

4. Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?

This administrative regulation does not impose stricter, than federal, requirements.

5. Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements.

This administrative regulation does not impose stricter, than federal, requirements.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Reg NO: 907 KAR 1:820 Contact Person: Stuart Owen (502) 564-6204)

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments or school districts)?

   Yes _X__ No ____
   If yes, complete 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amendment will affect all inpatient hospitals which provide care to indigent individuals.

3. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. This amendment is authorized by KRS 205.639, KRS 205.640, KRS 205.641, 42 CFR 412.106, 42 CFR 412.320, 42 U.S.C. §1395ww(d), 42 U.S.C. §1396r-4(a).

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

   (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amendment is not expected to generate any additional revenue for state or local governments during the first year of implementation.

   (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment is not expected to generate any additional revenue for state or local governments during subsequent years of implementation.

   (c) How much will it cost to administer this program for the first year? DMS expends $197 million ($137,072,600 federal funds and $59,927,400 state funds) annually on DSH reimbursement.

   (d) How much will it cost to administer this program for subsequent years? DMS expends $197 million ($137,072,600 federal funds and $59,927,400 state funds) annually on DSH reimbursement.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): ____

Expenditures (+/-): ____

Other Explanation: No additional expenditures are necessary to implement this amendment.

COMMONWEALTH OF KENTUCKY
CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

907 KAR 1:820, Disproportionate share hospital distributions

Summary of Material Incorporated by Reference

(1) The “Disproportionate Share Hospital (DSH) Program Manual”, October 2007 edition addresses disproportionate share hospital criteria and related policy and contains six (6) pages.

(2) The “DSH-001, Application for Disproportionate Share Hospital (DSH) Program”, March 2007 edition is used to determine if an individual who requests or has already received hospital services is eligible for disproportionate share hospital care or should be referred to the Department for Community Based Services (DCBS) to officially apply for Medicaid or Kentucky Children’s Health Insurance Program (KCHIP) coverage. The application contains four (4) pages.