

- (2) Multiplying the total Medicaid allowable charges times the ancillary cost to charge ratio.
 - c. The total Medicaid cost is the sum of the inpatient and outpatient costs for each hospital.
 - d. The Medicaid shortfall is determined by subtracting the total allowable Medicaid payments from the total Medicaid cost.
2. The Department will calculate the cost of uninsured care by using each hospital's charges for services provided to uninsured patients as filed and certified to the Department for the same fiscal year as the CMS cost report used in determining costs. The Department will convert each hospital's charges to cost for uninsured patients by multiplying the charges by the overall cost-to-charge ratio determined using hospital's CMS 2552 report for the same fiscal year used in determining cost.
 3. The Medicaid upper payment limit and the uncompensated care amount is the sum of the Medicaid shortfall plus the cost of uninsured care.

10-010.03H3 Disproportionate Share Payments: Disproportionate share payments will be made annually for each federal fiscal year (FFY) following receipt of all required data by the Department. The total of all disproportionate share payments must not exceed the limits on disproportionate share hospital funding as established for this State by the Centers for Medicare and Medicaid Services (CMS) in accordance with the provisions of the Social Security Act, Title XIX, Section 1923. Payments determined for each federal fiscal year will be considered payment for that year, and not for the year from which proxy data used in the calculation was taken. To calculate payment, proxy data will be used from each hospital's fiscal year ending in the calendar year preceding the state fiscal year which coincides most closely to the federal fiscal year for which the determination will be applied.

10-010.03H3a For FFY07~~8~~ and succeeding years, the Department will make a disproportionate share hospital payment to hospitals that qualify for a payment under one of the following pool distribution methods.

10-010.03H3a(1) Basic Disproportionate Share Payment (Pool 1): Pool 1 consists of eligible hospitals in Peer Groups 1, 2, 3, 5 and 6 ~~that are not eligible under Pool 6.~~

10-010.03H3a(1)(a) Total funding to Pool 1 will be \$~~1,000,000~~ \$5,200,000. In FFY 2008~~9~~ and following years, this amount will be increased by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average). The Department will calculate the payment as follows:

1. First, each hospital's Medicaid days (which include days from the MMIS claims file data run 150 days after each hospital's fiscal year end, managed care days, and out-of-state days reported before the federal fiscal year for which the determination is made) will be divided by the sum of the

- Medicaid inpatient days of all hospitals which qualify for a payment in Pool 1.
2. Second, the ratio resulting from the division will be multiplied by the total funding for Pool 1 to determine each hospital's payment.
 3. If payment to a hospital exceeds the disproportionate share hospital payment limit as established under section 1923(f) of the Social Security Act, the payment will be reduced.
 4. If payment is reduced to a hospital within Pool 1, the additional funds will be redistributed prorata to eligible hospitals within Pool 1.

~~10-010.03H3a(2) Basic Disproportionate Share Payment (Pool 2): Pool 2 consists of eligible hospitals in Peer Groups 1, 2, and 3 that are also eligible under Pool 6.~~

~~10-010.03H3a(2)(a) Total funding to the Pool 2 will be \$3,154,000 for FFY 2007, and \$2,654,000 for FFY 2008. For FFY 2009 and following years, the total funding will be the amount for FFY 2008 with an annual increase by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average). The Department will calculate the payment for Pool 2 as follows:~~

- ~~1. First, each hospital's Medicaid days (which include days from the MMIS claims file data run 150 days after each hospital's fiscal year end, managed care days, and out-of-state days reported before the federal fiscal year for which the determination is made) will be divided by the sum of the Medicaid inpatient days of all hospitals which qualify for a payment in Pool 2.~~
- ~~2. Second, the ratio resulting from the division will be multiplied by the total funding for Pool 2 to determine each hospital's payment.~~
- ~~3. If payment to a hospital exceeds the disproportionate share hospital payment limit as established under section 1923(f) of the Social Security Act, the payment will be reduced.~~
- ~~4. If payment is reduced to a hospital within Pool 2, the additional funds will be redistributed prorata to eligible hospitals within Pool 2.~~

10-010.03H3a(3)(2) Disproportionate Share Payment for Hospitals that Primarily Serve Children (Pool 32): Pool 32 consists of the hospital that both primarily serves children age 20 and under and has the greatest number of Medicaid days.

10-010.03H3a(32)(a) Total funding for Pool ~~32~~ will be ~~\$3,138,000~~ for FFY 2007, and ~~\$3,638,000~~ \$2,138,000 for FFY 2008. For FFY 2009 and following years, the total funding will be ~~the amount for FFY 2008 with an annual increase by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average)~~ increased by \$46,000 annually. A hospital eligible for payment under this pool will not be eligible for payment under any other pool. If payment to the hospital exceeds the disproportionate share hospital payment limit as established under section 1923(f) of the Social Security Act, the payment will be reduced.

10-010.03H3a(4)(3) Disproportionate Share Payment for State-Owned Institutions for Mental Disease (IMD) Hospitals and for Eligible Hospitals in Peer Group 4 (Pool 43): Pool ~~43~~ consists of state-owned institutions for mental disease hospitals and other eligible hospitals in Peer Group 4.

10-010.03H3a(4)(3)a Total funding for Pool ~~43~~ will be \$1,811,337 annually. The Department will calculate payments as follows:

1. Each eligible hospital must certify in writing to the Nebraska Medical Assistance Program its charges for uncompensated care for the hospital's fiscal year ending in the calendar year preceding the federal fiscal year for which the determination is applied. Charges for uncompensated care will be converted to cost using the hospital's cost-to-charge ratio.
2. Payment to each hospital will be equal to the cost of its uncompensated care.
3. If the total of all disproportionate share payment amounts for Pool—~~43~~ exceeds the federally determined disproportionate share limit for Nebraska, the DSH payments will be reduced pro rata.
4. A hospital eligible for payment under this pool will not be eligible for payment under any other pool.

10-010.03H3a(54) Non-Profit Acute Care Teaching Hospital Affiliated with a State-Owned University Medical College (Pool 54): Pool 54 consists of the non-profit acute care teaching hospital, subsequently referred to as the state teaching hospital, that has an affiliation with the University Medical College owned by the State of Nebraska. A hospital eligible for payment under this pool may be eligible for payment under Pool 6 5.

10-010.03H3a(54)(a) Total funding to pool 54 will be \$15,000,000. For FFY 089 and following years, the ~~pool~~ funding will be increased annually by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average) . The Department will calculate the DSH payment to Pool 5-4 as an amount equal to the cost of its uncompensated care, but not to exceed total funding to the Pool. If the payment to the hospital exceeds the disproportionate share payment limit as established under section 1923(f) of the Social Security Act, the payment will be reduced.

10-010.03H3a(65) Uncompensated Care Pool (Pool 6-5): Pool 6 5 consists of hospitals that provide services to low income persons covered by a county administered general assistance (GA) program, ~~or hospitals that provide services to low-income persons covered by the state administered public behavioral health system.~~

10-010.03H3a(65)(a) Total funding to Pool 6 5 will be the remaining balance of the total (federal and state) DSH funding minus the funding for Pools 1, 2, 3, and 4, and 5. The Department will calculate payments as follows:

1. DSH payments to a hospital under all other pools will be subtracted from the hospital's upper payment limit before allocating payments under Pool ~~65~~.
2. The costs for uncompensated care resulting from participation in the county administered general assistance (GA) program will be reported and funding transferred by the county; ~~and costs for the state administered public behavioral health system will be reported by each hospital and funding transferred to the Medicaid agency. Reported costs will be subject to audit.~~
3. ~~A ratio for each hospital will be determined based on the uncompensated cost amount transferred for each hospital to the total uncompensated cost transferred for all hospitals in Pool 6.~~
4. ~~The ratio for each hospital will be multiplied by the available funding to the Pool.~~
5. The total computable payment will be commensurate with the ~~transferred amount for uncompensated care resulting from participation in county administered general assistance (GA) program; or the state administered public behavioral health system~~ as the state matching shares transferred by local governments or other State agencies to the Medicaid agency.
6. ~~The annual payment amount will be dispersed in twelve monthly payments as transferred to the Medicaid agency. Payments will be made monthly unless the transferring entity provides funds on another timetable which may then be utilized for payments.~~
7. If payment to the hospital exceeds the disproportionate share payment limit as established under section 1923(f) of the Social Security Act, the payment will be reduced to the payment limit.
8. If payments to hospitals under this pool exceed the total funding to the pool, the payments will be reduced pro rata.

10-010.03H3b Limitations on Disproportionate Share Payments: The Department will apply the following limitations to disproportionate share payments:

1. No payments made under this section will exceed any applicable limitations upon such payments established by Section 1923(g)(1)(A) of the Social Security Act.
2. Disproportionate Share payments to all qualified hospitals for a year will not exceed the State disproportionate share hospital payment limit, as established under 1923(f) of the Social Security Act.