

IC 12-15-19

Chapter 19. Disproportionate Share Providers; Enhanced Disproportionate Share Payments

IC 12-15-19-1

Enhanced disproportionate share payment methodology for state fiscal years ending June 30, 1998, and June 30, 1999; limits on basic and enhanced disproportionate share payments to hospitals

Sec. 1. (a) For the state fiscal years ending on June 30, 1998, and June 30, 1999, the office shall develop an enhanced disproportionate share payment methodology that ensures that each enhanced disproportionate share provider receives total disproportionate share payments that do not exceed its hospital specific limit specified in subsection (c). The methodology developed by the office shall ensure that hospitals operated by or affiliated with the governmental entities described in IC 12-15-18-5.1(a) receive, to the extent practicable, disproportionate share payments equal to their hospital specific limits. The funds shall be distributed to qualifying hospitals in proportion to each qualifying hospital's percentage of the total net hospital specific limits of all qualifying hospitals. A hospital's net hospital specific limit for state fiscal years ending on or before June 30, 1999, is determined under STEP THREE of the following formula:

STEP ONE: Determine the hospital's hospital specific limit under subsection (c).

STEP TWO: Subtract basic disproportionate share payments received by the hospital under IC 12-15-16-6 from the amount determined under STEP ONE.

STEP THREE: Subtract intergovernmental transfers paid by or on behalf of the hospital from the amount determined under STEP TWO.

(b) The office shall include a provision in each amendment to the state plan regarding disproportionate share payments, municipal disproportionate share payments, and community mental health center disproportionate share payments that the office submits to the federal Centers for Medicare and Medicaid Services that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate share expenditures, municipal disproportionate share expenditures, and community mental health center disproportionate share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year. Each eligible hospital or community mental health center may receive an additional disproportionate share adjustment if:

(1) additional intergovernmental transfers or certifications are made as authorized under IC 12-15-18-5.1; and

(2) the total disproportionate share payments to:

(A) each individual hospital; and

(B) all qualifying hospitals in the aggregate;

do not exceed the limits provided by federal law and regulation.

(c) For state fiscal years ending on or before June 30, 1999, total

basic and enhanced disproportionate share payments to a hospital under this chapter and IC 12-15-16 shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for state fiscal years ending on or before June 30, 1999, shall be determined by the office taking into account any data provided by each hospital for each hospital's most recent fiscal year (or in cases where a change in fiscal year causes the most recent fiscal period to be less than twelve (12) months, twelve (12) months of data ending at the end of the most recent fiscal year) as certified to the office by:

- (1) an independent certified public accounting firm if the hospital is a hospital licensed under IC 16-21 that qualifies under IC 12-15-16-1(a); or
- (2) the budget agency if the hospital is a state mental health institution listed under IC 12-24-1-3 that qualifies under either IC 12-15-16-1(a)(1) or IC 12-15-16-1(a)(2);

in accordance with this subsection and federal laws, regulations, and guidelines. The hospital specific limit for state fiscal years ending after June 30, 1999, shall be determined by the office using the methodology described in section 2.1(b) of this chapter.

As added by P.L.2-1992, SEC.9. Amended by P.L.27-1992, SEC.18; P.L.2-1993, SEC.101; P.L.277-1993(ss), SEC.79; P.L.1-1994, SEC.63; P.L.156-1995, SEC.7; P.L.115-1996, SEC.2; P.L.24-1997, SEC.52; P.L.126-1998, SEC.11; P.L.113-2000, SEC.11; P.L.66-2002, SEC.9.

IC 12-15-19-2

Repealed

(Repealed by P.L.126-1998, SEC.21.)

IC 12-15-19-2.1

Disproportionate share payment methodology for state fiscal years ending on or after June 30, 2000; limits on total disproportionate share payments to hospitals

Sec. 2.1. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by HEA 1001-2011. For each state fiscal year ending on or after June 30, 2000, the office shall develop a disproportionate share payment methodology that ensures that each hospital qualifying for disproportionate share payments under IC 12-15-16-1(a) timely receives total disproportionate share payments that do not exceed the hospital's hospital specific limit provided under 42 U.S.C. 1396r-4(g). The payment methodology as developed by the office must:

- (1) maximize disproportionate share hospital payments to qualifying hospitals to the extent practicable;
- (2) take into account the situation of those qualifying hospitals that have historically qualified for Medicaid disproportionate share payments; and
- (3) ensure that payments for qualifying hospitals are equitable.

(b) Total disproportionate share payments to a hospital under this

chapter shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for a state fiscal year shall be determined by the office taking into account data provided by each hospital that is considered reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) The office shall include a provision in each amendment to the state plan regarding Medicaid disproportionate share payments that the office submits to the federal Centers for Medicare and Medicaid Services that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year. However, the total disproportionate share payments to:

- (1) each individual hospital; and
- (2) all qualifying hospitals in the aggregate;

may not exceed the limits provided by federal law and regulation.

As added by P.L.113-2000, SEC.12. Amended by P.L.283-2001, SEC.24; P.L.66-2002, SEC.10; P.L.212-2007, SEC.8; P.L.218-2007, SEC.18; P.L.229-2011, SEC.136.

IC 12-15-19-3

Repealed

(Repealed by P.L.27-1992, SEC.30.)

IC 12-15-19-4

Repealed

(Repealed by P.L.156-1995, SEC.9.)

IC 12-15-19-5

Federal financial participation unavailable; withholding disproportionate share payment adjustments

Sec. 5. Except as provided in section 6 of this chapter, disproportionate share payment adjustments under this chapter may not be withheld by the office unless federal financial participation becomes unavailable to match state money for the purpose of providing disproportionate share payment adjustments.

As added by P.L.2-1992, SEC.9. Amended by P.L.27-1992, SEC.21; P.L.113-2000, SEC.13.

IC 12-15-19-6

Deposits in fund; insufficiency; suspension or reduction of payments to eligible institutions

Sec. 6. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by HEA 1001-2011. The office is not required to make disproportionate share payments under this chapter from the Medicaid indigent care trust fund established by IC 12-15-20-1 until the fund has received sufficient deposits, including intergovernmental transfers of funds and certifications of

expenditures, to permit the office to make the state's share of the required disproportionate share payments.

(b) For state fiscal years beginning after June 30, 2006, if:

- (1) sufficient deposits have not been received; or
- (2) the statewide Medicaid disproportionate share allocation is insufficient to provide federal financial participation for the entirety of all eligible disproportionate share hospitals' hospital-specific limits;

the office shall reduce disproportionate share payments made under IC 12-15-19-2.1 and Medicaid safety-net payments made in accordance with the Medicaid state plan to eligible institutions using an equitable methodology consistent with subsection (c).

(c) For state fiscal years beginning after June 30, 2006, payments reduced under this section shall, in accordance with the Medicaid state plan, be made:

- (1) to best utilize federal matching funds available for hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and
- (2) by utilizing a methodology that allocates available funding under this subdivision, and Medicaid supplemental payments as defined in IC 12-15-15-1.5, in a manner that all hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1 receive payments using a methodology that:
 - (A) takes into account the situation of the eligible hospitals that have historically qualified for Medicaid disproportionate share payments; and
 - (B) ensures that payments for eligible hospitals are equitable.

(d) The percentage reduction shall be sufficient to ensure that payments do not exceed the statewide Medicaid disproportionate share allocation or the amounts that can be financed with:

- (1) the amount transferred from the hospital care for the indigent trust fund;
- (2) other intergovernmental transfers;
- (3) certifications of public expenditures; or
- (4) any other permissible sources of non-federal match.

As added by P.L.2-1992, SEC.9. Amended by P.L.27-1992, SEC.22; P.L.113-2000, SEC.14; P.L.212-2007, SEC.9; P.L.218-2007, SEC.19; P.L.229-2011, SEC.137.

IC 12-15-19-7

Repealed

(Repealed by P.L.27-1992, SEC.30.)

IC 12-15-19-8

Disproportionate share adjustments received by municipal disproportionate share providers; limits on total disproportionate share payments

Sec. 8. (a) This section does not apply during the period that the office is assessing a hospital fee authorized by HEA 1001-2011. A

provider that qualifies as a municipal disproportionate share provider under IC 12-15-16-1 shall receive a disproportionate share adjustment, subject to the provider's hospital specific limits described in subsection (b), as follows:

(1) For each state fiscal year ending on or after June 30, 1998, an amount shall be distributed to each provider qualifying as a municipal disproportionate share provider under IC 12-15-16-1. The total amount distributed shall not exceed the sum of all hospital specific limits for all qualifying providers.

(2) For each municipal disproportionate share provider qualifying under IC 12-15-16-1 to receive disproportionate share payments, the amount in subdivision (1) shall be reduced by the amount of disproportionate share payments received by the provider under IC 12-15-16-6 or sections 1 or 2.1 of this chapter. The office shall develop a disproportionate share provider payment methodology that ensures that each municipal disproportionate share provider receives disproportionate share payments that do not exceed the provider's hospital specific limit specified in subsection (b). The methodology developed by the office shall ensure that a municipal disproportionate share provider receives, to the extent possible, disproportionate share payments that, when combined with any other disproportionate share payments owed to the provider, equals the provider's hospital specific limits.

(b) Total disproportionate share payments to a provider under this chapter and IC 12-15-16 shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for state fiscal years ending on or before June 30, 1999, shall be determined by the office taking into account data provided by each hospital for the hospital's most recent fiscal year or, if a change in fiscal year causes the most recent fiscal period to be less than twelve (12) months, twelve (12) months of data compiled to the end of the provider's fiscal year that ends within the most recent state fiscal year, as certified to the office by an independent certified public accounting firm. The hospital specific limit for all state fiscal years ending on or after June 30, 2000, shall be determined by the office taking into account data provided by each hospital that is deemed reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) For each of the state fiscal years:

(1) beginning July 1, 1998, and ending June 30, 1999; and

(2) beginning July 1, 1999, and ending June 30, 2000;

the total municipal disproportionate share payments available under this section to qualifying municipal disproportionate share providers is twenty-two million dollars (\$22,000,000).

As added by P.L.126-1998, SEC.12. Amended by P.L.113-2000, SEC.15; P.L.229-2011, SEC.138.

IC 12-15-19-9**Repealed**

(Repealed by P.L.2-2005, SEC.131.)

IC 12-15-19-10**Priorities of payments**

Sec. 10. This section does not apply during the period that the office is assessing a hospital fee authorized by HEA 1001-2011. For state fiscal years beginning after June 30, 2000, the state shall pay providers as follows:

(1) The state shall make municipal disproportionate share provider payments to providers qualifying under IC 12-15-16-1(b) until the state exceeds the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)).

(2) After the state makes all payments under subdivision (1), if the state fails to exceed the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make disproportionate share provider payments to providers qualifying under IC 12-15-16-1(a).

(3) After the state makes all payments under subdivision (2), if the state fails to exceed the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make community mental health center disproportionate share provider payments to providers qualifying under IC 12-15-16-1(c).

As added by P.L.126-1998, SEC.14. Amended by P.L.113-2000, SEC.17; P.L.283-2001, SEC.25; P.L.2-2005, SEC.49; P.L.229-2011, SEC.139.

IC 12-15-19-10.1**Repealed**

(Repealed by P.L.283-2001, SEC.39.)