

---

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES (CONTINUED)

VIII. Disproportionate Share Payments (DSH) (Continued)

A. Payment Formulas (Continued)

- a. The total statewide days value used in the calculation excludes the Title XIX days for any hospitals in DSH Group #3.
- b. The total statewide days does not include days from any in-state hospitals that were paid for Title XIX days in the Base Year if they are not eligible for a DSH payment, or if they waived participation from the DSH program.
4. Sum the percentage of statewide days in the DSH Group.
5. Calculate the DSH Allotment by DSH Eligibility Group using the following formula:

*Total Remaining DSH Funding Available (computed in Step 2) \**  
*Total Percentage of Statewide Days in the DSH Group (computed in Step 4)*

6. The DSH payments to each hospital in DSH Groups #1, #2 and #4 are made using the following methodology:
  - a. For each DSH Group, compute an Aggregate Hospital Limit that is the sum of the individual Hospital Specific Limits within the DSH Group for hospitals that are eligible for a DSH payment, excluding any hospital that waived participation from the DSH program.
  - b. Determine each hospital's limit as a percentage of the Aggregate Hospital Limit.
  - c. Multiply the percentage computed in (b) by the DSH Group Allotment in VIII.A.5.
  - d. For any year where the DSH budget decreases DVHA will adjust the previous years' allocated DSH funds to reflect the current year's total payout amount prior to calculating the DSH average in step (e) below.
  - e. After the current year's DSH payment is calculated, add it together with the previous 4 years' payment amounts. Then calculate a 5-year average. The 5-year average payment amount will be the current year's DSH payment, which is not to exceed the calculated hospital specific limit.