

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Carly Todd

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Initial

Public Comment

Final

Brief description of policy:

The purpose of this policy is to remove the regular and special pools contained in the Disproportionate Share Hospital (DSH) program except for the Institute for Mental Disease (IMD) special DSH pool.

Reason for policy (problem being addressed):

The significant expansion of the Hospital Rate Adjustment (HRA) supplemental payment program limits hospital capacity for DSH payments. Discontinuing all but the IMD DSH pool will improve the ability of the department to effectively distribute DSH payments given the limited future capacity of qualified hospitals.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$ 133,282,464 per year

Is this policy change mandated per federal requirements?

No

Does policy have operational implications on other parts of MDHHS?

Yes, Hospital and Clinic Reimbursement Division

Does policy have operational implications on other departments?

No

Summary of input:

controversial (Explain)

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Notice Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please provide status:	If yes,
<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Denied	Submission Date: 5/31/24
Date: Approval	Date:

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2432-Hospital	Date: September 24, 2024

Comments Due: October 29, 2024
Proposed Effective Date: As Indicated
Direct Comments To: Carly Todd
Address:
E-Mail Address: ToddC1@michigan.gov
Phone: 517-284-1196 **Fax:**

<p>Policy Subject: Disproportionate Share Hospital (DSH) Program</p> <p>Affected Programs: Medicaid, Healthy Michigan Plan</p> <p>Distribution: Hospitals</p> <p>Summary: The purpose of this policy is to remove the regular and special pools contained in the Disproportionate Share Hospital (DSH) program except for the Institute for Mental Disease (IMD) special DSH pool.</p> <p>Purpose: The significant expansion of the Hospital Rate Adjustment (HRA) supplemental payment program limits hospital capacity for DSH payments. Discontinuing all but the IMD DSH pool will improve the ability of the department to effectively distribute DSH payments given the limited future capacity of qualified hospitals.</p> <p>Cost Implications: \$133,282,464 general fund savings</p> <p>Potential Hearings & Appeal Issues: Limited</p>
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State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Submitted date:
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Tribal Notification: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - Date: June 6, 2024

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Behavioral & Physical Health and Aging Services Administration

Distribution: Hospitals

Issued: November 1, 2024 (Proposed)

Subject: Disproportionate Share Hospital (DSH) Program

Effective: As Indicated (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan

NOTE: Implementation of this policy is contingent upon State Plan Amendment (SPA) approval from the Centers for Medicare & Medicaid Services (CMS).

Effective state fiscal year 2024, all regular and special DSH pools, except for the Institute for Mental Disease (IMD) DSH pool, will be discontinued within the DSH program. The significant expansion of the Hospital Rate Adjustment (HRA) supplemental payment program limits hospital capacity for DSH payments. Discontinuing all but the IMD DSH pool will improve the ability of the Michigan Department of Health and Human Services (MDHHS) to effectively distribute allotted DSH funds given the limited future capacity of qualified hospitals. Eligibility and distributions associated with the IMD DSH Pool will continue in alignment with existing methodology.