

Attachment NN
DSH Coordination Methodology

During any year in which the State of California conducts the Global Payment Program (“GPP”), the state shall make the modifications listed in this Attachment NN to its methodologies for making disproportionate share hospital payments under the DSH State Plan provisions (Attachment 4.19-A, commencing with page 18).

1. The state shall not make disproportionate share hospital payments during a state fiscal year to any designated public hospital listed in Attachment C that participates in the Global Payment Program during that year.
2. Prior to the start of the applicable GPP PY, or as soon thereafter as possible, the full amount of the federal DSH allotment under SSA § 1923(f) for the FFY that commences in the applicable GPP PY shall be determined. For this purpose, the allotment identified for California for the applicable FFY in the Preliminary Disproportionate Share Hospital Allotments that is published by CMS shall be initially used.
3. Hospitals that meet DSH eligibility criteria and are “non cost-based DSH facilities,” as defined under the DSH State Plan provisions, will receive DSH payments pursuant to the applicable State Plan methodology. The state shall calculate the sum of the DSH payment amounts projected for non cost-based DSH facilities, less the non-federal share, which shall be the federal DSH allotment amount set aside for these DSH facilities.
4. Hospitals that meet DSH eligibility criteria and are “non-government operated hospitals,” as defined under the DSH State Plan provisions, will receive DSH payments pursuant to the applicable State Plan methodology. The state shall calculate the sum of the DSH payment amounts projected for non-government operated hospitals, less the non-federal share, which shall be the federal DSH allotment amount set aside for these DSH facilities.
5. The federal DSH allotment set-aside amounts determined above for non cost-based DSH facilities in paragraph 3, and for non-government operated hospitals in paragraph 4, will be subtracted from the full federal DSH allotment amount identified in paragraph 2.
6. Hospitals that meet DSH eligibility criteria, and are “cost-based DSH facilities” as defined under the DSH State Plan provisions, and which are licensed to the University of California, will receive DSH payments pursuant to the applicable State Plan methodology, subject to an annual aggregate cap on the associated federal DSH allotment for those payments. The annual aggregate cap is equal to an applicable percentage multiplied by the amount of the federal DSH allotment that is left after the set-asides for non cost-based DSH facilities and non-government operated hospitals, as calculated in paragraph 5, which shall be the DSH allotment amount set aside for the University of California DSH facilities. The applicable percentages for each GPP PY are as follows:

GPP PY 1: 26.296%
GPP PY 2: 24.053%
GPP PY 3: 23.150%
GPP PY 4: 21.896%
GPP PY 5: 21.896%
GPP PY 6A 21.896%

7. The full federal DSH allotment amount, less the aggregate DSH allotment set-aside amounts determined for non cost-based DSH facilities in paragraph 3, for non-government operated hospitals in paragraph 4, and for cost-based DSH facilities licensed to the University of California in paragraph 6, shall constitute the initial “Adjusted DSH” component of the funding for the GPP described in STC 167. For GPP PY 6A, the “Adjusted DSH” component shall reflect an additional reduction of 50%. The initial “Adjusted DSH” component is determined no later than May 15 prior to the start of each GPP program year.
8. The final Adjusted DSH component of the GPP shall be determined pursuant to the steps in paragraphs 1 – 7 above, which shall take into account the following:
 - a. The allotment identified for California for the applicable FFY in the Final Disproportionate Share Hospital Allotments that is published by CMS;
 - b. The actual amount of DSH payments paid or payable to the hospitals described in paragraphs 3, 4 and 6 for the applicable state fiscal year, and the results of the applicable DSH audits for the hospitals, including any adjustments that increase or decrease DSH payments to the hospitals.
9. Adjustments shall be made to the GPP total computable annual limit and GPP annual budgets to take into account the final Adjusted DSH component for the applicable GPP PY determined in paragraph 8, and, notwithstanding the final payment timeline set forth in Attachment EE, all final reconciliation payments for the applicable GPP PY made pursuant to Attachment EE shall be subject to these adjustments.
10. Within 30 days of its determination of the initial “Adjusted DSH” component discussed in step 7, the state will submit a report to CMS stating the amount of the initial “Adjusted DSH” component for the applicable GPP PY (with explanation for how “Adjusted DSH” component was calculated) and projected DSH payment amounts for all hospitals that will receive DSH payments.
11. Within 30 days of its determination of the final “Adjusted DSH” component discussed in step 7, the state will submit a report to CMS stating the amount of the final “Adjusted DSH” component for the applicable GPP PY, the actual and final amount of DSH payments paid or payable to the hospitals described in paragraphs 3, 4 and 6 for the applicable state fiscal year, and the final GPP total paid to each GPP hospital.
12. The state will report all DSH payments to “non cost-based DSH facilities,” “non-government operated hospitals,” “cost-based DSH facilities” licensed to the University of California, and designated public hospitals not participating in the Global Payment

Program, on Forms CMS-64.9 WAIVER, with waiver number 11-W-00193/9, under Waiver Name “DSH,” and with project number extension indicating the demonstration year corresponding to the federal fiscal year of the DSH allotment for which the payments were made.