



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**Via Electronic Mail Only**

August 10, 2017

Dear Administrator:

**RE: SFY18 Rural Hospital DSH Certification**

The attached "Small Rural Hospital Certification" form, "Schedule of Uncompensated Care Cost" form (with instructions), "OB Qualification for Medicaid Disproportionate Share Payments" form, and "Schedule of Uncompensated Care Cost Calculation Schedule" per Provisions of CMS DSH Audit Rule" form (with instructions & exhibits) must be completed and submitted by qualifying facilities to the Department for participation in the disproportionate share reimbursement, Medicaid inpatient/outpatient supplemental payments and state-funded programs outlined in the "Rural Hospital Preservation Act", being Act 1485 of the 1997 Legislature, Act No. 883 of the 2010 Louisiana Legislature and the 2010 Louisiana Legislature Act No. 147.

In order to qualify for disproportionate share payments for small rural hospitals:

1. The hospital must have filed a year end cost report in accordance with Medicare filing guidelines, including extensions. Hospitals that did not file a year-end cost report will not be eligible to participate in the FFY 2018 disproportionate share pools.
2. The hospital must meet the attached qualifying criteria. Small rural hospitals that fail to meet the 1% Medicaid days utilization percentage and the Obstetrical services criteria will not qualify for disproportionate share payments. The Medicaid days utilization percentage is to be calculated based on the latest filed year end cost report in accordance with Medicare filing guidelines. All qualifying documentation submitted by hospitals is subject to audit.

3. Small rural hospitals qualifying for Medicaid disproportionate share payments in FFY 2018 must complete the attached forms. Hospitals that do not provide the minimum required documentation will not be eligible for additional payments to be determined in accordance with Act No. 883 of the 2010 Louisiana Legislature. Note that additional documentation may be required to complete the Act 883 payments after the Department has completed review and calculation of DSH payments. **Note: Please reconcile your records with the EIDRs that the Department provide.**
4. If your facility has a Provider Based Rural Health Clinic licensed as an outpatient department of Hospital Services, please submit a copy of the licensure issued by the Department that covers the cost reporting period used for calculation.

Qualifying small rural hospitals will receive a disproportionate share/Medicaid supplemental payment for FFY 2018 calculated by the Department which shall not exceed their net uncompensated care costs incurred in the applicable cost reporting period. We will not be able to proceed with payments until all qualifying facilities have submitted the certifications and uncompensated care cost calculations.

If you meet the criteria for a small rural hospital, please submit the forms electronically and mail original signatures by September 7, 2017 to:

Louisiana Department of Health  
Rate Setting & Audit  
628 North 4<sup>th</sup> Street, 7<sup>th</sup> Floor, Bin #24  
Baton Rouge, LA 70821-9030  
Attn: Tizi Robinson

All questions regarding interpretation of the Department's disproportionate share rules and policies are to be directed to Tizi Robinson at 225/219-4285 or via email at [Tizi.Robinson@la.gov](mailto:Tizi.Robinson@la.gov).

Sincerely,



Erin Lee  
Program Manager

Enclosures  
EL: TDR