



MEMORANDUM

Date: November 21, 2008

To: Chief Executive Officer
Chief Financial Officer

From: Alec Steele
Director, Reimbursement Services

Subject: FY 2009 Disproportionate Share Hospital (DSH) Payments

BY FACSIMILE AND MAIL

In a memorandum sent on October 22, 2008, providers were notified that the Department will use updated data to determine a hospital's eligibility to receive funds from the Disproportionate Share Hospital (DSH) and Upper Payment Limit (UPL) programs for State Fiscal Year 2009. While some required data elements may be available from Departmental reports and hospital cost reports, other required data can only be obtained via completion of a survey. The data survey for SFY 2009 DSH and UPL calculations is not due until December 23, 2008.

Please note that DSH allocations can not be finalized for the following reasons. First, the hospital's eligibility to receive such funds must be determined. Second, the Department requires state appropriations to match available federal DSH funds for private hospitals. Actual appropriation of such funds is pending the release of the Governor's Amended FY 2009 budget and the consideration of that budget by the General Assembly in the Appropriations Process. A final amount will not be available until the General Assembly passes the budget, most likely to occur in April. At that time, the department will be able to determine final FY 2009 DSH payment amounts.

In the interim, the Department will proceed by issuing payments to governmental hospitals equal to 50% of their SFY2008 DSH payment. Please note the Department used hospitals' eligibility based on last year's qualifications. After the submittal and review of survey data, if any facilities are deemed ineligible to receive such funds an immediate repayment would be due from the facility.

It is important to note that this initial payment is an interim estimate only. When a final payment amount has been determined, an additional payment could then be issued for the difference between the final payment amount and the initial payment. In the event that the interim payment should exceed the final payment amount, an immediate repayment would be due from the hospital for the excess amount. The Department will be able to proceed with issuing an interim payment only if an intergovernmental transfer, equal to the matching funds needed to obtain the federal DSH funds, can be provided by the hospital authority or other governmental entity in which the hospital is affiliated.

Detailed information about the time schedule, facility payment amounts and intergovernmental transfers are provided on the Department's web site at www.dch.ga.gov by selecting options for "Provider", "Hospital", "Indigent Care Trust Fund" and "Payments". You are encouraged to

review your facility's data elements to ensure that the department has accurately recorded your facility's information. If you find an error, please let the department know as soon as possible by contacting David Riddle, Program Director for Hospital Services, at (404) 657-7120.

As indicated on the web site information, interim payments are scheduled to be made on December 19, 2008. Please note that the required intergovernmental transfer must be received by 2 p.m. on December 12, 2008, for an interim payment to be issued. In order to assure that the timely receipt of intergovernmental transfers can be confirmed, a Notice of Intent to Transfer must be submitted by December 5, 2008, to document the expected method of transfer.

The interim DSH payment to governmental hospitals will be issued by Electronic Funds Transfer (EFT) to the bank account previously used for DSH or Upper Payment Limit disbursements to your facility. Typically, there is a 1 or 2-day delay between when the funds are disbursed by EFT and when the funds are deposited into a provider's bank account. If there has been any change to your hospital's banking information, please provide the corrected information by December 5, 2008, to:

Linda C. Parson
Accounting Manager
(404) 651-9177
Fax (770) 344-4208
lparson@dch.ga.gov

If you have any questions about this notice, please contact Annetta Smith, Program Director for Supplemental Reimbursement, at (404) 657-9272.