

# State Fiscal Year 2016 (SF16)

## Hospital Assessments Summary



In years past, the Division of Medicaid (DOM) has combined the disproportionate share (DSH), upper payment limit (UPL) and the general assessment taxes used for the DSH/UPL model, determined an overall tax assessment, collected the tax and distributed the funds in December, March and June. As a result of Senate Bill 2588, this process will change. There will continue to be three separate assessments but the collection and distribution of the corresponding funds will be modified to positively affect the cash flow to the Mississippi hospital industry. Because these changes are being mandated during the middle of SFY16 this will be a transition year as well.

During the remainder of SFY16 DOM will collect the general support and Mississippi Hospital Access Program (formerly UPL) taxes in seven equal installments from December, 2015 through June, 2016. The tax collections will be due no later than the 15th of each month. Starting in SFY17 the collection and distribution of these funds will be done on a monthly basis.

Starting in December, 2015 inpatient hospital Upper Payment Limit (UPL) payments will be phased out and DOM will implement the Mississippi Hospital Access Payment (MHAP) program in its place. In accordance with state law, all Mississippi hospitals and one out-of-state hospital will participate in this program to be administered by DOM through the MississippiCAN coordinated care organizations (CCO). The CCO's are expected to subcontract with a MHAP entity for distribution of the MHAP for the purpose of protecting patient access to hospital care. The MHAP payment pool is based on the SFY-2015 UPL payment pool of \$533,110,956. The program is pending CMS approval.

The DSH program and the assessments associated with it will essentially remain the same. DOM will collect the state share tax related to DSH payments and issue DSH payments to hospitals in three equal installments in December, March and June. Tax payments will be due no later than the 15th of each DSH payment month.

As in the past, the three taxes will be allocated among Mississippi hospitals based on non-Medicare Inpatient Hospital days reported on 2013 cost reports. The participating out-of-state hospital will submit intergovernmental transfers (IGT's) based on its SFY-2015 UPL distribution.