

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: APRIL 18, 2022**

**PROPOSED STATE PLAN AMENDMENT TO THE DISPROPORTIONATE
SHARE HOSPITAL (DSH) MEDICAID SHORTFALL CALCULATION AND
OTHER DSH TECHNICAL ADJUSTMENTS**

This notice is to provide information of public interest about a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). The proposed SPA adjusts the methodology for the hospital-specific DSH limit calculation to conform to federal rules. The Medicaid Shortfall component of the hospital-specific DSH limit shall now only include costs and payments of services for which Medicaid is the primary payor. However, any hospital for which the most recent cost reporting period was in at least the 97th percentile of all hospitals, with respect to either the total number or percentage of inpatient days made of up patients entitled to both Medicare Part A and supplemental security income benefits, the hospital-specific DSH limit calculation will be based on the previous methodology if it results in a higher value. This SPA also updates the title of the Medi-Cal cost reports to those currently used.

The proposed changes to the hospital-specific DSH limit should occur to reflect changes implemented by the Consolidate Appropriations Act of 2021. Moreover, the technical updates will ensure that the State Plan accurately reflects current terminology and reimbursement methodology.

DHCS estimates that the annual aggregate Medi-Cal expenditures for the DSH program will be budget neutral due to the proposed changes.

The effective date of the proposed SPA is July 1, 2022. All proposed SPAs are subject to approval by the Federal Centers for Medicare and Medicaid Services (CMS).

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of the proposed SPA #22-0028 will be published at the following internet address:

<https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending-2022.aspx>.

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA #22-0028 using the mailing or email addresses listed below.

Written comments may be sent to the following address:

Department of Health Care Services
Safety Net Financing Division
Attn: Angela Smith
P.O. Box 997413, MS 4518
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA #22-0028 in the subject line or message.

A copy of submitted public comments to SPA #22-0028 may be requested in writing to the mailing or email addresses identified above.