



REPUBLICAN CAUCUS STAFF  
HOUSE OF REPRESENTATIVES  
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## HOUSE REPUBLICAN STAFF ANALYSIS

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Bill: House File 2388  
Committee: Human Resources  
Floor Manager: Representative Dave Heaton  
Date: April 14, 2012  
Staff: Brad Trow (1-3471)

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### Maximizing Hospital-Specific Disproportionate Share Hospital Payments

House File 2388 seeks to provide an opportunity for certain Iowa hospitals to receive additional federal support for providing Medicaid services. The bill creates a separate funding pool for rural, non-critical access hospitals that receive Disproportionate Share Hospital (DSH) funding, and to allow city or county governments to provide the non-federal share to draw down additional DSH funds. No additional state funds would be used in implementation of this.

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### Summary of Action

**Committee Action** – The House Human Resources Committee **PASSED** House File 2388 on a vote of 21-0 on February 22, 2012.

**House Action** – The House **PASSED** House File 2388 on a vote of 98-0 on March 12, 2012.

**Senate Action** – The Senate **PASSED** House File 2388 on a vote of 31-19 on March 26, 2012.

**Final Action** – The Governor **SIGNED** House File 2388 on April 12, 2012.

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### Section by Section Analysis

**Section 1 – Department of Human Services – Directive Regarding Disproportionate Share Hospital Payments** – The section directs the Department of Human Services to recalculate DSH payments to qualifying hospitals in FY 2103 and to maximize state usage of the available DSH funding to create a new DSH pool to assist rural prospective payment hospitals that participate in the program.

In order to receive funds from this new pool, a hospital would have to receive commitments from city or county governments in the area where the hospital is located. These commitments would be to put up local tax dollars as the non-federal match for the DSH funds.

- Additionally to qualify, the hospital would have to complete the following:
- Provide the Department with a disproportionate share hospital survey annually;
- Ensure that the additional DSH payment shall not exceed the hospital's DSH limit, as set by federal regulations;
- Provide the Department with the non-federal match prior to receiving the DSH funds;

- Retain 100 percent of the additional DSH funds; and
- Provide documentation from the city or county government that the funds used as the non-federal match were generated from tax proceeds and are not from any other source.

The Department of Human Services is directed to amend Iowa's Medicaid State Plan to implement this, which is contingent upon approval from the Centers for Medicare and Medicaid Services.