

DSH Factor 1 Analysis FFY 2016 - FFY 2019 Proposed



About this analysis - Each year CMS estimates total DSH payments for the upcoming federal year as the starting point for determining the amount of dollars for DSH Uncompensated Care funding. "Factor 1" is CMS' first step, representing 75% of total DSH payments under the "Empirical" DSH method (pre-ACA). The following analysis shows CMS' estimates of total DSH payments (before the reduction to 75%) as achieved by utilizing the factors: 1) hospital payment updates; 2) discharges; 3) case mix index; and 4) other. The other factor accounts for "other factors" that contribute to the Medicare DSH estimates, including but not limited to, the effect of Medicaid expansion resulting from the ACA. This analysis trends these factors from Proposed to Final from 2016 to 2019.

FFY	Proposed FY2016	Final FY2016	Proposed FY2017	Final FY2017	Proposed FY2018	Final FY2018	Proposed FY2019
Total							
2013	1.0439	1.0402					
2014	0.9820	0.9860	1.0253	1.0357			
2015	1.0562	1.0598	1.0790	1.0797	1.0766	1.0769	
2016	1.0626	1.0603	1.0212	1.0205	1.0807	1.0787	1.0733
2017			1.0361	1.0276	1.0665	1.0553	1.0635
2018					1.0396	1.0236	1.0430
2019							1.0344

Est DSH Payments (Factor 1)

2013	\$12.102	\$12.105					
2014	11.884	11.935	\$12.461	\$12.715			
2015	12.552	12.648	13.446	13.728	\$13.355	\$13.348	
2016	13.338	13.411	13.731	14.009	14.433	14.398	\$14.202
2017			14.227	14.397	15.393	15.194	15.105
2018					16.003	15.553	15.754
2019							16.295
Final Factor 1 % Change				7.35%		8.03%	
Proposed Factor 1 % Change							4.77%

Factor 1 Paid vs Recalculations

FFY	Actual	Recalc	% Underpaid
2016	\$13.411	\$14.202	5.90%
2017	14.397	15.105	4.92%
2018	15.553	15.754	1.29%
2019 Proposed	16.295		