

**DSH Factor 1 Analysis
FFY 2017 - FFY 2021**



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 2017 to 2021.

FFY	Proposed FY2017	Final FY2017	Proposed FY2018	Final FY2018	Proposed FY2019	Final FY2019	Proposed FY2020	Final FY2020	Proposed FY2021
Total									
2013									
2014	1.0253	1.0357							
2015	1.0790	1.0797	1.0766	1.0769					
2016	1.0212	1.0205	1.0807	1.0787	1.0733	1.0716			
2017	1.0361	1.0276	1.0665	1.0553	1.0635	1.0647	1.0795	1.0796	
2018			1.0396	1.0236	1.0430	1.0557	1.0528	1.0528	1.0508
2019					1.1007	1.0918	1.0243	1.0121	1.0022
2020							1.0358	1.0311	1.0069
2021									1.0342

Est DSH Payments (Factor 1)

2013									
2014	\$12.461	\$12.715							
2015	13.446	13.728	\$13.355	\$13.348					
2016	13.731	14.009	14.433	14.398	\$14.202	\$14.177			
2017	14.227	14.397	15.393	15.194	15.105	15.094	15.093	15.093	
2018			16.003	15.553	15.754	15.935	15.889	15.891	14.716
2019					16.295	16.339	16.275	16.084	14.748
2020							16.857	16.583	14.850
2021									15.359
Final Factor 1 % Change		7.35%		8.03%		5.05%		1.49%	
Proposed Factor 1 % Change									-7.38%

Factor 1 Paid vs Recalculations

FFY	Actual	Recalc	% Underpaid
2017	\$14.397	\$14.004	-2.73%
2018	15.553	14.716	-5.38%
2019	16.339	14.748	-9.74%
2020	16.583	14.850	-10.45%
2021 Proposed	15.359		