



COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

A Fact Sheet

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DI-6 Disproportionate Share Hospital Payments Audit

Request: The Department is requesting \$100,000 total funds for the development, ongoing audit, and submission of hospital cost reports built to comply with the Disproportionate Share Hospital Payments (DSH) auditing requirements under CMS-2198-F, which went into effect January 19, 2009. This rule makes federal financial participation in the DSH payment program dependent upon compliance with new reporting and informational deadlines and requirements.

Summary of Request FY 2010-11	Total Funds	General Fund	Federal Funds
Total Request	\$100,000	\$50,000	\$50,000

Highlights:

- The first audited DSH hospital cost report must be submitted to the Centers for Medicare and Medicaid Services (CMS) on or before December 31, 2010 in order to maintain compliance with federal regulations and ensure continued federal financial participation in the Colorado Indigent Care Program, through which DSH payments are made.
- Based on the Department's current audit contract for cost and rate data audits for hospitals, federally qualified health clinics (FQHCs), and rural health centers (RHCs) that participate in Medicaid, the Department estimates that the total cost would be \$100,000 in FY 2010-11 to develop this cost report and \$100,000 in each year thereafter for data collection and auditing.
- The requirements of the DSH audit and the auditing requirements associated with HB 09-1293 (Health Care Affordability Act) are similar enough that one cost report can be developed for both functions. In order to limit the overall cost of the request, the Department has leveraged similar audit work being competed under HB 09-1293 and factored the cost offset into the request calculations.

**For more information about this Department and its programs, please call
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