



**DEPARTMENT OF SOCIAL SERVICES**  
DIVISION OF MEDICAL SERVICES  
700 GOVERNORS DRIVE  
PIERRE, SD 57501-2291  
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May 1, 2017

XXXXXXX  
XXXXXXX  
XXXXXXX

Subject: Disproportionate Share Payment

**ADMIN NAME:**

Enclosed is a request for information that will be used to determine which hospitals qualify for a disproportionate share payment this fiscal year. We ask that you complete this Disproportionate Share survey request and return it to us by **Friday, May 19, 2017**.

Please complete this form using your **provider fiscal year 2016 cost report** data. Most of the information required is readily available from your Medicare cost report, reports sent by the Department of Social Services or from your records. The request form indicates where the information may be found. **It is important that you complete this request for information.**

A hospital can qualify as a disproportionate share provider in one of two ways. The first is when a facility's inpatient utilization ratio of Medicaid inpatient days compared to total inpatient days exceeds the mean statewide Medicaid inpatient utilization ratio. The second method is when the sum of the percentages resulting from the following two calculations exceeds 25 percent.

1. Inpatient income received from Medicaid plus subsidies received from state or local government divided by total inpatient income received by the hospital (including any subsidies); and
2. Inpatient hospital charges attributable to charity care (excluding contractual allowances and discounts) divided by total inpatient charges.

In addition to the information necessary to determine eligible hospitals, we are requesting information to assist with establishing payment limits. Disproportionate share payments to qualified hospitals are limited to no more than the cost of providing hospital services to patients who are either eligible for Medicaid or have no health insurance for services provided, less payments received from Medicaid. We have included the DSH Audit and Reporting Protocol along with this letter.

**It is important that your hospital provides the requested information whether or not you believe your facility will qualify as a disproportionate share hospital. This will enable us to calculate meaningful statewide averages.**

Please contact the Division of Medical Services at 773-3495 or the South Dakota Association of Healthcare Organizations at 361-2281 if you have any questions regarding the information required for this determination.

Sincerely,

Lori Lawson  
Deputy Director, Medical Services

Enclosure (1)