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**State of Delaware, Department of Health and Social
Services, Division of Medicaid and Medical Assistance,
Disproportionate Share Hospital Payment Program (DSH)**

June 30, 2016

What Was Performed? An Examination of the State's Disproportionate Share Hospital Payment Program (DSH) as of June 30, 2016 was performed.

The State of Delaware, Department of Health and Social Services, Division of Medicaid and Medical Assistance administers the Disproportionate Share Hospital Payment Program. The Medicaid program is required to make Disproportionate Share Hospital payments to qualifying hospitals that serve a large number of Medicaid and uninsured individuals. This program is regulated by the Federal Government and are submitted on no longer than a four-year lag basis.

Why This Examination? States that receive federal funding must annually certify that the required six verifications are examined to ensure compliance with the Federal Program.

What Was Found? It is my pleasure to report the State's Disproportionate Share Hospital Payment Program was in compliance with the six verifications as required by Federal Regulations for the period audited. These six verifications are:

- to ensure that the State's DSH payments comply with the hospital specific DSH payment limit
- to ensure that if the facility is an institute for mental disease that they have a Medicaid utilization rate not less than 1%
- to ensure that certain uncompensated care costs are included in the calculation for the hospital specific payments
- to ensure that any incurred costs in excess Medicaid covered costs are included in the uncompensated care costs
- to ensure that any and all resources of inpatient and outpatient hospital service costs are separately documented and retained, and
- to ensure that the estimate of the DHS limit is in accordance with the section of the Social Security Act

The State of Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance, Disproportionate Share Hospital Payment Program (DSH) as of June 30, 2016 can be found on our website: [click here](#).

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at 302-739-5055 or Kathleen.Mcguinness@delaware.gov.
