

**Subject** Alternate Rate for a Children's Hospital

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## Overview

This bill reclassifies a disproportionate share hospital (DSH) payment as a regular hospital payment for a hospital meeting the criteria in the bill (Gillette Children's Hospital). The intent of the bill is to allow Gillette Children's Hospital to retain payments that they could potentially lose through an audit, due to all DSH payments received over time for a long-term patient being counted at the time of that patient's discharge. This could result in the hospital exceeding the DSH payment limit for the audit year associated with the discharge of that patient.

## Summary

Section	Description
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1	<b>Alternate inpatient payment rate for a discharge.</b>
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Amends § 256.969, by adding subd. 2g. (a) Provides an alternate inpatient hospital payment rate for a children's hospital. The alternate rate is retroactive from January 1, 2024, and applies to any rate year in which a discharge of a patient who had resided in the hospital for over 20 years is included in the federally required disproportionate share hospital (DSH) payment audit. The alternate rate is the standard rate, excluding any DSH payment, increased by 99 percent of what the DSH payment would have been had the discharge been excluded.

(b) Provides that in any rate year in which the alternate payment rate is effective, no payments shall be made to the hospital under paragraphs 2e and 2f (alternative payment rates in current law) and 9 (DSH payment rates).

States that this section is effective upon federal approval.