

Sept. 13, 2023

# PUBLIC NOTICE

## **Public Notice of Proposed Action for Federal Fiscal Year (FFY) 2024 DSH Payments and Updated Swing Bed Hospital and Administrative Day Rates Effective Oct. 1, 2023**

The South Carolina Department of Health and Human Services (SCDHHS), pursuant to the requirements of Section 1902(a)(13)(A) of the Social Security Act, gives notice of the following proposed actions regarding its methods and standards for establishing Medicaid Disproportionate Share Hospital (DSH) payments to qualifying DSH hospitals and updating swing bed hospital and administrative day rates.

Pending new federal legislation, implementation of the DSH Patient Protection and Affordable Care Act (ACA) reductions will begin with fiscal year (FY) 2024 and end with FY 2027. The DSH reductions will amount to \$8 billion federal dollars each year over a four-year period.

### **Proposed DSH Changes Effective for the Oct. 1, 2023 Thru Sept. 30, 2024 DSH Payment Period**

- The agency proposes to use the FY ending 2022 base year cost reporting period to calculate the interim DSH payments for the Oct. 1, 2023, thru Sept. 30, 2024, DSH payment period. The agency will continue the use of the Dec. 19, 2008, final rule (Federal Register/Vol. 73, No. 245) relating to the audits of the Medicaid DSH payment plans and the Dec. 3, 2014, final rule (Federal Register/Vol. 79, No. 232) relating to the Medicaid program DSH payments uninsured definition.
- The agency proposes to update the inflation rate used to trend the DSH base year cost to the end of the 2022 calendar year.
- The Centers for Medicare and Medicaid Services (CMS) has approved the state directed payment for Health Access, Workforce and Quality (HAWQ) program. As a result of this approval, the agency does not anticipate expending 100 percent of its FFY 2024 Medicaid DSH allotment to qualifying DSH-eligible hospitals during the Medicaid State Plan rate year.

### **Proposed Inpatient Hospital Reimbursement Changes Effective Oct. 1, 2023**

- The agency proposes to update the inpatient hospital swing bed and administrative day rates based upon the Oct. 1, 2023, redetermination of nursing facility payment rates.

For DSH changes, SCDHHS proposes to implement bullets one through three to calculate the FFY 2024 DSH payments based on the use of the most recent cost reporting period data available (hospital fiscal year 2022) and updated DSH allotment amounts.

For inpatient hospital changes, SCDHHS proposes to update the swing bed and administrative day rates effective Oct. 1, 2023, based upon the redetermination of nursing facility payment rates effective Oct. 1, 2023.

As a result of the proposed actions listed above, the annual projected cost increases are as follows (in total dollars) – DSH – unable to project since FFY 2024 DSH allotments have not been published by CMS as of the date of this notice; Swing Bed/Administrative Day Rates – immaterial less than \$10,000.

Copies of this notice are available at each South Carolina Healthy Connections Medicaid county office and at [www.scdhhs.gov](http://www.scdhhs.gov) for public review. Additional information concerning the proposed actions above are available upon request at the address cited below.

Written comments may be sent to SCDHHS, Division of Acute Care/Ancillary Reimbursements, P.O. Box 8206, Columbia, S.C. 29202-8206. Comments may also be submitted to [comments@scdhhs.gov](mailto:comments@scdhhs.gov). All comments must be received by 5 p.m. Sept. 27, 2023.

Any written comments submitted may be reviewed by the public at SCDHHS, Division of Acute Care/Ancillary Reimbursements, Room 400-52, 1801 Main Street, Columbia, S.C., Monday through Friday between 9 a.m. and 5 p.m.

Robert M. Kerr  
Director

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You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf> or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue, SW, Room 509F, HHH Building, Washington, D.C. 20201 or by phone at: 800-368- 1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html> .