

March 23, 2012

Sharon L. Summers
Planning and Policy Development Unit
Division of Medicaid and Medical Assistance
Main Administrative Building
1901 North DuPont Highway
P O Box 906
New Castle, DE 19720-0906

RE: DMMA Proposed Disproportionate Share Hospital Regulation [15 DE Reg. 1265 (3.1.12)]

Dear Ms. Summers:

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed the Division of Medicaid and Medical Assistance (DMMA) proposal to expand eligibility for Medicaid disproportionate share hospital (DSH) funds. The GACEC **endorses** the concept of the initiative and would like to share the following observations.

First, the regulation prioritizes payments to Delaware Psychiatric Center (DPC) in the event of insufficient funds to distribute to qualifying applicants. At 1271, Section C) I). This is understandable, especially given the costs to implement the Department of Justice and Department of Health and Social Services (DOJ-DHSS) settlement agreement.

Second, there is some "tension" between the authorization for a "psychiatric hospital" to qualify for DSH funds (p. 1271, bottom) and the categorical requirement that the psychiatric hospital "be a public psychiatric hospital (owned or operated by an agency of Delaware State government)" (p. 1270, Section (d)). Thus, the latter section would bar Rockford or Meadowood from qualifying for DSH payments as a psychiatric hospital. The only exception is eligibility for a modest \$10,000 if the psychiatric hospital is a Medicaid MCO provider (p. 1272, Section 4). It is unclear to the Council why private psychiatric hospitals should be treated differently than acute care hospitals. Perhaps the State prefers payments to non-profit providers (p. 1270, top) and psychiatric hospitals may be predominantly "for profit" providers.

The expansion of eligibility criteria merits endorsement since it may prompt hospitals to be more likely to treat Medicaid patients and offer uncompensated care. At the same time, the qualifying criteria are complex; therefore, as mentioned earlier, the GACEC **endorses the concept** of the initiative.

Please feel free to contact me or Wendy Strauss should you have any questions in regard to our comments and observations.

Sincerely,

Robert D. Overmiller
Past Chairperson

RDO:kpc