

### **205.639 Definitions for KRS 205.639 to 205.640.**

As used in KRS 205.639 to 205.640, unless the context otherwise requires:

- (1) "Acute care hospital" means an acute care hospital licensed under KRS 216B.0425 except that it shall not include a critical access hospital, private psychiatric hospital, or state mental hospital;
- (2) "Comprehensive physical rehabilitation hospital" means an in-state freestanding rehabilitation hospital that also meets the criteria for an inpatient rehabilitation facility under 42 C.F.R. sec. 412.29;
- (3) "Critical access hospital" means a hospital licensed as a critical access hospital under KRS 216.380;
- (4) "Department" means the Department for Medicaid Services;
- (5) "Essential hospital" means an acute care hospital that qualifies as a Medicaid inpatient utilization rate (MIUR) hospital, a low-income utilization rate (LIUR) hospital, or a critical access hospital;
- (6) "Final disproportionate share hospital payment" or "final DSH payment" means the state fiscal year DSH payment for a hospital determined by the department using the hospital's examined Medicaid DSH survey and which is reconciled to the hospital's initial state fiscal year DSH payment and limited to the hospital's hospital-specific DSH limit;
- (7) "Hospital-specific disproportionate share hospital limit" or "Hospital-specific DSH limit" means the limitation required under 42 U.S.C. sec. 1396r-4(g) and corresponding regulations that a DSH payment may not exceed a hospital's uncompensated costs of providing inpatient hospital and outpatient hospital services to Medicaid-eligible individuals and uninsured individuals;
- (8) "Initial disproportionate share hospital payment" or "Initial DSH payment" means the state fiscal year DSH payment made to a hospital by the department using data, subject to limited review, from the hospital's Medicaid DSH survey or proxy information and which is subject to reconciliation when the hospital's Medicaid DSH survey is examined;
- (9) "Long-term acute hospital" means an in-state hospital that is certified as a long-term care hospital under 42 U.S.C. sec. 1395ww(d)(1)(B)(iv);
- (10) "Low-income utilization rate" or "LIUR" means, for a hospital, the sum of:
  - (a) A fraction expressed as a percentage, rounded to the nearest hundredth:
    1. The numerator of which is the sum for a period of the total Medicaid revenues paid to the hospital for patient services, regardless of whether the services were furnished on a fee-for-service basis or through a managed care entity, and the amount of cash subsidies for patient services received directly from state and local governments; and
    2. The denominator of which is the total amount of revenues of the hospital for patient services, including the amount of cash subsidies, in the period; and
  - (b) A fraction expressed as a percentage rounded to the nearest hundredth:

1. The numerator of which is the total amount of the hospital's charges for inpatient hospital services which are attributable to charity care in a period, less the portion of any cash subsidies described in subparagraph 1. of paragraph (a) of this subsection in the period reasonably attributable to inpatient hospital services, and which shall not include contractual allowances and discounts other than for indigent patients not eligible for medical assistance; and
  2. The denominator of which is the total amount of the hospital's charges for inpatient hospital services in the hospital in the period;
- (11) "Low-income utilization rate hospital" or "LIUR hospital" means an acute care hospital whose low-income utilization rate exceeds one hundred twenty percent (120%) of the state average low-income utilization rate rounded to the nearest hundredth for all acute care hospitals, critical access hospitals, private psychiatric hospitals, and university hospitals combined, as reported on the hospitals' Medicaid DSH surveys;
  - (12) "Medicaid disproportionate share hospital survey" or "Medicaid DSH survey" means the report required to be submitted by each hospital receiving Medicaid disproportionate share payments pursuant to 42 C.F.R. sec. 447.299;
  - (13) "Medicaid uncompensated care" means the same as in 42 C.F.R. sec. 447.299(c)(11);
  - (14) "Medicaid inpatient utilization rate" or "MIUR" means, for a hospital, a fraction expressed as a percentage rounded to the nearest hundredth for which the numerator shall be the number of in-state and out-of-state inpatient Medicaid days where Medicaid is the primary payor, covered under fee-for-service and managed care, and for which the denominator shall be the total number of inpatient days for the hospital as reported on the hospital's Medicaid DSH survey. However, for a pediatric teaching hospital, as defined in KRS 205.565, the calculation shall exclude from the numerator and the denominator the hospital's inpatient Medicaid days utilized in the calculation of an intensity operating allowance (IOA) payment. Supplemental information will be requested to support the IOA days included in the Medicaid DSH survey submission;
  - (15) "Medicaid inpatient utilization rate hospital" or "MIUR hospital" means an acute care hospital whose MIUR equals or exceeds one (1) standard deviation above the mean MIUR rounded to the nearest hundredth for all acute care hospitals, critical access hospitals, private psychiatric hospitals, and university hospitals combined, as determined from the hospitals' Medicaid DSH surveys;
  - (16) "Paid claims listing" or "PCL" means a report created for a hospital by the department, or by a Medicaid managed care organization using the same format as the department, with claim level payment information prescribed by the department in sufficient detail to permit reconciliation with the hospital's internal data for each Medicaid recipient or managed care enrollee having a discharge date or service date, as applicable, for inpatient or outpatient services within a hospital's fiscal year;
  - (17) "Private psychiatric hospital" means a psychiatric hospital licensed under KRS Chapter 216B that is not a state mental hospital and is not a distinct part unit of a

licensed acute care hospital or operated under the same provider number as a licensed acute care hospital;

- (18) "State mental hospital" means a psychiatric hospital licensed under KRS Chapter 216B that is owned or operated by the Commonwealth;
- (19) "Total uncompensated care costs" means the same as in 42 C.F.R. sec. 447.299(c)(16);
- (20) "Uninsured uncompensated care costs" means the same as in 42 C.F.R. sec. 447.299(c)(15); and
- (21) "University hospital" means a state university teaching hospital, owned or operated by either the University of Kentucky School of Medicine or the University of Louisville School of Medicine.

**Effective:** July 14, 2018

**History:** Amended 2018 Ky. Acts ch. 76, sec. 1, effective July 14, 2018. -- Created 2000 Ky. Acts ch. 310, sec. 1, effective April 4, 2000.