

Uncompensated Care

Uncompensated care has multiple definitions. Generally it refers to the cost of any care provided for which reimbursement is not received.

It is also used as a term interchangeable with Disproportional Share Hospital funding, DSH (pronounced "dish") or Charity Care which is the federal term for the cost of care not covered through Medicare, Medicaid or other private insurance programs. In this context it does not refer to Bad Debt or Underinsurance.

Bad Debt

The amount owed to the hospital by the PATIENT that is not paid. This includes co-pays, co-insurance, deductibles etc.

Medicaid DSH

Disproportionate Share Hospital Payments: Federal – State program paid by the Centers for Medicaid and Medicare Services (CMS) that reimburses the cost of care for the uninsured. To be eligible for the payment, hospitals must provide care to a minimum number of Medicaid patients.

Federal law requires that state Medicaid programs make Disproportionate Share Hospital (DSH) payments to qualifying hospitals that serve a large number of Medicaid and uninsured individuals.

Federal law establishes an annual DSH allotment for each state.

The federal government provides states with the following three criteria for identifying DSH hospitals.

- At a minimum, states must provide DSH payments to all hospitals with (1) a Medicaid inpatient utilization rate in excess of one standard deviation above the mean rate for the state or (2) a low-income utilization rate of 25%.
- All DSH hospitals must retain at least two obstetricians with staff privileges willing to serve Medicaid patients.
- A hospital cannot be identified as a DSH hospital if its Medicaid utilization rate is below 1%.

Other Medicaid Programs

Upper Payment Limit (UPL) – Allows a supplemental payment to providers that is calculated by taking the difference between what Medicaid PAID for a service and what MEDICARE WOULD HAVE paid. The UPL Program has several pools which include separate calculations for state-owned public hospitals, non-state owned public hospitals and community hospitals.

Medicare DSH

A supplemental payment from the completely FEDERAL program, Medicare, which requires a threshold of indigent care. It is calculated based on multiple factors including the location and size of the hospital.

Glossary:

Indigent Care – generally, this refers to the Medically Indigent population which includes anyone who is not covered by health care insurance. In many states, including Arkansas, this is considered to apply to the population of patients with an income below 200% of the federal poverty level.

Low DSH States – states with a low federal allotment of Disproportionate Share Hospital Funding. Arkansas is considered a low DSH state since the allotment is about \$46 million dollars (Federal funds).

Teaching Hospital - A teaching hospital is a hospital that provides clinical education and training to future and current physicians, nurses, and other health professionals, in addition to delivering medical care to patients. Since UAMS is a state-owned teaching hospital, the acronym SOTH (state-operated teaching hospital) may be used.

Service Lines – alignment of health care services around a specific type of care required for a patient that spans both inpatient and outpatient sites. Examples include cancer care and neurosciences care (combines neurology and neurosurgery).

Federal matching requirements – since the Medicaid program is a Federal – State partnership, in order to receive federal funds, a state contribution is required. This is the state's federal match requirement. In Arkansas, the state's current federal matching requirement is approximately 29% of the total cost. The federal government supplies the other 71%. These are the FMAP, see below:

FMAP (Federal Medical Assistance Percentages) – The split between the state and federal governments to cover the cost of providing Medicaid services.

Pass-through Funds – State appropriated funds that do not remain with the entity to whom they were directly appropriated, but are required to be transferred to another entity and provide not benefit to the original entity. Examples of this include the \$2 million payment for the Olmstead settlement that is appropriated to UAMS then transferred to the Department of Human Services through an IGT. UAMS has no ability to use the \$2 million dollars to support any of their educational activity.

GME (Graduate Medical Education) – The training required for a physician after graduation from medical school. Usually referred to as their residency training.

UME (Undergraduate Medical Education) – refers to the medical students in the Colleges or Schools of Medicine who are pursuing their MD.

IME (Indirect Medical Education cost) – refers to the indirect costs incurred by a teaching hospital because of the support of residency programs. This includes the additional testing that may be ordered by learners or the additional time it takes to perform procedures in order to allow adequate time for instruction.

DME (Direct Medical Education cost) – these are the direct costs for supporting residency training in a hospital. It includes salaries, benefits, laundry, pagers, sleeping accommodations, etc.

FPL (Federal Poverty Level) –

**2015 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES
AND THE DISTRICT OF COLUMBIA**

Persons in family/household	Poverty guideline
For families/households with more than 8 persons, add \$4,160 for each additional person.	
1	\$11,770
2	15,930
3	20,090
4	24,250
5	28,410
6	32,570
7	36,730
8	40,890