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Rural Health Panel

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July 12, 2013

Centers for Medicare and Medicaid Services

Department of Health and Human Services

Attention: CMS-2367-P

P.O. Box 8012

Baltimore, MD 21244-8016

By electronic submission at <http://www.regulations.gov>

RE: CMS-2367-P, Proposed Rule: Medicaid Program; State Disproportionate Share Hospital Allotment Reductions.

To Whom It May Concern:

The Rural Policy Research Institute Health Panel (Panel) was established in 1993 to provide science-based, objective policy analysis to federal policy makers. The Panel is pleased offer comments regarding the Proposed Rule to implement reductions to state Medicaid Disproportionate Share Hospital (DSH) allotments, as required by the Affordable Care Act.

The Panel understands that CMS will receive comprehensive comments from a wide variety of sources. Thus we will limit our comment to rural-specific issues.

PROPOSED RULE: §447.294(b) defines high Medicaid volume hospital to be a DSH hospital that has a Medicaid Inpatient Utilization Rate (MIUR) at least one standard deviation above the median, and the “high uncompensated care hospital to be one that exceeds the mean ratio of uncompensated care cost to total Medicaid and uninsured” costs for all DSH hospitals within the state.

COMMENT #1: We are pleased to see that CMS reaffirms the definition of high Medicaid volume that is based on a ratio (not an aggregate number) and the definition of high uncompensated care hospital also based on a ratio. The resulting formulas will account for burdens faced by small to medium sized rural DSH hospitals that have small numbers of patients but high proportions of Medicare, Medicaid and uninsured.

Sincerely,

The Rural Policy Research Institute Health Panel

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