November 25, 2013

Marilyn Tavenner
Administrator
Centers for Medicare & Medicaid Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W., Room 445-G
Washington, DC 20201

RE: CMS-1599-IFC, Medicare Program; Fiscal Year 2014 Inpatient Prospective Payment System: Changes to Certain Cost Reporting Procedures Related to Disproportionate Share Hospital Uncompensated Care Payments; Interim Final Rule

Dear Ms. Tavenner:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 43,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services’ (CMS) proposed changes to certain cost reporting procedures related to disproportionate share hospital (DSH) uncompensated care (UC DSH) payments.

We appreciate and support CMS’s revisions to the cost reporting policies and processes related to UC DSH, which it finalized in the fiscal year (FY) 2014 inpatient prospective payment system (PPS) final rule. As we indicated in our Sept. 26 letter, many of our members are concerned that the UC DSH payment methodology described in the final rule would delay settlement of UC DSH payments until the reconciliation of the hospital’s FY 2014 cost report, which, for some hospitals, will not occur until calendar year 2016. This process could substantially affect the disbursement of UC DSH payments and could result in large recoupments on hospitals’ FY 2013 cost reports, and large repayments to hospitals on their FY 2014 cost reports.

The revised procedure set forth in the interim final rule will align the UC DSH payments with each individual hospital’s cost reporting period. It will allow each hospital to reconcile interim UC DSH payments for the proportion of its cost reporting period that overlaps with a federal fiscal year and in which the interim payments were made or should have been made. We believe this revision will address the concerns we previously raised and will ensure that UC DSH payments are appropriately paid and settled for the 81 percent of DSH-eligible hospitals with cost reporting periods that do not coincide with the federal fiscal year.
Thank you again for the opportunity to comment. If you have any questions, please feel free to contact me or Priya Bathija, senior associate director of policy, at (202) 626-2678 or pbathija@aha.org.

Sincerely,

/s/

Rick Pollack
Executive Vice President