

State Impact

The disproportionate share hospital (DSH) payments made to small and rural hospitals currently meet the 12% threshold for FY 2004. In order to increase that percentage to 20% in FY 2005, approximately \$1 million would need to be reduced from other hospitals that do not fall under the small and rural definition and diverted to those hospitals that do meet the definition. In FY 2006, the percentage increases to 25%, which would require a further diversion of an additional \$600,000.

Individual and Business Impact

Small and rural hospitals would see increases in their DSH payments. Hospitals that do not fit the small and rural hospital definition would see decreases in their DSH payments.
