COMPARISON OF DISPROPORTIONATE SHARE HOSPITAL (DSH) POLICIES

House Proposal. This option produces $13.1 billion over five years, assuming an offset and interaction with the children's health proposal. This plan has three types of reduction:

- **Small DSH.** States with 1995 DSH spending that is less than or equal to 1% of their total Medicaid spending get no reduction (allotments frozen at 1995 DSH spending level)

- **Low-DSH.** States that are designated as low-DSH, according to the preliminary 1997 DSH allotments, have the following percent reductions taken off of their 1995 DSH spending

1998	1999	2000	2001	2002
1%	2.5%	10%	15%	20%

- **High-DSH.** States that are designated as high-DSH, according to the preliminary 1997 DSH allotments, have the twice the percent reductions taken off of their 1995 DSH spending:

1998	1999	2000	2001	2002
2%	5%	20%	30%	40%

Senate Proposal. This option produces $12.3 billion over five years, assuming 25% offset and savings from retargetting within the allotments. This plan has five types of reductions:

- **Small DSH.** States with 1995 DSH spending that is less than 3% of their total Medicaid spending get no reduction (allotments frozen at 1995 DSH spending level)

- **Low-DSH.** States that are designated as low-DSH, according to the preliminary 1997 DSH allotments, have the following percent reductions taken off of their 1995 DSH spending

1998	1999	2000	2001	2002
0%	2%	5%	10%	15%

- **High-DSH.** States that are designated as high-DSH, according to the preliminary 1997 DSH allotments, have the following percent reductions taken off of their 1995 inpatient spending plus the following percent of their 1995 mental health (MH) DSH spending.

	1998	1999	2000	2001	2002
Reduction:	0%	8%	15%	20%	20%
% of MH DSH	70%	50%	20%	0%	0%

- **Special Rule.** States whose 1995 DSH spending is greater than 12% of their total 1995 spending, but have no mental health DSH spending in 1995, receive the average of their 1995 and 1996 DSH spending for each year between 1998 and 2002 (California and Nevada).

- **Special Rule.** No state can receive a reduction that exceeds 50% of its base year in any given year (Kansas & New Hampshire).

Proposal Like President's. This option produces $11.8 billion over five years, assuming 25% offset (Green amendment, Commerce Committee). This plan has one type of reduction applied to 2 bases:

- **All states.** All states get an equal percent reduction off their 1995 DSH, up to an upper limit. This "upper limit" is defined as 12% of total 1995 Medicaid spending. In other words, if a state's 1995 DSH exceeds 12% of its total spending in that year, the reduction is taken off of the 12% of the spending, not the full DSH spending. The percentage reductions that would produce savings comparable to the House and Senate Committees' proposals are:

1998	1999	2000	2001	2002
0%	[illegible]	20%	25%	30%