



★ ★ COMMITTEE ON ★ ★
WAYS AND MEANS
CHAIRMAN PAUL RYAN

**The Strengthen DSH and Medicare Through Subsidy Recapture and Payment Act
of 2015**

Section-by-Section

Section 1. Short Title

Section 2. Change in Determination of Medicare DSH Payments

Section 2 modifies section 1886(r) of the Social Security Act. Section 2 requires the Secretary to reimburse disproportionate share hospital (DSH) payments in a lump sum, rather than the current “add-on” payment DSH hospitals receive. This lump sum change would occur beginning with fiscal year 2017. The bill requires the Secretary to create a new empirically justified DSH pool. The new DSH pool will be annually funded at \$3.3 billion.

Section 3. Additional DSH Payment for Certain Qualifying Hospitals

Section 3 creates an additional new DSH pool. This new qualifying hospital DSH pool will be annually funded at \$1 billion using new money that will be added to the Medicare program. Only inpatient prospective payment system (IPPS) hospitals located in States that have not expanded their Medicaid programs would be eligible to receive reimbursement from the DSH qualifying hospital pool.

**Section 4. Recapture of Overpayments Resulting from Certain Federally
Subsidized Health Insurance**

Section 4 authorizes the Internal Revenue Service (IRS) to capture 100 percent of the amount of subsidies that are improperly paid out to allow for healthcare purchase on through the Obamacare marketplace. The recapture would apply for all taxable years ending after December 31, 2015.