

Issue Sheet—Supporting Unreimbursed Hospital Care

(Updated Jan. 15, 2018)

Unreimbursed hospital costs result when hospitals provide needed care to under- or uninsured patients who are unable to pay for the services received. Central Health works closely with Travis County’s largest hospital networks—Seton Healthcare Family and St. David’s HealthCare—to ensure all residents receive access to the hospital care they need.

A large portion of the tax revenue collected by Central Health is used to draw down matching federal funds through intergovernmental transfers. Central Health provides local matching funds for two programs designed to offset unreimbursed hospital costs:

The Uncompensated Care (UC) program

- UC subsidizes costs incurred by Seton and St. David’s hospitals for unreimbursed services provided to Medicaid and uninsured patients.

The Disproportionate Share (DSH) program

- DSH provides payments to qualifying hospitals that serve the largest numbers of Medicaid and uninsured patients.

Supplemental Payment Schedule for Unreimbursed Care—State Fiscal Year 2016

Gross Unreimbursed Costs		Supplemental Payments							Remaining Unreimbursed Costs	
		Local Funding				Federal Funding				
		DSH (IGT)	UC (IGT)	Total IGT	Charity Care Payment	DSH	UC	Total		Total Supplemental Funding
St. David's Central	\$36,340,408	-	\$5,038,931	\$5,038,931	-	\$8,658,905	\$6,716,895	\$15,388,182	\$20,425,113	\$15,915,294
St. David's North	16,664,679	-	1,875,495	1,875,495	-	6,361,594	2,500,035	8,884,795	10,760,291	5,904,388
St. David's South	26,948,161	-	4,905,439	4,905,439	-	-	6,538,951	6,538,951	11,444,390	15,503,770
University Medical Center Brackenridge	139,920,443	31,029,653	19,590,823	50,620,477	4,251,733	6,739,871	26,114,568	32,854,439	83,474,917	56,445,525
Seton Medical Center	40,751,199	-	7,418,040	7,418,040	-	-	9,888,247	9,888,247	21,558,021	19,193,177
Seton Southwest	4,224,910	-	769,070	769,070	-	-	1,025,171	1,025,171	1,794,242	2,430,668
Seton Northwest	17,435,143	-	3,173,761	3,173,761	-	-	4,230,624	4,230,624	7,404,386	10,030,757
Seton Shoal Creek	1,164,951	-	162,825	162,825	-	270,465	217,046	487,511	650,336	514,615
Dell Children's	(8,646,547)	-	-	-	-	-	-	-	-	(8,646,547)
Total	274,803,349	31,029,653	42,934,389	73,964,043	4,251,733	23,495,432	57,231,541	80,726,974	158,942,750	115,860,599

This table shows in state fiscal year 2016, Travis County’s two major hospital systems provided approximately \$275 million of gross unreimbursed care. Even with intergovernmental transfers and supplemental funding of nearly \$159 million, there remained approximately \$116 million in unreimbursed costs. Central Health projects \$109 million in supplemental funding will be available to offset unreimbursed hospital costs from state fiscal year 2017.