§ 2807-w. High need indigent care adjustment pool. Funds allocated pursuant to paragraph (p) of subdivision one of section twenty-eight hundred seven-v of this article, shall be deposited as authorized and used for the purpose of making medicaid disproportionate share payments of up to eighty-two million dollars on an annualized basis pursuant to subdivision twenty-one of section twenty-eight hundred seven-c of this article, for the period January first, two thousand through March thirty-first, two thousand fourteen, in accordance with the following:

1. From the funds in the pool each year: (a) Each eligible rural hospital shall receive one hundred forty thousand dollars on an annualized basis for the periods January first, two thousand through December thirty-first, two thousand fourteen, provided as a disproportionate share payment; provided, however, that if such payment pursuant to this paragraph exceeds a hospital's applicable disproportionate share limit, then the total amount in excess of such limit shall be provided as a nondisproportionate share payment in the form of a grant directly from this pool without allocation to the special revenue funds - other, indigent care fund - 068, or any successor fund or account, and provided further that payments for periods on and after January first, two thousand nine shall be subject to the provisions of subdivision five-a of section twenty-eight hundred seven-k of this article;

(b) Each such hospital shall also receive an amount calculated by multiplying the facility's uncompensated care need by the appropriate percentage from the following scale based on hospital rankings developed in accordance with each eligible rural hospital's weight as defined by this section.

Rank	Percentage Coverage of Uncompensated Care Need
1-9	60.0%
10-17	52.5%
18-25	45.0%
26-33	37.5%
34-41	30.0%
42-49	22.5%
50-57	15.0%

58+	7.5%

For purposes of calculating the distribution amount to an eligible rural hospital which has merged with another hospital on or after December thirty-first, nineteen hundred ninety-nine, and continues to be an eligible rural hospital in accordance with paragraph (c) of this subdivision, such merged facility's uncompensated care need pursuant to this paragraph shall be calculated from data provided in the eligible rural hospital's institutional cost report filed for the rate period two years prior to the distribution period, or if such report is not required for such rural hospital, the distribution amount shall be based upon the last institutional cost report required to be filed by such rural hospital.

(c) "Eligible rural hospital", as used in this section, shall mean a general hospital that as of December thirty-first, nineteen hundred ninety-nine or thereafter, was classified as a rural hospital for purposes of determining payment for inpatient services provided to beneficiaries of title XVIII of the federal social security act (medicare) or under state regulations, or a general hospital, which during the same time period, had a service area which has an average population of less than one hundred seventy-five persons per square mile, or a general hospital which has a service area which has an average population of less than two hundred persons per square mile measured as population density by zip code. The average population of the service area is calculated by multiplying annual patient discharges by the population density per square mile of the county of origin or zip code as applicable for each patient discharge and dividing by total discharges. Annual patient discharges shall be determined using discharge data for the nineteen hundred ninety-seven rate year, as reported to the commissioner by October first, nineteen hundred ninety-eight. Population density shall be determined utilizing United States census bureau data for nineteen hundred ninety-seven. If an eligible rural hospital merges with another general hospital, on or after December thirty-first, nineteen hundred ninety-nine, and the merger results in separate facilities operating under a single facility operating certificate, such eligible rural hospital shall continue to be a separate eligible rural hospital for purposes of this subdivision and

payments provided in accordance with this section shall be made to the merged entity; provided, however, that payments shall only be made to the merged entity if such separate eligible rural hospital continues to provide inpatient and/or outpatient hospital services at the same location at which it operated prior to the merger. If an eligible rural hospital merges with another general hospital on or after December thirty-first, nineteen hundred ninety-nine, and the merger results in such rural hospital continuing to operate under a separate facility operating certificate, such rural hospital will continue to be an eligible rural hospital after the merger; provided, however, that payments shall only be made to such rural hospital if such eligible rural hospital continues to provide inpatient and/or outpatient hospital services at the same location at which it is operated prior to the merger.

(d) "Eligible rural hospital weight", as used in this section, shall mean the result of adding, for each eligible rural hospital:

(i) The eligible rural hospital's targeted need, as defined in section twenty-eight hundred seven-k of this article, minus the mean targeted need for all eligible rural hospitals, divided by the standard deviation of the targeted need of all eligible rural hospitals; and

(ii) The mean number of beds of all eligible rural hospitals minus the number of beds for an individual hospital, divided by the standard deviation of the number of beds for all eligible rural hospitals.

2. From the funds in the pool each year, thirty-six million dollars on an annualized basis for the periods January first, two thousand through December thirty-first, two thousand fourteen, of the funds not distributed in accordance with subdivision one of this section, shall be distributed in accordance with the formula set forth in subdivision six of section twenty-eight hundred seven-k of this article, provided, however, that payments for periods on and after January first, two thousand nine shall be subject to the provisions of subdivision five-a of section twenty-eight hundred seven-k of this article.

3. From the funds in the pool each year, any funds not distributed in accordance with subdivision one or two of this section, shall be distributed in accordance with the formula set forth in paragraph (b) of

subdivision four of section twenty-eight hundred seven-k of this article.

4. In order for a general hospital to be eligible to participate in the distribution of funds pursuant to this section, such general hospital must be in compliance with the provisions of subdivisions nine, ten and twelve of section twenty-eight hundred seven-k of this article.

5. For each hospital receiving payments pursuant to paragraph (i) of subdivision thirty-five of section twenty-eight hundred seven-c of this article, the commissioner shall reduce the sum of any amounts paid pursuant to this section and pursuant to section twenty-eight hundred seven-k of this article, as computed based on projected facility specific disproportionate share hospital ceilings, by an amount equal to the lower of such sum or each such hospital's payments pursuant to paragraph (i) of subdivision thirty-five of section twenty-eight hundred seven-c of this article, provided, however, that any additional aggregate reductions enacted in a chapter of the laws of two thousand ten to the aggregate amounts payable pursuant to this section and pursuant to section twenty-eight hundred seven-k of this article shall be applied subsequent to the adjustments otherwise provided for in this subdivision.