Legal Title
Demonstration Disproportionate Share Hospital Fund

Legal Citation/Authority
Chapter 86, Statutes of 2011 (AB 1066)
Welfare and Institutions Code section 14166.9(d)

Fund Classification
GAAP Basis
Governmental/Special Revenue Funds

Fund Classification
Legal Basis
Nongovernmental/Trust and Agency Funds - Federal

Purpose
The Demonstration Disproportionate Share Hospital Fund consists of federal funds that are continuously appropriated to the department as follows:

- For the 2005-06 project year and subsequent project years, each designated public hospital described in subdivision (c) of Section 14166.3 will be eligible to receive an allocation of federal Medicaid funding from the applicable federal disproportionate share hospital allotment pursuant to Section 14166.6.
- The department, in consultation with the designated public hospitals, will determine the mix of sources of federal funds for payments to the designated public hospitals in a manner that provides baseline funding to the state during the term of the demonstration project. Federal funds will be claimed according to the priorities set forth in Section 14166.9.

Administering Agency/Organization Code
Department of Health Care Services/Org 4260

Major Revenue Source
Federal Funds.

Disposition of Fund (upon abolishment)
Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.

Appropriation Authority
Notwithstanding Section 13340 of the Government Code, the fund is continuously appropriated to the department solely for the purposes specified in Section 14166.6

State Appropriations Limit
Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Trust and Agency Fund.

Comments/Historical Information
Chapter 560, Statutes of 2005 (SB 1100) established this fund.