

# Disproportionate Share Hospital Funding Overview

## Purpose

The Disproportionate Share Hospital (DSH) designation is provided to hospitals that serve a high proportion of Medicaid and uninsured patients. Facilities that meet federal and state eligibility criteria—such as Medicaid utilization thresholds and levels of uncompensated care—may qualify for this designation. DSH status helps ensure financial support for hospitals that deliver essential services to low-income and medically underserved populations.

## Funding Available

- The 89th Texas Legislature approved a dedicated appropriation to support program operations for the FY 2026–2027 biennium.
- A total of **\$1 million** was allocated within the Texas Department of State Health Services budget.
- Funding is distributed to the Texas Workforce Commission (TWC) through a cooperative agreement, with **\$500,000 in FY 2026** and **\$500,000 in FY 2027**.

## Use of Funds

- This appropriation is being incorporated into TWC’s Healthcare Apprenticeship Initiative to ensure continuity of services and expand healthcare apprenticeship opportunities statewide.
- Allowable uses, program objectives, and reporting requirements will remain consistent with the existing Healthcare Apprenticeship Initiative.

## Eligible Applicants

- Hospitals that qualify for DSH funding are listed on the **DSH Qualification List**, confirming they meet the program’s eligibility requirements.
- Hospitals identified on the list will indicate their DSH designation on the *Healthcare Apprenticeship Initiative Application for Funding*.

## How to Apply

Eligible hospitals will:

- Complete the *Healthcare Apprenticeship Initiative Application for Funding* and accompanying *budget form*,
- Clearly indicate their **DSH designation** on the application, and
- Submit the full application packet to [ApprenticeshipInitiatives@twc.texas.gov](mailto:ApprenticeshipInitiatives@twc.texas.gov).

Additional materials and FAQs are available at:

<https://www.twc.texas.gov/programs/apprenticeship/initiatives>

## Contact Information

For questions, hospitals may contact: [ApprenticeshipInitiatives@twc.texas.gov](mailto:ApprenticeshipInitiatives@twc.texas.gov)



Texas Department of State  
Health Services

