



March 24, 2014

**Re: Connecticut Medicaid DSH Examinations State Fiscal Year 2011
Surveys Due: April 30, 2014**

Dear Hospital Contact:

In order to comply with the federal regulation regarding disproportionate share hospital (DSH) payments issued by CMS on December 19, 2008, the Connecticut Department of Social Services has contracted with Myers and Stauffer LC, a certified public accounting firm, to perform the mandated examinations. (See Federal Register Vol. 73, No. 245, December 19, 2008, rules and regulations)

The regulation mandates auditing and reporting requirements for DSH payments under state Medicaid programs. The DSH year under review covers the time period from October 1, 2010 through September 30, 2011. Please note that this SFY DSH audit (SFY 2011) is the first year of potential DSH payment recoupment under the DSH rule.

Since your hospital received Medicaid DSH payments during state fiscal year 2011, it is subject to the DSH program examination and must identify its actual Medicaid and uninsured costs incurred during the cost report years that overlap the DSH year. Completing the surveys for all cost reporting periods within the state rate year will ensure that the provider's uncompensated care costs are captured in the DSH calculation and in accordance with the proposed rule. To fulfill the other reporting requirements, several additional data elements will need to be reported by your hospital. These additional data elements will be used as a tool to determine the completeness of and accuracy of uncompensated costs and charges.

Per the federal regulations, Medicaid and uninsured costs must be measured using Medicare cost reporting methodologies. Every hospital that received a DSH payment during this time period must complete the survey(s), so the Medicaid and uninsured costs can be calculated. In addition to completing the survey documents, each hospital must prepare a claims level analysis to support its Medicaid and uninsured services provided (and payments received) during each cost report year overlapping the DSH year. These analyses must be submitted to Myers and Stauffer so that we can perform the necessary testing.

On January 18, 2012, CMS issued a proposed rule to clarify the definitions of uninsured patients and prisoners. While the rule is not final, we will proceed as if it will be final prior to the completion of the 2011 DSH examination.

CMS has revised the definition of uninsured to include patients with exhausted benefits, patients who have reached lifetime insurance limits for certain services and patients who received services not included in a benefit package as covered, but which are covered services under the Medicaid state plan. The rule also attempts to clarify that prisoners cannot be included in the uncompensated care calculation. Please incorporate these proposed rule changes into your data when completing Exhibits A and B for the uninsured patients. All patients added based on the proposed rule must be specifically identified on Exhibits A and B as requested in the exhibits.

Once your completed surveys (and other required documents) are received by Myers and Stauffer, we will contact you to address any questions we may have and request additional documentation if expanded review and/or testing of your survey responses is considered necessary.

It is important to the Connecticut Medicaid program that all hospitals receiving DSH payments during this time period provide the information needed in order to complete the required federal examination.

The survey format for the 2011 DSH examination is new and was discussed during the March 18th training. Each survey includes an instruction tab within the survey file. We have also included additional instructions in Attachment A.

The hospital specific DSH Surveys (with HCRIS data populated) have been uploaded to the hospital's primary FTP user's Myers and Stauffer SFTP account. Please contact Rachel McCullough (410-581-4461) or Diane Kovar (410-581-4544) for your password. Instructions for using the site are attached.

NOTE: For the 2011 DSH examination, prior year surveys cannot be used. DSH Survey Part II must be completed for each cost report year overlapping the 2011 DSH year.

Once state Medicaid FFS and Crossover data is available, Myers and Stauffer will upload (to the primary user's Myers and Stauffer SFTP account) revenue code summaries for each population to be mapped by Medicare cost report cost center and entered into DSH Survey Part II Section H In-State Medicaid FFS Primary and In-State Medicare FFS Cross-Overs (with Medicaid Secondary) columns.

All documentation should be submitted in electronic format using the Myers and Stauffer SFTP site as much of this documentation contains confidential protected health information.

If you are unable to use the secure website, please mail the documentation to the address noted below. Any protected health information sent via mail or other delivery service must be submitted on an encrypted and password protected CD. Please send the password to open the CD to the email address shown below. Do not include the password in the mailing package.

Myers and Stauffer LC
Attn: Connecticut DSH Survey
400 Redland Court, Suite 300
Owings Mills, Maryland 21117
Phone: 800.505.1698

Completed DSH surveys and supporting documentation must be submitted by April 30, 2014.

You may request an extension of time for good cause to submit this documentation. If you need to request an extension of time to submit this documentation, please submit your request to Roberta Cecil at Roberta.Cecil@ct.gov (carbon copy dkovar@mslc.com).

If you have questions or concerns please contact Diane Kovar at 1-800-505-1698 or e-mail at dkovar@mslc.com. We appreciate your cooperation with this initiative.

Sincerely,

Diane Kovar
Myers and Stauffer LC

Attachment A

This attachment includes additional instructions to complete the DSH Surveys. Each DSH Survey also includes an instructions tab. If you have questions regarding the DSH Surveys after reviewing this attachment and the instructions in the survey, please contact Myers and Stauffer.

DSH Survey, Part I – DSH Year Data

Begin with the DSH Survey Part I – DSH Year Data. All of the information in this survey relates specifically to the state DSH year under examination (10/1/2010-9/30/2011). **(DSH Survey Part I – DSH Year Data.xls)**

1. See the “Instructions” tab for information on how to complete this survey.
2. This file includes a Checklist to assist you with gathering the supporting documentation to submit with the surveys.

DSH Survey, Part II – Cost Report Year Data

The DSH Survey Part II includes all data related to your hospital’s cost reporting period. Submit one copy for each cost report year that overlaps the DSH year. **(DSH Survey Part II – Cost Report Data.xls)**

1. Sections D, E and F – General Information

- a. See the “Instructions” tab for information on how to complete these sections.

2. Section G Cost Report Data

- a. Section G is pre-populated using data from the HCRIS database. All information in this section comes directly from the cost report. The data will be used to calculate the per diems and cost to charge ratios.
- b. A copy of your cost reports overlapping the 2011 DSH year must be submitted with the DSH surveys. If you have a newer version of the applicable cost report (audited, settled, reopened...), please use it to complete the survey and include a copy with your survey submission. You are required to use the audited cost report, if it is available.

3. Section H - In-State Paid Claims Data

- a. In-State Medicaid FFS Primary
 - i. A paid claims summary report with all Medicaid claims for each applicable cost reporting period was provided to you with the survey request.
 - ii. Please note that Title XXI CHIP paid claims are removed from the totals on the paid claims report provided. These must be excluded from the survey.
- b. In-State Managed Care
 - i. If reporting Managed Care claims on the DSH Survey, hospital patient detail or a paid claims summary from the MCO must be provided. If submitting hospital patient detail, it must be submitted using the Exhibit C format. **(DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx)** (tab Exhibit C)
 - ii. Hospitals must submit the data in the Exhibit C format. The above referenced Excel file is included with the survey request.
- c. In-State Medicaid FFS Cross-Overs (with Medicare Primary)
 - i. A paid claims summary report with all cross-over claims for each applicable cost reporting period was provided to you with the survey request.
 - ii. *If submitting internally-generated cross-over data*, patient level detail must be submitted using the Exhibit C format. **(DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx)** (tab Exhibit C)
 - iii. Hospitals must submit the data in the Exhibit C. The above reference Excel file is included with the survey request.

d. **Other Medicaid Eligibles**

- i. If reporting Other Medicaid Eligible claims on the DSH Survey, patient detail must be submitted using the Exhibit C format. (DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx) (tab Exhibit C)
- ii. Hospitals must submit the data in the Exhibit C format. The above reference Excel file is included with the survey request.
- iii. Other Medicaid Eligibles should include any other Medicaid-Eligible patients that have not been reported anywhere else in the survey. The patients must be Medicaid-eligible for the dates of service and they must be supported by Exhibit C and include the patient's Medicaid ID number. This would include Medicare Part C cross-overs not reported elsewhere on the survey, Medicare primary/Medicaid secondary cross-overs not billed to Medicaid not reported elsewhere on the survey, and Private Insurance primary/Medicaid secondary cross-overs not reported elsewhere on the survey.

e. **Uninsured**

- i. Exhibit A – All Uninsured Charges / Days (**DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx**) (tab *Exhibit A – Uninsured Charges*)
 1. Hospitals must submit the data in the Exhibit A format. An example of the format is included in the DSH Survey and the above referenced Excel file which was included with the survey request.
 2. Total days and charges in Exhibit A must agree to the data entered on the survey.
 3. Exhibit A must include patient level detail and list charges/routine days by revenue code for each patient.
- ii. Exhibit B – ALL Patient Payments on a Cash Basis (**DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx**) (tab *Exhibit B – Self-Pay Pmt (CASH)*)
 1. Hospitals must submit the data in the Exhibit B format. An example of the format is included in the DSH Survey and the above referenced Excel file which was included with the survey request.
 2. Exhibit B should include all cash basis insured and uninsured patient payments and clearly indicate each patient's insurance status at the time of service.
 3. Report all uninsured payments for hospital services in the uninsured column, see example to calculate payments for hospital services.

4. **Section I - Out-of-State Paid Claims Data**

- a. Report all out-of-state claims in the appropriate column of this tab (Medicaid FFS, Medicaid Cross-Overs...).
- b. Use out-of-state paid claims reports (PS&Rs), if available, to report Medicaid claims. If out-of-state paid claims reports are not available, use hospital records to submit data. Please see the example of *Exhibit C – OOS Data* for the format required. (**DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx**) (tab *Exhibit C – OOS ...*)

5. **Section J and K Organ Acquisition**

- a. Report the charges and number of useable organs for each cost center for each payor type.
- b. Submit patient level detail to support the number of useable organs and charges claimed.

After completion of all surveys, review checklist in *DSH Survey Part I* and submit all support, surveys and exhibits.