

**Report on Disproportionate Share Hospital Verifications
(With Independent Accountant's Report Thereon)**

**State of Connecticut
Department of Social Services
Hartford, Connecticut**

DSH Year Ended September 30, 2010

Prepared by:



**MYERS AND
STAUFFER^{LC}**
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountant's Report
and
Report on DSH Verifications



**MYERS AND
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CERTIFIED PUBLIC ACCOUNTANTS

Connecticut Department of Social Services
Hartford, Connecticut

Independent Accountant's Report

We have examined the state of Connecticut's compliance with Disproportionate Share Hospitals (DSH) payment requirements listed in the Report on DSH Verifications as required by 42 CFR §455.301 and §455.304(d) for the year ending September 30, 2010. The state of Connecticut is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of Connecticut's compliance with federal Medicaid DSH program requirements based on our examination.

Except as discussed in the Schedule of Data Caveats Relating to the DSH Verifications, we conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA), and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, as well as General DSH Audit and Report Protocol as required by 42 CFR §455.301 and §455.304(d). Based on these standards, our examination included examining on a test basis, evidence about the state of Connecticut's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the state of Connecticut's compliance with federal Medicaid DSH requirements.

Our examination was conducted for the purpose of forming an opinion on the state of Connecticut's compliance with federal Medicaid DSH program requirements included in the Report on DSH Verifications. The Schedule of Annual Reporting Requirements provided in accordance with 42 CFR §447.299 is presented for purposes of additional analysis and is not a required part of the Report on DSH Verifications. Such information has not been subjected to the procedures applied in the examination of the Report on DSH Verifications, and accordingly, we express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2013 on our consideration of the state of Connecticut's internal control over the DSH program for the period ended September 30, 2010 as it relates to the six DSH verifications set forth in 42 CFR §455.301 and §455.304(d). The purpose of the report is to describe the scope of our testing of internal control and the results of testing, and not to provide an opinion on internal control. That report is an integral part of an examination performed in accordance with Government Auditing Standards and should be considered in assessing the results of our examination.

In our opinion, except for the effect of the items described in the Schedule of Data Caveats Relating to the DSH Verifications, the Report on DSH Verifications presents fairly the state of Connecticut's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending September 30, 2010

Myers and Stauffer LC

Owings Mills, Maryland
October 2, 2013

State of Connecticut Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2010

As required by 42 CFR §455.304(d) the state of Connecticut must provide an annual independent certified examination report verifying the following items with respect to its disproportionate share hospital (DSH) program.

Verification 1: Each hospital that qualifies for a DSH payment in the State was allowed to retain that payment so that the payment is available to offset its uncompensated care costs for furnishing inpatient hospital and outpatient hospital services during the Medicaid State plan rate year to Medicaid eligible individuals and individuals with no source of third party coverage for the services in order to reflect the total amount of claimed DSH expenditures.

Findings: The results of testing performed related to this verification are summarized in the Report on DSH Verifications table included with this report.

Verification 2: The DSH payments made in the Medicaid State plan rate year must be measured against the actual uncompensated care cost in that same Medicaid State plan rate year. The actual uncompensated care costs for the Medicaid State plan rate year have been calculated and compared to the DSH payments made. Uncompensated care costs for the Medicaid State plan rate year were calculated in accordance with Federal Register/Vol. 73, No. 245, December 19, 2008.

Findings: The results of testing performed related to this verification are summarized in the Report on DSH Verifications table included with this report.

Verification 3: Only uncompensated care costs of furnishing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no third party coverage for the inpatient and outpatient hospital services they received as described in Section 1923(g) (1) (A) of the Act are eligible for inclusion in the calculation of the hospital-specific disproportionate share limit payment limit, as described in Section 1923 (g) (1) (A) of the Act.

Findings: The total uncompensated care costs reflected in the Report on DSH Verifications reflects the uncompensated care costs of furnishing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no third party coverage.

Verification 4: For purposes of this hospital-specific limit calculation, any Medicaid payments (including regular Medicaid fee-for-service rate payments, supplemental/enhanced Medicaid payments, and Medicaid managed care organization payments) made to a disproportionate share hospital for furnishing inpatient hospital and outpatient hospital services to Medicaid eligible individuals, which are in excess of the Medicaid

State of Connecticut Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2010

incurred costs of such services, are applied against the uncompensated care costs of furnishing inpatient hospital and outpatient hospital services to individuals with no source of third party coverage for such services.

Findings: In calculating the hospital-specific DSH limit represented in the Report on DSH Verifications, if a hospital had total Medicaid payments in excess of the calculated Medicaid cost, the excess was used to reduce the total uncompensated care costs.

Verification 5: Any information and records of all of its inpatient and outpatient hospital service costs under the Medicaid program; claimed expenditures under the Medicaid program; uninsured inpatient and outpatient hospital service costs in determining payment adjustments under this Section; and any payments made on behalf of the uninsured from payment adjustments under this Section have been separately documented and retained by the State.

Findings: The state of Connecticut has retained documentation of costs and payments associated with calculating the hospital-specific DSH limits contained in this report. The state retains cost data through the collection of cost reports; Medicaid expenditure data through the MMIS and other documentation; and uninsured data through the DSH payment calculations and DSH examination.

Verification 6: The information specified in verification 5 above includes a description of the methodology for calculating each hospital's payment limit under Section 1923(g) (1) of the Act. Included in the description of the methodology, the audit report must specify how the State defines incurred inpatient hospital and outpatient hospital costs for furnishing inpatient hospital and outpatient hospital services to Medicaid eligible individuals and individuals with no source of third party coverage for the inpatient hospital and outpatient services they received.

Findings: The documentation retained related to the calculation of the hospital-specific DSH limits contained in this report includes a description of the methodology used to calculate each hospital's DSH limit under Section 1923(g)(1) of the Act. For DSH payment purposes, the state defines the hospitals' payment limits in accordance with its state plan. For purposes of this examination, the state defines the hospitals' payment limits in accordance with 42 CFR §455.304.

Communication on Internal Control



Connecticut Department of Social Services
Hartford, Connecticut

Communication on Internal Control
For the State of Connecticut
Related to the Six Disproportionate Share Hospital (DSH) Verifications Required Under 42 CFR §455.301
and §455.304(d)
For Year Ended September 30, 2010

We have examined the state of Connecticut's operation of the DSH Program for the period ended September 30, 2010 for compliance with the requirements of the six DSH verifications set forth in 42 CFR §455.304. We conducted our examination in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about the state of Connecticut's compliance with the six DSH verifications set forth in 42 CFR §455.304(d), we performed tests of its compliance with certain provisions of laws, regulations, and policies, noncompliance with which could have a direct and material effect on the Report on DSH Verifications. However, providing an opinion on compliance with those provisions was not an objective of our examination, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the Schedule of Data Caveats Relating to the DSH Verifications.

Internal Control over the Required Six DSH Verifications

In planning and performing our examination of the state of Connecticut's operation of the Disproportionate Share Hospital Program (DSH) for the period ended September 30, 2010 for compliance with the requirements of the six DSH verifications set forth in 42 CFR §455.304, in accordance with attestation standards established by the American Institute of Certified Public Accountants, we considered the state of Connecticut's internal control over the DSH program (internal control), as a basis for designing our examination procedures for the purpose of expressing our opinion on the state of Connecticut's compliance with the requirements of the six DSH verifications, but not for the purpose of expressing an opinion on the effectiveness of the state of Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the state of Connecticut's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weakness have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial information will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in internal control to be material weaknesses: Findings 1 and 2 in the Schedule of Data Caveats Relating to the DSH Verifications.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not encounter any significant deficiencies over the course of the examination.

This communication is intended solely for the information and use of the Connecticut Department of Social Services, the Connecticut State Legislature, the hospitals participating in the state of Connecticut's DSH program, and the Centers for Medicare & Medicaid Services and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC

Owings Mills, Maryland
October 2, 2013

State of Connecticut Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2010

Finding 1

Criteria:

Social Security Act Section 1923(g)(1)(A) specifies that DSH payments to hospitals shall not exceed the Medicaid eligible and uninsured cost incurred (net of the payments received) during the MSP rate year. Section 42 CFR §455.304(d)(2) further clarifies that DSH payments made to each qualifying hospital shall comply with the hospital-specific DSH payment limit. This rule also requires that DSH payments made in the audited Medicaid State Plan (MSP) rate year are measured against the actual uncompensated care cost in that same audited MSP rate year.

Condition:

We found that thirty-four hospitals in the State received DSH payments in MSP rate year 2010. We found that one of the hospitals received DSH payments exceeding their hospital-specific DSH payment limit calculated based on the methodology stipulated by the DSH Rule.

Additionally, we noted that the State had no procedures to calculate the hospital-specific DSH limits based on Medicaid and uninsured cost, charge and payment information from MSP rate year 2010 in accordance with 42 CFR 455.304(d)(2), and the methodology described in the CMS General DSH Audit and Reporting Protocol. The State also is not estimating the DSH limit using a methodology that emulates the DSH rule prior to making payment to the hospitals.

Cause:

The State had no procedures to calculate the hospital-specific DSH limits in accordance with the DSH Rule and compare to the total DSH payments to ensure no hospital was paid in excess of the limit. For the hospital that exceeded the limit, the current applicable definition of uninsured contributes to the amount the hospital exceeds the limit. Under the proposed rule uninsured definition, the amount by which the hospital exceeds the limit would most likely decrease.

Recommendation:

We recommend that DSS implement the necessary procedures to estimate the hospital-specific DSH limits in accordance with the methodology specified in the DSH rule and the CMS General DSH Audit and Reporting Protocol, prior to making DSH payments to the hospitals as well as to calculate the DSH limits based on actual cost, charge and payment information after the close of the MSP rate year.

Finding 2

Criteria:

Social Security Act Section 1923(g)(1)(A) specifies that DSH payments to hospitals shall not exceed the Medicaid eligible and uninsured cost incurred (net of the payments received) during the MSP rate year.

State of Connecticut Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2010

Section 42 CFR §455.304(d)(2) further clarifies that DSH payments made to each qualifying hospital shall comply with the hospital-specific DSH payment limit. Additionally, the CMS General DSH Audit and Reporting Protocol describes the documentation that DSH hospitals must maintain and make available for review in order to calculate the hospital-specific DSH limits.

Condition:

We found that a number of hospitals were unable to provide documentation from their financial accounting records related to the hospital-specific DSH limit as specified in 42 CFR §447.209 and expanded upon in the CMS General DSH Audit and Reporting Protocol. The issues related to documentation include:

- One hospital submitted uninsured payments based on the accrual basis (i.e., all payments received as of the date the self pay report was prepared) instead of the cash basis (i.e., payments received during the cost reporting period) as required by the DSH rule.
- Thirteen hospitals did not separately report dual eligible bad debts on the Medicare 2552 cost report worksheets E Part A, E Part B and/or E-3 Part II. Medicare reimbursement related to dual eligible bad debts should be reported on the cost report so that these amounts can be offset against dual eligible costs.
- One hospital improperly submitted inpatient Medicaid MCO charge and payment data based on admissions falling within the cost reporting period. This is inconsistent with the State's Medicaid cost reporting procedures which require that Medicaid payment data be reported based on discharges falling within the cost reporting period.
- One hospital's outpatient Medicaid managed care account summary charges did not agree with the revenue code detail charges. As the summary file charges were less than the detail file charges, the total summary file charges were allocated based on the Medicare CMS 2552 Worksheet C outpatient charges.
- One hospital submitted Medicaid managed care charge and payment data on a calendar year basis rather than the cost reporting period under review. The DSH rule requires that Medicaid managed care data be submitted on a cost reporting period basis.
- One hospital failed to submit usable outpatient out-of-state Medicaid charge and payment data. As such, no outpatient out-of-state Medicaid payments and charges have been reflected in the calculation of uncompensated care cost.
- Three hospitals' out-of-state Medicaid charge and payment data did not include "No Pay" claims, Medicare crossover claims, third party payments, and/or coinsurance and deductible information.

State of Connecticut Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2010

- One hospital failed to confirm that the out-of-state Medicaid charge and payment data included "No Pay" claims, Medicare crossover claims, third party payments, or coinsurance and deductible information.
- One hospital failed to provide a signed representation letter concerning the accuracy and completeness of submitted cost and DSH information.

Cause:

The data collection process requests hospitals to extract data under specific instructions in accordance with the DSH Rule. Due to the complexity of the data requests and/or hospital system limitations, hospitals are sometimes unable to or fail to properly extract the information in accordance with instructions and DSH Rule. In addition, some hospitals fail to properly complete dual eligible bad debts on the Medicare Cost Report as this information does not directly impact Medicare reimbursement.

Recommendation:

We recommend that DSS develop and provide comprehensive instructions to DSH hospitals on the types of documentation they must develop and maintain in order to properly calculate the hospital-specific DSH limits. DSS should also implement periodic monitoring procedures to ensure that the DSH hospitals are maintaining complete and accurate data and records to support the calculation of these limits.

Report on DSH Verifications (table)

State of Connecticut
 Report on DSH Verifications (table)
 For the Medicaid State Plan Rate Year Ended September 30, 2010

Hospital	Verification #1	Verification #2			Verification #3	Verification #4	Verification #5	Verification #6
	Was Hospital Allowed to Retain DSH Payment?	DSH Payment for Medicaid State Plan Rate Year (In-State and Out-of-State)	Total Uncompensated Care Costs for Medicaid State Plan Rate Year	DSH Payment Under or <Over> Total Uncompensated Care Costs (UCC)	Were only I/P and O/P Hospital Costs to Medicaid eligible and Uninsured Included in UCC?	If Medicaid Payments were in excess of Medicaid cost was the Total UCC reduced by this amount?	Have all claimed expenditures and payments for Medicaid and Uninsured been documented and retained?	Does the retained documentation include a description of the methodology used to calculate the UCC?
BRIDGEPORT HOSPITAL	Yes	9,496,013	21,000,982	11,504,969	Yes	Yes	Yes	Yes
BRISTOL HOSPITAL INC.	Yes	1,791,612	9,195,904	7,404,292	Yes	Yes	Yes	Yes
CHARLOTTE HUNGERFORD HOSPITAL	Yes	1,517,448	9,976,685	8,459,237	Yes	Yes	Yes	Yes
CT CHILDRENS MED CTR	Yes	11,035,960	19,743,902	8,707,942	Yes	Yes	Yes	Yes
DANBURY HOSPITAL	Yes	4,172,933	36,715,404	32,542,471	Yes	Yes	Yes	Yes
DAY KIMBALL HOSPITAL	Yes	1,130,980	4,705,496	3,574,516	Yes	Yes	Yes	Yes
DEPT OF VETERAN AFFAIRS (DVA) HOSPITAL	Yes	14,358,254	1,695,461	(12,662,793)	Yes	Yes	Yes	Yes
GREENWICH HOSPITAL	Yes	1,303,639	10,917,277	9,613,638	Yes	Yes	Yes	Yes
HARTFORD HOSPITAL	Yes	13,874,707	50,441,907	36,567,200	Yes	Yes	Yes	Yes
HOSPITAL OF SAINT RAPHAEL	Yes	7,023,594	23,445,236	16,421,642	Yes	Yes	Yes	Yes
JOHN DEMPSEY HOSPITAL	Yes	14,125,112	31,292,834	17,167,722	Yes	Yes	Yes	Yes
LAWRENCE & MEMORIAL HOSPITAL	Yes	3,838,639	19,408,618	15,569,979	Yes	Yes	Yes	Yes
MANCHESTER MEMORIAL HOSPITAL	Yes	1,861,562	9,536,052	7,674,490	Yes	Yes	Yes	Yes
MIDDLESEX HOSPITAL	Yes	3,575,674	14,163,088	10,587,414	Yes	Yes	Yes	Yes
MIDSTATE MEDICAL CENTER	Yes	2,142,143	16,210,440	14,068,297	Yes	Yes	Yes	Yes
MILFORD HOSPITAL INC.	Yes	546,822	5,529,702	4,982,880	Yes	Yes	Yes	Yes
NEW MILFORD HOSPITAL	Yes	495,472	4,886,527	4,391,055	Yes	Yes	Yes	Yes
NORWALK HOSPITAL	Yes	3,799,292	30,641,714	26,842,422	Yes	Yes	Yes	Yes
ROCKVILLE GENERAL HOSPITAL INC.	Yes	689,610	4,942,697	4,253,087	Yes	Yes	Yes	Yes
SAINT FRANCIS HOSPITAL	Yes	12,850,965	49,149,312	36,298,347	Yes	Yes	Yes	Yes
SHARON HOSPITAL	Yes	348,753	2,448,181	2,099,428	Yes	Yes	Yes	Yes
ST MARYS HOSPITAL	Yes	4,612,537	10,813,415	6,200,878	Yes	Yes	Yes	Yes
ST VINCENTS MEDICAL CENTER	Yes	7,817,682	35,313,506	27,495,824	Yes	Yes	Yes	Yes
THE GRIFFIN HOSPITAL	Yes	1,492,426	9,368,588	7,876,162	Yes	Yes	Yes	Yes
THE HOSPITAL OF CENTRAL CT (Bradley & New Britain combined 10/1/06)	Yes	7,435,780	27,167,406	19,731,626	Yes	Yes	Yes	Yes
THE STAMFORD HOSPITAL	Yes	6,729,064	30,109,270	23,380,206	Yes	Yes	Yes	Yes
THE WILLIAM W. BACKUS HOSPITAL	Yes	4,161,987	19,087,378	14,925,391	Yes	Yes	Yes	Yes
WATERBURY HOSPITAL	Yes	4,941,222	21,323,826	16,382,604	Yes	Yes	Yes	Yes
WINDHAM COMMUNITY MEMORIAL HOSPITAL	Yes	1,414,710	6,399,553	4,984,843	Yes	Yes	Yes	Yes
YALE-NEW HAVEN HOSPITAL	Yes	25,524,200	132,977,864	107,453,664	Yes	Yes	Yes	Yes
CEDARCREST REGIONAL HOSPITAL	Yes	18,120,741	30,212,428	12,091,687	Yes	Yes	Yes	Yes
CT MENTAL HEALTH CENTER	Yes	3,567,002	12,934,702	9,367,700	Yes	Yes	Yes	Yes
CT VALLEY HOSPITAL	Yes	74,864,328	120,979,213	46,114,885	Yes	Yes	Yes	Yes
SOUTHWEST CT MENTAL HEALTH SYSTEM	Yes	9,021,655	23,312,013	14,290,358	Yes	Yes	Yes	Yes

Schedule of Annual Reporting Requirements

State of Connecticut
 Schedule of Annual Reporting Requirements
 For the Medicaid State Plan Rate Year Ended September 30, 2010

Definition of Uncompensated Care: The definition of uncompensated care cost is based on Social Security Act Section 1923(g)(1)(A), and guidance published by CMS in the final DSH rule (73 Fed. Reg. 77904, December 19, 2008), and the CMS General DSH Audit and Reporting Protocol. Uncompensated care cost is the cost of providing inpatient and outpatient hospital services to Medicaid eligible and uninsured individuals, less the payments received for these services. Medicaid eligible includes individuals with in-state and out-of-state FFS Medicaid, Medicaid Crossover, and Medicaid Managed Care. Uninsured, for these purposes, includes individuals with no source of third party coverage. The cost of providing inpatient and outpatient hospital services for these categories is calculated based on Medicare cost reimbursement principles. The cost of these services was calculated using the appropriate per diem or cost-to-charge ratios from each hospital's Medicare cost report. This cost is then reduced by the payments received for these services, including Medicaid supplemental payments, Section 1011 payments, or additional Medicare payments relating to dual eligible individuals (i.e. bad debts, reimbursement for para-medical education, GME, etc) where applicable. Uninsured payments are those payments received by the hospital during the cost reporting period relating to patients with no source of third party coverage.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Hospital Name	State Estimated Hospital-Specific DSH Limit	Medicaid IP Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Statistic	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid MCO Payments	Supplemental /	Total Medicaid IP/OP Medicaid Payments (F+G+H)	Total Cost of Care - Medicaid IP/OP Services	Total Medicaid Uncompensated Care Costs (J-I)	Total IP/OP Indigent Care/Self-Pay Revenues	Section 1011 Payments	Total IP/OP Uninsured Cost of Care	Total Uninsured Uncompensated Care Costs (N-M-L)	Total Eligible Uncompensated Care Costs (K+O)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received
							Enhanced IP/OP Medicaid Payments										
BRIDGEPORT HOSPITAL	9,496,013	N/A	N/A	Note 4, Note 5, Note 6, Note 7	71,295,118	27,864,841	5,235	99,165,194	108,508,033	9,342,839	996,470	-	12,654,613	11,658,143	21,000,982	9,496,013	-
BRISTOL HOSPITAL INC.	1,791,612	N/A	N/A	Note 4, Note 5, Note 6	6,946,531	4,671,400	13,119	11,631,050	19,559,192	7,928,142	323,342	-	1,591,104	1,267,762	9,195,904	1,791,612	-
CHARLOTTE HUNGERFORD HOSPITAL CT CHILDRENS MED CTR	1,517,448 11,035,960	N/A N/A	N/A N/A	Note 6 Note 1, Note 4 Note 4, Note 5,	21,486,511 16,997,038	6,216,671 52,504,415	4,502 82,943	27,707,684 69,584,396	34,885,670 87,914,977	7,177,986 18,330,581	869,340 174,225	-	3,668,039 1,587,546	2,798,699 1,413,321	9,976,685 19,743,902	1,517,448 11,035,960	-
DANBURY HOSPITAL	4,172,933	N/A	N/A	Note 6	41,262,694	12,747,872	27,170	54,037,736	77,687,233	23,649,497	437,556	-	13,503,463	13,065,907	36,715,404	4,172,933	-
DAY KIMBALL HOSPITAL	1,130,980	N/A	N/A	Note 4, Note 5, Note 6	5,010,324	5,408,909	13,033	10,432,266	12,655,535	2,223,269	200,715	-	2,682,942	2,482,227	4,705,496	1,130,980	-
DEPT.OF VETERAN AFFAIRS (DVA) HOSPITAL	14,358,254	N/A	N/A	Note 3 Note 4, Note 5,	16,655,135	-	-	16,655,135	17,302,751	647,616	64,010	-	1,111,855	1,047,845	1,695,461	14,358,254	-
GREENWICH HOSPITAL	1,303,639	N/A	N/A	Note 6 Note 4, Note 5,	5,504,294	3,391,755	-	8,896,049	14,092,767	5,196,718	3,729,878	-	9,450,437	5,720,559	10,917,277	1,303,639	-
HARTFORD HOSPITAL	13,874,707	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	125,760,957	26,506,193	94,481	152,361,631	180,463,178	28,101,547	3,789,626	-	26,129,986	22,340,360	50,441,907	13,874,707	-
HOSPITAL OF SAINT RAPHAEL	7,023,594	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	77,843,472	17,300,200	37,712	95,181,384	107,743,068	12,561,684	783,806	-	11,667,358	10,883,552	23,445,236	7,023,594	-
JOHN DEMPSEY HOSPITAL	14,125,112	N/A	N/A	Note 8 Note 4, Note 5,	36,882,697	17,478,539	-	54,361,236	84,732,044	30,370,808	562,156	-	1,484,182	922,026	31,292,834	14,125,112	-
LAWRENCE & MEMORIAL HOSPITAL	3,838,639	N/A	N/A	Note 6 Note 4, Note 5,	40,808,457	13,791,709	20,995	54,621,161	66,705,990	12,084,829	728,505	-	8,052,294	7,323,789	19,408,618	3,838,639	-
MANCHESTER MEMORIAL HOSPITAL	1,861,562	N/A	N/A	Note 6 Note 4, Note 5,	21,004,348	7,575,715	42,506	28,622,569	34,742,078	6,119,509	577,007	-	3,993,550	3,416,543	9,536,052	1,861,562	-
MIDDLESEX HOSPITAL	3,575,674	N/A	N/A	Note 6 Note 4, Note 5,	29,556,376	12,114,512	17,160	41,688,048	49,121,620	7,433,572	1,468,390	-	8,197,906	6,729,516	14,163,088	3,575,674	-
MIDSTATE MEDICAL CENTER	2,142,143	N/A	N/A	Note 6	21,482,776	8,098,767	13,146	29,594,689	39,973,818	10,379,129	662,953	-	6,494,264	5,831,311	16,210,440	2,142,143	-
MILFORD HOSPITAL INC.	546,822	N/A	N/A	Note 4, Note 6 Note 4, Note 5,	6,632,023	2,493,799	1,062	9,126,884	13,446,534	4,319,650	622,410	-	1,832,462	1,210,052	5,529,702	546,822	-
NEW MILFORD HOSPITAL	495,472	N/A	N/A	Note 6 Note 4, Note 5,	5,813,639	2,225,966	-	8,039,605	11,523,803	3,484,198	595,011	-	1,997,340	1,402,329	4,886,527	495,472	-
NORWALK HOSPITAL ROCKVILLE GENERAL HOSPITAL INC.	3,799,292 689,610	N/A N/A	N/A N/A	Note 6 Note 4, Note 6 Note 4, Note 5,	35,916,479 6,211,629	8,444,278 2,897,300	5,046 2,390	44,365,803 9,111,319	64,549,312 12,133,008	20,183,509 3,021,689	2,060,680 124,172	-	12,518,885 2,045,180	10,458,205 1,921,008	30,641,714 4,942,697	3,799,292 689,610	-
SAINT FRANCIS HOSPITAL	12,850,965	N/A	N/A	Note 6, Note 7	92,271,030	26,460,111	76,893	118,808,034	147,212,272	28,404,238	650,195	-	21,395,269	20,745,074	49,149,312	12,850,965	-
SHARON HOSPITAL	348,753	N/A	N/A	Note 4, Note 6 Note 4, Note 5,	6,138,838	1,397,785	-	7,536,623	8,817,552	1,280,929	362,074	-	1,529,326	1,167,252	2,448,181	348,753	-
ST MARYS HOSPITAL	4,612,537	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	41,357,092	14,643,816	12,434	56,013,342	60,515,084	4,501,742	459,168	-	6,770,841	6,311,673	10,813,415	4,612,537	-
ST VINCENTS MEDICAL CENTER	7,817,682	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	64,853,762	13,929,874	54,913	78,838,549	98,983,917	20,145,368	2,359,648	-	17,527,786	15,168,138	35,313,506	7,817,682	-
THE GRIFFIN HOSPITAL	1,492,426	N/A	N/A	Note 6 Note 4, Note 5,	17,145,695	5,183,692	8,365	22,337,752	27,003,427	4,665,675	14,985	-	4,717,898	4,702,913	9,368,588	1,492,426	-
THE HOSPITAL OF CENTRAL CT	7,435,780	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	52,058,252	24,596,272	9,841	76,664,365	98,897,095	22,232,730	1,011,475	-	5,946,151	4,934,676	27,167,406	7,435,780	-
THE STAMFORD HOSPITAL	6,729,064	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	38,803,683	11,377,397	-	50,181,080	69,568,765	19,387,685	1,703,682	-	12,425,267	10,721,585	30,109,270	6,729,064	-
THE WILLIAM W. BACKUS HOSPITAL	4,161,987	N/A	N/A	Note 6 Note 4, Note 5,	34,378,144	10,203,554	14,872	44,596,570	56,324,870	11,728,300	401,361	-	7,760,439	7,359,078	19,087,378	4,161,987	-
WATERBURY HOSPITAL	4,941,222	N/A	N/A	Note 6, Note 7 Note 4, Note 5,	41,200,355	11,401,778	49,353	52,651,486	67,744,649	15,093,163	1,046,546	-	7,277,209	6,230,663	21,323,826	4,941,222	-
WINDHAM COMMUNITY MEMORIAL HOSPITAL	1,414,710	N/A	N/A	Note 6	12,756,513	5,396,938	12,747	18,166,198	21,602,809	3,436,611	234,531	-	3,197,473	2,962,942	6,399,553	1,414,710	-

State of Connecticut
 Schedule of Annual Reporting Requirements
 For the Medicaid State Plan Rate Year Ended September 30, 2010

Definition of Uncompensated Care: The definition of uncompensated care cost is based on Social Security Act Section 1923(g)(1)(A), and guidance published by CMS in the final DSH rule (73 Fed. Reg. 77904, December 19, 2008), and the CMS General DSH Audit and Reporting Protocol. Uncompensated care cost is the cost of providing inpatient and outpatient hospital services to Medicaid eligible and uninsured individuals, less the payments received for these services. Medicaid eligible includes individuals with in-state and out-of-state FFS Medicaid, Medicaid Crossover, and Medicaid Managed Care. Uninsured, for these purposes, includes individuals with no source of third party coverage. The cost of providing inpatient and outpatient hospital services for these categories is calculated based on Medicare cost reimbursement principles. The cost of these services was calculated using the appropriate per diem or cost-to-charge ratios from each hospital's Medicare cost report. This cost is then reduced by the payments received for these services, including Medicaid supplemental payments, Section 1011 payments, or additional Medicare payments relating to dual eligible individuals (i.e. bad debts, reimbursement for para-medical education, GME, etc) where applicable. Uninsured payments are those payments received by the hospital during the cost reporting period relating to patients with no source of third party coverage.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Hospital Name	State Estimated Hospital-Specific DSH Limit	Medicaid IP Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Statistic	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid MCO Payments	Supplemental / Enhanced Medicaid		Total Cost of Care - Medicaid IP/OP Services	Total Medicaid Uncompensated Care Costs (J-I)	Total IP/OP Indigent Care/Self-Pay Revenues	Total Applicable Section 1011 Uninsured Cost		Total Uninsured Uncompensated Care Costs (N-M-L)	Total Eligible Uncompensated Care Costs (K+O)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received
							IP/OP Medicaid Payments	Total Medicaid Payments (F+G+H)				Total IP/OP Uninsured Cost	Total Uninsured Care Costs				
YALE-NEW HAVEN HOSPITAL	25,524,200	N/A	N/A	Note 4, Note 5, Note 6, Note 7	199,118,942	76,515,744	159,606	275,794,292	373,550,912	97,756,620	3,664,848	-	38,886,092	35,221,244	132,977,864	25,524,200	-
Institute for Mental Disease																	
CEDARCREST REGIONAL HOSPITAL	18,120,741	N/A	N/A	Note 2	1,766,647	-	-	1,766,647	3,226,064	1,459,417	158,756	-	28,911,767	28,753,011	30,212,428	18,120,741	-
CT MENTAL HEALTH CENTER	3,567,002	N/A	N/A	Note 2	1,075,167	-	-	1,075,167	4,563,786	3,488,619	36,523	-	9,482,606	9,446,083	12,934,702	3,567,002	-
CT VALLEY HOSPITAL	74,864,328	N/A	N/A	Note 2	7,584,530	-	-	7,584,530	17,901,104	10,316,574	1,626,511	-	112,289,150	110,662,639	120,979,213	74,864,328	-
SOUTHWEST CT MENTAL HEALTH SYSTEM	9,021,655	N/A	N/A	Note 2	979,813	-	-	979,813	3,273,271	2,293,458	152,139	-	21,170,694	21,018,555	23,312,013	9,021,655	-

Out-of-State DSH Hospitals

BAYSTATE MEDICAL CENTER	65,714	N/A	N/A	Note 4	1,251,300	-	-	1,251,300	-	-	-	-	-	-	-	65,714	-
BERKSHIRE MEDICAL CENTER	(3,103)	N/A	N/A	Note 4	6,516	-	-	6,516	-	-	-	-	-	-	-	(3,103)	-
BRIGHAM & WOMENS HOSPITAL	188,791	N/A	N/A	Note 4	167,963	-	-	167,963	-	-	-	-	-	-	-	188,791	-
DANA FARBER CANCER INSTITUTE	10,611	N/A	N/A	Note 4	461,350	-	-	461,350	-	-	-	-	-	-	-	10,611	-
FAIRVIEW HOSPITAL INC	515	N/A	N/A	Note 4	70,404	-	-	70,404	-	-	-	-	-	-	-	515	-
HUBBARD REGIONAL HOSPITAL	183	N/A	N/A	Note 4	-	-	-	-	-	-	-	-	-	-	-	183	-
JAMAICA HOSPITAL MEDICAL CTR	179	N/A	N/A	Note 4	8,632	-	-	8,632	-	-	-	-	-	-	-	179	-
LANDMARK MEDICAL CENTER	1,353	N/A	N/A	Note 4	52,596	-	-	52,596	-	-	-	-	-	-	-	1,353	-
MASSACHUSETTS GENERAL HOSPITAL	1,923	N/A	N/A	Note 4	853,775	-	-	853,775	-	-	-	-	-	-	-	1,923	-
MEMORIAL HOSPITAL FOR CANCER AND ALLIED DISABLED	1,561	N/A	N/A	Note 4	93,391	-	-	93,391	-	-	-	-	-	-	-	1,561	-
MERCY HOSPITAL INC	8,491	N/A	N/A	Note 4	68,158	-	-	68,158	-	-	-	-	-	-	-	8,491	-
MIRIAM HOSPITAL INC	185	N/A	N/A	Note 4	-	-	-	-	-	-	-	-	-	-	-	185	-
NORTHERN WESTCHESTER HOSPITAL	641	N/A	N/A	Note 4	5,231	-	-	5,231	-	-	-	-	-	-	-	641	-
RHODE ISLAND HOSPITAL	184,975	N/A	N/A	Note 4	1,174,166	-	-	1,174,166	-	-	-	-	-	-	-	184,975	-
SOUTH COUNTY HOSPITAL INC	386	N/A	N/A	Note 4	18,510	-	-	18,510	-	-	-	-	-	-	-	386	-
UMASS MEMORIAL MEDICAL CENTER	228,885	N/A	N/A	Note 4	3,561,499	-	-	3,561,499	-	-	-	-	-	-	-	228,885	-
WESTCHESTER MEDICAL CENTER	76,658	N/A	N/A	Note 4	473,078	-	-	473,078	-	-	-	-	-	-	-	76,658	-
WESTERLY HOSPITAL	158,382	N/A	N/A	Note 4	625,768	-	-	625,768	-	-	-	-	-	-	-	158,382	-
WOMEN & INFANTS HOSPITAL	5,188	N/A	N/A	Note 4	165,816	-	-	165,816	-	-	-	-	-	-	-	5,188	-

- Note 1: State Plan Attachment 4.19A(10) - Private Freestanding short-term Children's General Hospital which provides Uncompensated Care.
- Note 2: State Plan Attachment 4.19A(7) - Psychiatric Hospitals Serving Low-Income Persons
- Note 3: State Plan Attachment 4.19A(14) - Public Chronic Disease Hospital that provides Uncompensated Care
- Note 4: State Plan Attachment 4.19A(15) - Hospitals Serving Low-Income Persons (defined as SAGA for this section) within the State and comparable out-of-state border hospitals
- Note 5: State Plan Attachment 4.19A(13) - Hospitals Serving Low-Income Persons (defined as General Assistance Behavioral Health Program for this section)
- Note 6: State Plan Attachment 4.19A(8) - Private Acute Care Hospitals (short-term General Hospitals) which provide Uncompensated Care
- Note 7: State Plan Attachment 4.19A(9) - Short-Term General Hospitals located in distressed municipalities and targeted investment communities with enterprise zone
- Note 8: State Plan Attachment 4.19A(12) - Public Acute Care Hospitals (short-term General Hospitals) which provide Uncompensated Care under Section 1923 of the Social Security Act

Department of Social Services'
Response to Findings

Department of Social Services' Response to Findings

Finding 1

The Department amended its State Plan, Attachment 4.19A, to address interim and final DSH payments. CMS approved SPA 11-012 on May 8, 2012 with an effective date of July 1, 2011. This SPA stated that after the DSH Audit is completed, the DSH settlement will be calculated by subtracting each hospital's interim payment from its final payment. The settlement is limited to reductions for those hospitals over the limit with reallocation to the other hospitals.

Findings 2

The auditors found that several hospitals failed to provide documentation needed to determine the hospital-specific DSH limit. FFY 2010 is part of the transition period and the hospitals used the best available data. The issues have been brought to the attention of the applicable hospitals so they can make any necessary systems changes going forward.

The Department had not issued comprehensive instructions to the DSH hospitals for 2010 however in January 2011, the Department distributed a policy transmittal to each hospital regarding the DSH Audit requirements. The transmittal described the required methodology as well as the documentation and data elements to be maintained for audit. The Department is currently working to develop more comprehensive instructions.

Independence Declaration



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

To Whom it May Concern:

Myers and Stauffer declares it is independent of the state of Connecticut and its DSH hospitals for the state plan rate year September 30, 2010.

Myers and Stauffer LC

October 2, 2013
Owings Mills, Maryland