



January 26, 2012

**Re: Louisiana Federal Medicaid DSH Examinations State Fiscal Year 2009
Surveys Due: February 29, 2012**

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 Louisiana Department of Health and Hospitals 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 July 1, 2008 through June 30, 2009.

Since your hospital received Medicaid DSH payments during this time period, 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. To fulfill the other reporting requirements, several additional data elements will need to be reported by your hospital.

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 enclosed survey(s), so the Medicaid and uninsured costs can be calculated. In addition to completing the survey document, each hospital must prepare a claims level analysis to support its uninsured services provided (and payments received) during each cost report year covering a portion of 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 2009 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.

A copy of the DSH Surveys and claims data for your facility has been included on the enclosed disc.

The blank surveys will also be available on our website at the following location:

<http://la.msllc.com/downloads.aspx>

11440 TOMAHAWK CREEK PARKWAY ■ LEAWOOD, KANSAS 66211
(913) 234-1166 ■ (800) 374-6858 ■ FAX (913) 234-1104

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 to schedule an on-site review of your survey responses if considered necessary.

It is important to the Louisiana 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 2009 DSH examination is similar to that from the previous examination; however, the survey this year has been split into separate Excel files. We have included additional instructions on completing the DSH Surveys, please see Attachment A.

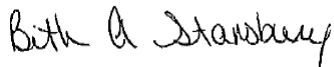
Send completed surveys with supporting documentation to:

**Myers and Stauffer LC
Attn: Louisiana DSH Survey
11440 Tomahawk Creek Parkway
Leawood, Kansas 66211
Phone: 800-374-6858**

Completed DSH surveys and supporting documentation must be submitted by February 29, 2012.

If you have questions or concerns please contact us at 1-800-374-6858 or e-mail at LADSH@mslc.com. We appreciate your cooperation with this initiative.

Sincerely,



Beth Ann Stansbury
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.

1. 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 (7/1/08 – 6/30/09). **(DSH Survey Part I – DSH Year Data.xls)**
 - a. See the “Instructions” tab for information on how to complete this survey.
 - b. This file includes a Checklist to assist you with gathering the supporting documentation to submit with the surveys.
2. 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 that was not previously submitted. **(DSH Survey Part II – Cost Report Data.xls)**
 - a. Sections D, E and F CR Data
 - i. See the “Instructions” tab for information on how to complete these sections.
 - b. Section G CR Data
 - i. Section G is new to the DSH survey this year. 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.
 - ii. A copy of your cost reports overlapping the 2009 DSH year were included on the disc with the DSH surveys. If you have a newer version of the applicable cost report (audited, settled, appealed...), 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.
 - c. Section H In-State
 - i. In-State Medicaid FFS Primary
 1. An EIDR report with all Medicaid claims for each applicable cost reporting period was provided to you on the disc.
 2. A separate payment summary was provided to you with the cost report settlement amount and outlier payments. This information should be entered in the Medicaid FFS column on lines 90 and 91.
 - ii. In-State Medicaid FFS Cross-Overs (with Medicare Primary)
 1. An EIDR report with all cross-over claims for each applicable cost reporting period was provided to you on the disc.
 2. Inpatient and outpatient claims on the EIDR are listed as inpatient; record all information in the inpatient column of the survey. Do not use the outpatient column.
 3. The EIDR reports do not include Medicare payments. You will need to calculate Medicare payments (using the cost report) or use hospital records along with any cost report payments (GME...).
 4. The cross-over EIDR reports show revenue code 001, this amount should be excluded when entering charges on the survey.
 - iii. Uninsured
 1. Exhibit A – All Uninsured Charges / Days **(DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx)** *(tab Exhibit A – Uninsured Charges)*
 - a. The format of Exhibit A has been updated from the prior DSH reviews. It is very important that hospitals submit the data in the new format! An example of the new format is included in the DSH Survey and the above referenced excel file which was included on the disc.
 - b. Total days and charges in Exhibit A must agree to the data entered on the survey.

- c. The exhibit must include patient level detail and list charges/routine days by revenue code for each patient.
 - 2. 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)*)
 - a. The format of Exhibit B has been updated from the prior DSH reviews. It is very important that hospitals submit the data in the new format! An example of the new format is included in the DSH Survey and the above referenced excel file which was included on the disc.
 - b. This exhibit should include all cash basis insured and uninsured patient payments and clearly indicate each patient's insurance status at the time of service.
 - c. Report all uninsured payments for hospital services in the uninsured column, see example to calculate payments for hospital services.
 - d. Section I Out-of-State
 - i. Report all out-of-state claims in the appropriate column of this tab (Medicaid FFS, Medicaid Cross-Overs...).
 - ii. 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 requested for hospital generated out-of-state data. It is very important that out-of-state hospital data is submitted in the requested format! (**DSH Survey Exhibit A-C Hospital-Provided Claims Data.xlsx**) (*tab Exhibit C – OOS ...*)
 - e. Section J and K Organ Acquisition
 - i. Report the charges and number of useable organs for each cost center for each payor type.
 - ii. Submit patient level detail to support the number of useable organs and charges claimed.
- 3. The DSH RHC Survey includes all data related to your hospital's cost reporting period. Submit one copy for each cost report year that overlaps the DSH year that was not previously submitted. **The DSH RHC Survey only applies to hospitals with Medicaid provider-based rural health clinics. (DSH RHC Survey – Cost Report Year Data.xls)**
 - a. Sections L, M and N CR Data
 - i. See the "Instructions" tab for information regarding how to complete these sections.
 - b. Section O In-State RHC
 - i. You should receive an EIDR report for each RHC for each cost reporting period not previously submitted.
 - ii. The cross-over EIDR reports do not include Medicare payments. Please calculate payments (using the cost report) or use clinic records, if available. Please submit support for the amount reported in the survey.
 - iii. Uninsured
 - 1. Please use the Exhibit A and B (RHC) format requested when compiling the uninsured data! This excel file was included on the disc. In the service indicator column, please identify each RHC separately. (**DSH Survey Exhibit A – C for RHCs.xlsx**) (*tabs Ex A – RHC Uninsured Charges & Ex B – RHC Self-Pay Pmt (CASH)*)
 - c. Section P Out-of-State RHC
 - i. Please use hospital records or paid claims reports to report any out-of-state claims for the RHC and record the visits and payments in the appropriate column.
 - ii. If hospital records are used, please submit the data in the requested format. (**DSH Survey Exhibit A – C for RHCs.xlsx**) (*tab Ex C – RHC OOS...*)
- 4. After completion of all surveys, review the checklist in DSH Survey Part I and submit all support, surveys and exhibits.