



January 28, 2020

Mr. Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health
Department of Health and Human Services
1301 Young Street, Suite 714
Dallas, TX 75202

Dear Mr. Brooks:

The Texas Health and Human Services Commission (HHSC) is submitting the amended results of the audit of Texas' Disproportionate Share Hospital (DSH) program for federal fiscal years 2013 & 2014 (see Attachments 1 through 3). The audit was performed in accordance with requirements detailed in the federal DSH rule published on December 19, 2008. Our independent auditor was Myers and Stauffer LC, who performed an examination conducted 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), except as discussed in the Schedule of Data Caveats contained in the report.

The 2013 & 2014 results confirm that HHSC administered the DSH program in accordance with state rules and the Centers for Medicare and Medicaid Services (CMS) approved Medicaid State Plan in effect during the 2013 & 2014 program year.

The Texas State Plan allows for any DSH recoupments as a result of the audit to be redistributed to other qualifying DSH hospitals that have not been paid up to their hospital specific level. The federal share of these recoupments is not returned to CMS.

Please let me know if you have any questions or need additional information. Mr. Rene Cantu, Director of Rate Analysis for Hospital Services, is serving as the lead

Mr. Bill Brooks
December 31, 2019
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staff on this matter and can be reached at (512) 730-7465 or by email at Rene.Cantu@hhsc.state.tx.us

Sincerely,



Victoria Grady

Attachments

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

**State of Texas
Health and Human Services Commission
Austin, Texas**

DSH Year Ended September 30, 2013

Prepared by:



**MYERS AND
STAUFFER_{L.C.}**
CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Accountant's Report
and
Report on DSH Verifications**



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

Texas Health and Human Services Commission
P.O. Box 149030, Mail Code H-400
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4900 N. Lamar Blvd.
Austin, Texas 78714-9030

Independent Accountant's Report

We have examined the state of Texas'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 ended September 30, 2013. The state of Texas is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of Texas's compliance with federal Medicaid DSH program requirements based on our examination.

Our examination was conducted 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 Reporting Protocol as required by 42 CFR §455.301 and §455.304(d). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the state of Texas complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the state of Texas complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was conducted for the purpose of forming an opinion on the state of Texas'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.

Our examination does not provide a legal determination of the state of Texas's compliance with federal Medicaid DSH requirements.

DEDICATED TO GOVERNMENT HEALTH PROGRAMS

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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, in all material respects, the state of Texas's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending September 30, 2013.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the state of Texas's compliance with federal Medicaid DSH program requirements, as it relates to the six DSH verifications set forth in 42 CFR §455.301 and §455.304(d). We are also required to report on the findings with conclusions and recommendations. We performed our examination to express an opinion on the state of Texas's compliance with federal Medicaid DSH program requirements and not for the purpose of expressing an opinion on the effectiveness of the state of Texas's internal control or on compliance and other matters; accordingly we express no such opinion. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and these findings are described in the accompanying Schedule of Data Caveats Relating to the DSH Verifications.

This reissued report and the accompanying Schedule of Data Caveats Relating to the DSH Verifications supersedes any previously issued Report on Disproportionate Share Hospital Verifications for the DSH year ended September 30, 2013. Details and impacts of this reissuance may be found in the Schedule of Data Caveats Relating to the DSH Verifications. Please disregard any reports dated prior to the date of this report.

This report is intended solely for the information and use of the Texas Health and Human Services Commission (HHSC), the State Legislature, hospitals participating in the State DSH program and the Centers for Medicare and Medicaid Services (CMS) as required under 42 CFR §455.304 and is not intended to be, and should not be, used by anyone other than these specified parties and for the specified purpose contained in 42 CFR §455.304.

Topeka, Kansas
December 20, 2019

State of Texas Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2013

As required by 42 CFR §455.304(d) the state of Texas 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 state of Texas is in compliance with verification 1 as all hospitals that received a DSH payment were allowed to retain that payment. 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, Federal Register/Vol. 79, No. 232, December 3, 2014, and Federal Register/Vol. 82, No. 62, April 3, 2017.

Findings: The results of testing performed related to this verification are summarized in the Report on DSH Verifications (table) included with this report. The methodology used to calculate uncompensated care costs is in compliance with Federal guidance. To the extent that data issues identified could impact the calculation of uncompensated care costs they are described in more detailed findings in the report titled Schedule of Data Caveats Relating to the DSH Verifications. These findings include such issues as:

- Four hospitals did not submit the DSH documentation requested.
- The majority of hospitals were unable to obtain Medicaid out-of-state paid claims reports from out-of-state Medicaid agencies. Hospital self-reported supported documentation was relied upon in testing of the costs and payments associated with Medicaid out-of-state services.
- For the state-owned and operated psychiatric and chest hospitals, we were not able to obtain patient charge level detail to calculate uncompensated care costs using traditional Medicare cost report methodologies.

State of Texas Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2013

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 state of Texas is in compliance with verification 3 as the total uncompensated care costs reflected in the Report on DSH Verifications (table) reflects the 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 received.

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 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: The state of Texas is in compliance with verification 4. In calculating the hospital-specific DSH limit represented in the Report on DSH Verifications (table), 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 Texas is in compliance with verification 5 as it 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.

State of Texas Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2013

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 state of Texas is in compliance with verification 6 as 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.

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2013

Hospital	Verification #1	Verification #2 (Reducing UCC by Medicare and Private Insurance Payments)				Verification #2 (Not Reducing UCC by Medicare and Private Insurance Payments)				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)	DSH Payment Complies with the Hospital-Specific DSH Limit	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)	DSH Payment Complies with the Hospital-Specific DSH Limit	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?
Providence Memorial Hospital	Yes	9,113,175	4,857,918	(4,255,257)	No	9,113,175	24,011,315	14,898,140	Yes	Yes	Yes	Yes	
United Regional Health Care System	Yes	5,931,836	17,583,893	11,652,057	Yes	5,931,836	34,944,294	29,012,458	Yes	Yes	Yes	Yes	
St. Joseph Regional Health Center	Yes	4,471,990	9,534,097	5,062,107	Yes	4,471,990	22,800,800	18,328,810	Yes	Yes	Yes	Yes	
Dallas Co. Hosp. Dist.	Yes	118,055,795	220,540,467	102,484,672	Yes	118,055,795	258,102,058	140,046,263	Yes	Yes	Yes	Yes	
The University Of Texas Medical Br.	Yes	55,017,493	28,991,068	(26,026,425)	No	55,017,493	51,899,482	(3,118,011)	No	Yes	Yes	Yes	
Baylor University Medical Center	Yes	12,516,108	64,230,742	51,714,634	Yes	12,516,108	108,651,180	96,135,072	Yes	Yes	Yes	Yes	
University Medical Center Of El Paso	Yes	36,489,745	34,518,829	(1,970,916)	No	36,489,745	45,479,473	8,989,728	Yes	Yes	Yes	Yes	
Valley Baptist Med Cntr Brownsville	Yes	7,010,311	3,663,089	(3,347,222)	No	7,010,311	29,459,931	22,449,620	Yes	Yes	Yes	Yes	
Laredo Medical Center	Yes	10,529,971	15,537,318	5,007,347	Yes	10,529,971	52,233,043	41,703,072	Yes	Yes	Yes	Yes	
Marshall Regional Medical Center	Yes	1,723,235	7,701,866	5,978,631	Yes	1,723,235	14,265,126	12,541,891	Yes	Yes	Yes	Yes	
Valley Baptist Medical Center	Yes	10,712,822	8,592,686	(2,120,136)	No	10,712,822	45,315,755	34,602,933	Yes	Yes	Yes	Yes	
Christus Hospital	Yes	8,081,867	20,679,335	12,597,468	Yes	8,081,867	36,382,117	28,300,250	Yes	Yes	Yes	Yes	
St Joseph Medical Center	Yes	9,884,388	13,506,443	3,622,055	Yes	9,884,388	25,621,444	15,737,056	Yes	Yes	Yes	Yes	
Good Shepherd Medical Center	Yes	10,213,837	32,140,965	21,927,128	Yes	10,213,837	52,617,686	42,403,849	Yes	Yes	Yes	Yes	
TCHD D/B/A JPS Health Network	Yes	68,977,392	132,865,835	63,888,443	Yes	68,977,392	151,881,085	82,903,693	Yes	Yes	Yes	Yes	
Covenant Health System	Yes	6,833,435	9,465,341	2,631,906	Yes	6,833,435	32,869,762	26,036,327	Yes	Yes	Yes	Yes	
Christus Spohn Hosp Corpus Christi	Yes	14,300,767	15,934,651	1,633,884	Yes	14,300,767	57,534,159	43,233,392	Yes	Yes	Yes	Yes	
Methodist Dallas Medical Center	Yes	7,673,203	25,110,546	17,437,343	Yes	7,673,203	50,303,698	42,630,495	Yes	Yes	Yes	Yes	
Goodall-Witcher Hospital Authority	Yes	941,573	569,583	(371,990)	No	941,573	1,296,985	355,412	Yes	Yes	Yes	Yes	
Scott and White Memorial Hospital	Yes	15,834,467	119,752,906	103,918,439	Yes	15,834,467	161,032,923	145,198,456	Yes	Yes	Yes	Yes	
Rolling Plains Memorial Hospital	Yes	1,870,243	3,140,510	1,270,267	Yes	1,870,243	5,290,728	3,420,485	Yes	Yes	Yes	Yes	
Baptist Health System	Yes	15,583,162	21,381,808	5,798,646	Yes	15,583,162	83,646,370	68,063,208	Yes	Yes	Yes	Yes	
Memorial Hermann Texas Medical Cntr	Yes	21,737,137	67,702,001	45,964,864	Yes	21,737,137	117,889,624	96,152,487	Yes	Yes	Yes	Yes	
D. M. Cogdell Memorial Hospital	Yes	2,823,676	2,355,168	(468,508)	No	2,823,676	3,167,417	343,741	Yes	Yes	Yes	Yes	
UT MD Anderson Cancer Center	Yes	83,031,411	37,554,013	(45,477,398)	No	83,031,411	66,806,478	(16,224,933)	No	Yes	Yes	Yes	
Titus Regional Medical Center	Yes	3,746,233	4,348,547	602,314	Yes	3,746,233	7,773,154	4,026,921	Yes	Yes	Yes	Yes	
Christus Spohn Bee Hospital	Yes	1,060,698	4,040,786	2,980,088	Yes	1,060,698	6,937,255	5,876,557	Yes	Yes	Yes	Yes	
ETMC - Tyler	Yes	8,722,486	22,695,908	13,973,422	Yes	8,722,486	51,835,544	43,113,058	Yes	Yes	Yes	Yes	
Graham Regional Medical Center	Yes	734,109	1,046,159	312,050	Yes	734,109	1,778,041	1,043,932	Yes	Yes	Yes	Yes	
North Texas Medical Center	Yes	3,244,632	4,273,754	1,029,122	Yes	3,244,632	6,078,966	2,834,334	Yes	Yes	Yes	Yes	
Fort Duncan Medical Center	Yes	2,904,646	2,904,646	0	Yes	2,904,646	14,553,876	11,649,230	Yes	Yes	Yes	Yes	
Bayshore Medical Center	Yes	7,052,796	19,965,808	12,913,012	Yes	7,052,796	37,716,369	30,663,573	Yes	Yes	Yes	Yes	
Hillcrest Baptist Medical Center	Yes	6,724,234	22,182,170	15,457,936	Yes	6,724,234	33,649,110	26,924,876	Yes	Yes	Yes	Yes	
Mother Frances Hospital	Yes	7,495,593	20,991,293	13,495,700	Yes	7,495,593	39,127,343	31,631,750	Yes	Yes	Yes	Yes	
Guadalupe Regional Medical Center	Yes	12,143,234	9,576,512	(2,566,722)	No	12,143,234	15,604,679	3,461,445	Yes	Yes	Yes	Yes	
Las Palmas Medical Center	Yes	11,587,636	11,719,323	131,687	Yes	11,587,636	50,740,882	39,153,246	Yes	Yes	Yes	Yes	
Connally Memorial Medical Center	Yes	2,481,686	1,692,033	(789,653)	No	2,481,686	3,522,461	1,040,775	Yes	Yes	Yes	Yes	
South Texas Health System	Yes	19,077,713	19,137,954	60,241	Yes	19,077,713	62,876,999	43,799,286	Yes	Yes	Yes	Yes	
University Med Center Brackenridge	Yes	25,421,612	62,527,116	37,105,504	Yes	25,421,612	74,516,802	49,095,190	Yes	Yes	Yes	Yes	
Knapp Medical Center	Yes	5,890,583	5,890,583	(0)	Yes	5,890,583	25,072,832	19,182,249	Yes	Yes	Yes	Yes	
Medical Center Health System	Yes	29,046,214	30,245,810	1,199,596	Yes	29,046,214	48,384,751	19,338,537	Yes	Yes	Yes	Yes	
Midland Memorial Hospital	Yes	14,878,992	18,460,567	3,581,575	Yes	14,878,992	29,105,981	14,226,989	Yes	Yes	Yes	Yes	
Texas Health Fort Worth	Yes	8,027,356	42,878,624	34,851,268	Yes	8,027,356	71,811,910	63,784,554	Yes	Yes	Yes	Yes	
Baylor All Saints Medical Center	Yes	7,344,105	26,712,825	19,368,720	Yes	7,344,105	44,708,310	37,364,205	Yes	Yes	Yes	Yes	
Permian Regional Medical Center	Yes	2,707,846	2,306,452	(401,394)	No	2,707,846	2,725,360	17,514	Yes	Yes	Yes	Yes	
Texas Health Cleburne	Yes	795,372	7,815,292	7,019,920	Yes	795,372	10,673,937	9,878,565	Yes	Yes	Yes	Yes	
Metroplex Hospital	Yes	3,265,527	12,171,210	8,905,683	Yes	3,265,527	19,584,147	16,318,620	Yes	Yes	Yes	Yes	
Val Verde Regional Medical Center	Yes	4,197,638	4,443,823	246,185	Yes	4,197,638	9,962,400	5,764,762	Yes	Yes	Yes	Yes	
Hereford Regional Medical Ctr	Yes	1,311,092	1,578,684	267,592	Yes	1,311,092	2,164,127	853,035	Yes	Yes	Yes	Yes	
Christus Spohn Kleberg Memorial Hosp	Yes	2,126,244	2,039,928	(86,316)	No	2,126,244	6,126,847	4,000,603	Yes	Yes	Yes	Yes	
South Texas Medical Center	Yes	609,758	2,636,122	2,026,364	Yes	609,758	5,511,761	4,902,003	Yes	Yes	Yes	Yes	
Mission Hospital	Yes	8,087,744	278,919	(7,808,824)	No	8,087,744	22,632,150	14,544,407	Yes	Yes	Yes	Yes	
Uvalde Memorial Hospital	Yes	6,262,106	6,262,106	(0)	Yes	6,262,106	10,983,399	4,721,293	Yes	Yes	Yes	Yes	
Pecos County Memorial Hospital	Yes	1,680,951	1,981,220	300,269	Yes	1,680,951	3,583,912	1,902,961	Yes	Yes	Yes	Yes	
Memorial Hermann Hospital Sys	Yes	14,866,041	53,303,444	38,437,403	Yes	14,866,041	117,210,550	102,344,509	Yes	Yes	Yes	Yes	

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2013

Hospital	Verification #1	Verification #2 (Reducing UCC by Medicare and Private Insurance Payments)				Verification #2 (Not Reducing UCC by Medicare and Private Insurance Payments)				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)	DSH Payment Complies with the Hospital-Specific DSH Limit	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)	DSH Payment Complies with the Hospital-Specific DSH Limit	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?
Scott & White Hospital Brenham	Yes	656,845	5,268,611	4,611,766	Yes	656,845	7,437,131	6,780,286	Yes	Yes	Yes	Yes	
ETMC Clarksville	Yes	1,709,177	1,543,417	(165,760)	No	1,709,177	3,161,750	1,452,573	Yes	Yes	Yes	Yes	
Hill Regional Hospital	Yes	708,758	4,267,462	3,558,704	Yes	708,758	5,924,224	5,215,466	Yes	Yes	Yes	Yes	
ETMC Jacksonville	Yes	1,039,131	2,291,237	1,252,106	Yes	1,039,131	4,453,974	3,414,843	Yes	Yes	Yes	Yes	
Wadley Regional Medical Center	Yes	3,408,773	6,614,972	3,206,199	Yes	3,408,773	15,155,748	11,746,975	Yes	Yes	Yes	Yes	
Northwest Texas Hospital	Yes	12,319,973	17,843,523	5,523,550	Yes	12,319,973	31,946,797	19,626,824	Yes	Yes	Yes	Yes	
ETMC Carthage	Yes	1,105,135	2,024,020	918,885	Yes	1,105,135	3,443,193	2,338,058	Yes	Yes	Yes	Yes	
University Health System	Yes	88,894,744	97,957,559	9,062,815	Yes	88,894,744	119,827,302	30,932,558	Yes	Yes	Yes	Yes	
Gulf Coast Medical Center	Yes	693,354	2,612,456	1,919,102	Yes	693,354	4,894,113	4,200,759	Yes	Yes	Yes	Yes	
Llano Memorial Hospital	Yes	527,979	1,805,688	1,277,709	Yes	527,979	2,825,469	2,297,490	Yes	Yes	Yes	Yes	
Moore County Hosp. Db a Dumas Mem Hos	Yes	2,332,365	2,675,589	343,224	Yes	2,332,365	3,784,263	1,451,898	Yes	Yes	Yes	Yes	
Hendrick Medical Center	Yes	5,095,319	11,064,710	5,969,391	Yes	5,095,319	29,181,958	24,086,639	Yes	Yes	Yes	Yes	
Baptist Saint Anthony's Hospital	Yes	4,923,041	16,069,946	11,146,905	Yes	4,923,041	26,573,338	21,650,297	Yes	Yes	Yes	Yes	
Gonzales Healthcare Systems	Yes	1,927,904	2,150,470	222,566	Yes	1,927,904	3,126,180	1,198,276	Yes	Yes	Yes	Yes	
Hopkins County Memorial Hospital	Yes	5,998,990	5,568,362	(430,628)	No	5,998,990	9,735,954	3,736,964	Yes	Yes	Yes	Yes	
Santa Rosa Health Care	Yes	9,836,107	18,947,846	9,111,739	Yes	9,836,107	43,418,623	33,582,516	Yes	Yes	Yes	Yes	
Faith Community Hospital	Yes	606,979	1,279,040	672,061	Yes	606,979	1,695,608	1,088,629	Yes	Yes	Yes	Yes	
Hamlin Memorial Hospital	Yes	257,008	368,199	111,191	Yes	257,008	643,254	386,246	Yes	Yes	Yes	Yes	
Central Texas Medical Center	Yes	1,641,485	3,725,439	2,083,954	Yes	1,641,485	8,885,510	7,244,025	Yes	Yes	Yes	Yes	
Harris County Hospital District	Yes	139,293,132	276,386,118	137,092,986	Yes	139,293,132	294,992,221	155,659,089	Yes	Yes	Yes	Yes	
Frio Regional Hospital	Yes	1,858,470	1,488,161	(370,309)	No	1,858,470	2,313,587	455,117	Yes	Yes	Yes	Yes	
Cleveland Regional Medical Center	Yes	990,111	4,206,451	3,216,340	Yes	990,111	7,259,342	6,269,231	Yes	Yes	Yes	Yes	
Texoma Medical Center	Yes	5,140,915	20,077,554	14,936,639	Yes	5,140,915	32,736,592	27,595,677	Yes	Yes	Yes	Yes	
Oakbend Medical Center	Yes	2,239,084	2,595,983	356,899	Yes	2,239,084	8,807,259	6,568,175	Yes	Yes	Yes	Yes	
Baptist Beaumont Hospital	Yes	8,315,003	14,774,583	6,459,580	Yes	8,315,003	29,585,029	21,270,026	Yes	Yes	Yes	Yes	
Falls Community Hospital and Clinic	Yes	213,424	652,112	438,688	Yes	213,424	1,747,824	1,534,400	Yes	Yes	Yes	Yes	
Texas Health Harris Methodist Stephe	Yes	370,209	4,350,035	3,979,826	Yes	370,209	6,176,844	5,806,635	Yes	Yes	Yes	Yes	
Hunt Regional Medical Center	Yes	10,653,169	9,349,047	(1,304,122)	No	10,653,169	17,359,543	6,706,374	Yes	Yes	Yes	Yes	
Childress Regional Medical Center	Yes	975,187	1,563,699	588,512	Yes	975,187	2,489,299	1,514,112	Yes	Yes	Yes	Yes	
Columbus Community Hospital	Yes	285,123	1,278,066	992,943	Yes	285,123	2,752,530	2,467,407	Yes	Yes	Yes	Yes	
Methodist Hospital	Yes	26,220,187	60,127,104	33,906,917	Yes	26,220,187	134,833,589	108,613,402	Yes	Yes	Yes	Yes	
ETMC Athens	Yes	13,474,233	8,357,974	(5,116,259)	No	13,474,233	14,574,270	1,100,037	Yes	Yes	Yes	Yes	
Memorial Medical Center - Livingston	Yes	1,003,013	5,868,667	4,865,654	Yes	1,003,013	8,976,738	7,973,725	Yes	Yes	Yes	Yes	
Brownfield Regional Medical Center	Yes	1,703,053	1,192,221	(510,832)	No	1,703,053	2,090,927	387,874	Yes	Yes	Yes	Yes	
St. Davids Medical Center	Yes	9,831,738	8,448,577	(1,383,161)	No	9,831,738	30,417,496	20,585,758	Yes	Yes	Yes	Yes	
Riverside General Hospital	Yes	1,029,376	1,571,601	542,225	Yes	1,029,376	2,589,185	1,559,809	Yes	Yes	Yes	Yes	
Navarro Regional Hospital	Yes	730,569	2,953,243	2,222,674	Yes	730,569	7,861,911	7,131,342	Yes	Yes	Yes	Yes	
Texas Health Dallas	Yes	8,453,632	18,645,753	10,192,121	Yes	8,453,632	33,982,633	25,529,001	Yes	Yes	Yes	Yes	
Matagorda General Hospital	Yes	3,295,655	5,599,984	2,304,329	Yes	3,295,655	9,185,791	5,890,136	Yes	Yes	Yes	Yes	
ETMC Henderson	Yes	727,281	2,341,419	1,614,138	Yes	727,281	4,037,554	3,310,273	Yes	Yes	Yes	Yes	
Medical Arts Hospital	Yes	960,186	567,755	(392,431)	No	960,186	1,264,872	304,686	Yes	Yes	Yes	Yes	
Nacogdoches Memorial Hospital	Yes	10,909,183	9,455,598	(1,453,585)	No	10,909,183	15,444,674	4,535,491	Yes	Yes	Yes	Yes	
The Medical Center of Southeast Texa	Yes	3,489,667	6,840,052	3,350,385	Yes	3,489,667	14,147,540	10,657,873	Yes	Yes	Yes	Yes	
Covenant Hospital Plainview	Yes	2,994,214	3,212,923	218,709	Yes	2,994,214	5,428,726	2,434,512	Yes	Yes	Yes	Yes	
Palo Pinto General Hospital	Yes	2,638,314	2,868,652	230,338	Yes	2,638,314	4,892,218	2,253,904	Yes	Yes	Yes	Yes	
Shannon Medical Center	Yes	3,697,835	15,819,152	12,121,317	Yes	3,697,835	30,240,689	26,542,854	Yes	Yes	Yes	Yes	
Jasper Memorial Hospital	Yes	1,273,010	2,415,771	1,142,761	Yes	1,273,010	4,992,613	3,719,603	Yes	Yes	Yes	Yes	
ETMC Crockett	Yes	1,673,386	1,687,683	14,297	Yes	1,673,386	3,343,393	1,670,007	Yes	Yes	Yes	Yes	
Baylor County Hospital District	Yes	344,462	656,706	312,244	Yes	344,462	1,231,644	887,182	Yes	Yes	Yes	Yes	
Brownwood Regional Medical Center	Yes	1,689,992	2,494,639	804,647	Yes	1,689,992	8,217,150	6,527,158	Yes	Yes	Yes	Yes	
Angleton-Danbury Medical Center	Yes	4,026,128	4,500,562	474,434	Yes	4,026,128	5,881,823	1,855,695	Yes	Yes	Yes	Yes	
Cuero Community Hospital	Yes	1,947,098	2,725,887	778,789	Yes	1,947,098	4,570,854	2,623,756	Yes	Yes	Yes	Yes	
Clear Lake Reg Med Ctr	Yes	8,906,557	15,902,986	6,996,430	Yes	8,906,557	41,041,250	32,134,694	Yes	Yes	Yes	Yes	
Dimmit Regional Hospital District	Yes	1,139,053	1,705,635	566,582	Yes	1,139,053	2,771,217	1,632,164	Yes	Yes	Yes	Yes	
Doctors Hospital Of Laredo	Yes	5,985,087	5,985,087	0	Yes	5,985,087	19,000,578	13,015,491	Yes	Yes	Yes	Yes	

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2013

Hospital	Verification #1	Verification #2 (Reducing UCC by Medicare and Private Insurance Payments)				Verification #2 (Not Reducing UCC by Medicare and Private Insurance Payments)				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 Plan Rate Year	DSH Payment Under or <Over> Total Uncompensated Care Costs (UCC)	DSH Payment Complies with the Hospital-Specific DSH Limit	DSH Payment for Medicaid State Plan Rate Year (In-State and Out-of-State)	Total Uncompensated Care Costs for Plan Rate Year	DSH Payment Under or <Over> Total Uncompensated Care Costs (UCC)	DSH Payment Complies with the Hospital-Specific DSH Limit	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?
Medical City Dallas Hospital	Yes	8,353,564	5,858,208	(2,495,356)	No	8,353,564	25,748,098	17,394,534	Yes	Yes	Yes	Yes	
Scenic Mt Regional	Yes	932,725	1,627,310	694,585	Yes	932,725	3,684,218	2,751,493	Yes	Yes	Yes	Yes	
Starr County Memorial Hospital	Yes	5,509,139	6,129,904	620,765	Yes	5,509,139	11,549,571	6,040,432	Yes	Yes	Yes	Yes	
Odessa Regional Hospital	Yes	6,768,520	9,567,259	2,798,739	Yes	6,768,520	15,206,722	8,438,202	Yes	Yes	Yes	Yes	
Valley Regional Medical Center	Yes	6,785,480	4,133,900	(2,651,580)	No	6,785,480	30,579,861	23,794,381	Yes	Yes	Yes	Yes	
University Medical Center	Yes	43,247,389	54,498,130	11,250,741	Yes	43,247,389	82,555,103	39,307,714	Yes	Yes	Yes	Yes	
UT Health Center at Tyler	Yes	9,789,492	9,666,112	(123,380)	No	9,789,492	14,932,844	5,143,352	Yes	Yes	Yes	Yes	
Southwest General Hospital	Yes	5,998,857	6,325,997	327,140	Yes	5,998,857	23,548,622	17,549,765	Yes	Yes	Yes	Yes	
Lamb Healthcare Center	Yes	1,088,994	996,627	(92,367)	No	1,088,994	1,539,248	450,254	Yes	Yes	Yes	Yes	
Rio Grande Regional Hospital	Yes	9,792,732	13,056,865	3,264,133	Yes	9,792,732	46,723,788	36,931,056	Yes	Yes	Yes	Yes	
Cypress Fairbanks Medical Center	Yes	3,728,878	7,769,657	4,040,779	Yes	3,728,878	12,996,732	9,267,854	Yes	Yes	Yes	Yes	
Knox County Hospital	Yes	343,940	406,185	62,245	Yes	343,940	737,457	393,517	Yes	Yes	Yes	Yes	
Palestine Regional Medical Center	Yes	1,953,856	3,072,545	1,118,689	Yes	1,953,856	8,638,356	6,684,500	Yes	Yes	Yes	Yes	
Covenant Hospital Levelland	Yes	1,914,334	1,312,379	(601,955)	No	1,914,334	2,119,104	204,770	Yes	Yes	Yes	Yes	
Corpus Christi Medical Center	Yes	10,539,737	11,038,931	499,194	Yes	10,539,737	23,149,087	12,609,350	Yes	Yes	Yes	Yes	
Christus St Michael	Yes	6,422,220	12,600,858	6,178,639	Yes	6,422,220	28,483,952	22,061,733	Yes	Yes	Yes	Yes	
Doctors Hospital Tidwell	Yes	2,085,028	7,462,023	5,376,995	Yes	2,085,028	12,287,232	10,202,204	Yes	Yes	Yes	Yes	
Christus Spohn Alice	Yes	1,980,821	4,373,188	2,392,367	Yes	1,980,821	11,488,783	9,507,962	Yes	Yes	Yes	Yes	
Ennis Regional Medical Center	Yes	760,512	3,300,495	2,539,983	Yes	760,512	4,811,294	4,050,782	Yes	Yes	Yes	Yes	
Harlingen Medical Center	Yes	1,981,906	2,695,858	713,952	Yes	1,981,906	15,767,676	13,785,770	Yes	Yes	Yes	Yes	
Doctors Hospital at Renaissance	Yes	17,885,527	24,012,593	6,127,066	Yes	17,885,527	92,818,207	74,932,680	Yes	Yes	Yes	Yes	
Good Shepherd Med. Ctr. - Linden	Yes	72,311	1,060,975	988,664	Yes	72,311	1,987,351	1,915,040	Yes	Yes	Yes	Yes	
Limestone Medical Center	Yes	1,714,358	1,326,922	(387,436)	No	1,714,358	2,673,267	958,909	Yes	Yes	Yes	Yes	
Schleicher County Medical Center	Yes	243,829	97,268	(146,561)	No	243,829	418,682	174,853	Yes	Yes	Yes	Yes	
Yoakum County Hospital	Yes	1,084,172	1,101,448	17,276	Yes	1,084,172	2,028,116	943,944	Yes	Yes	Yes	Yes	
Rice Medical Center	Yes	1,036,845	556,264	(480,581)	No	1,036,845	1,154,882	118,037	Yes	Yes	Yes	Yes	
Refugio Memorial Hospital	Yes	1,097,075	479,450	(617,625)	No	1,097,075	2,023,364	926,289	Yes	Yes	Yes	Yes	
Mother Frances Hospital - Jacksonville	Yes	190,818	2,442,214	2,251,396	Yes	190,818	3,966,112	3,775,294	Yes	Yes	Yes	Yes	
Lillian M. Hudspeth Memorial Hosp.	Yes	620,200	382,296	(237,904)	No	620,200	670,833	50,633	Yes	Yes	Yes	Yes	
Concho County Hospital	Yes	348,716	234,007	(114,709)	No	348,716	738,477	389,761	Yes	Yes	Yes	Yes	
Chillicothe Hospital District	Yes	285,815	105,867	(179,948)	No	285,815	155,907	(129,908)	No	Yes	Yes	Yes	
Medina Community Hospital	Yes	1,706,078	1,724,226	18,148	Yes	1,706,078	2,530,418	824,340	Yes	Yes	Yes	Yes	
Coon Memorial Hospital	Yes	1,140,854	897,024	(243,830)	No	1,140,854	1,501,070	360,216	Yes	Yes	Yes	Yes	
W.J. Mangold Memorial Hospital	Yes	2,342,165	758,887	(1,583,278)	No	2,342,165	1,052,036	(1,290,129)	No	Yes	Yes	Yes	
Electra Memorial Hospital	Yes	930,461	(42,097)	(930,461)	No	930,461	568,275	(362,186)	No	Yes	Yes	Yes	
Yoakum Community Hospital	Yes	1,659,279	1,373,805	(285,474)	No	1,659,279	2,820,111	1,160,832	Yes	Yes	Yes	Yes	
Coleman County Medical Center	Yes	444,749	431,122	(13,627)	No	444,749	1,053,166	608,417	Yes	Yes	Yes	Yes	
Heart of Texas Memorial Hospital	Yes	792,489	541,881	(250,608)	No	792,489	1,819,949	1,027,460	Yes	Yes	Yes	Yes	
Hardeman County Hospital	Yes	336,452	362,502	26,050	Yes	336,452	1,073,942	737,490	Yes	Yes	Yes	Yes	
Olney Hamilton Hospital District	Yes	581,594	581,594	(0)	Yes	581,594	1,457,818	876,224	Yes	Yes	Yes	Yes	
Memorial Medical Center	Yes	1,538,211	1,763,427	225,216	Yes	1,538,211	3,038,337	1,500,126	Yes	Yes	Yes	Yes	
Memorial Hospital-Seminole	Yes	1,400,114	2,769,738	1,369,624	Yes	1,400,114	3,975,841	2,575,727	Yes	Yes	Yes	Yes	
Ochiltree General Hospital	Yes	1,287,994	503,771	(784,223)	No	1,287,994	754,360	(533,634)	No	Yes	Yes	Yes	
Golden Plains Community Hospital	Yes	2,514,665	1,929,741	(584,924)	No	2,514,665	2,822,711	308,046	Yes	Yes	Yes	Yes	
Muleshoe Area Hospital District	Yes	746,978	164,470	(582,508)	No	746,978	770,325	23,347	Yes	Yes	Yes	Yes	
Reeves County Hospital	Yes	762,869	1,581,221	818,352	Yes	762,869	3,294,002	2,531,133	Yes	Yes	Yes	Yes	
Big Bend Regional Med Ctr	Yes	902,657	2,153,806	1,251,149	Yes	902,657	3,320,665	2,418,008	Yes	Yes	Yes	Yes	
Texas Center for Infectious Disease	Yes	10,763,702	11,876,193	1,112,491	Yes	10,763,702	11,908,725	1,145,023	Yes	Yes	Yes	Yes	
Cook Children's Medical Center	Yes	12,725,159	(2,342,073)	(12,725,159)	No	12,725,159	36,144,248	23,419,089	Yes	Yes	Yes	Yes	
Driscoll Children's Hospital	Yes	7,296,695	(12,659,621)	(7,296,695)	No	7,296,695	(8,047,615)	(7,296,695)	No	Yes	Yes	Yes	
Children's Medical Center of Dallas	Yes	18,075,267	38,270,109	20,194,842	Yes	18,075,267	54,176,931	36,101,664	Yes	Yes	Yes	Yes	
Texas Childrens Hospital	Yes	17,987,881	(25,492,120)	(17,987,881)	No	17,987,881	64,737,751	46,749,870	Yes	Yes	Yes	Yes	
Covenant Children's Hospital Lubbock	Yes	1,417,940	6,155,035	4,737,095	Yes	1,417,940	6,770,083	5,352,143	Yes	Yes	Yes	Yes	
Our Children's House	Yes	1,466,638	1,589,739	123,101	Yes	1,466,638	3,452,362	1,985,724	Yes	Yes	Yes	Yes	
Healthbridge Childrens Hospital	Yes	38,412	789,669	751,257	Yes	38,412	792,622	754,210	Yes	Yes	Yes	Yes	

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2013

Hospital	Verification #1	Verification #2 (Reducing UCC by Medicare and Private Insurance Payments)				Verification #2 (Not Reducing UCC by Medicare and Private Insurance Payments)				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)	DSH Payment Complies with the Hospital-Specific DSH Limit	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)	DSH Payment Complies with the Hospital-Specific DSH Limit	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?
Dell Childrens Medical Center	Yes	6,578,654	(2,092,228)	(6,578,654)	No	6,578,654	11,807,961	5,229,307	Yes	Yes	Yes	Yes	
Childrens Hospital of San Antonio	Yes	7,492,842	11,390,783	3,897,941	Yes	7,492,842	16,468,303	8,975,461	Yes	Yes	Yes	Yes	
Clarity Child Guidance Center	Yes	1,749,463	1,524,632	(224,831)	No	1,749,463	1,800,208	50,745	Yes	Yes	Yes	Yes	
Terrell State Hospital	Yes	31,630,285	32,284,464	654,179	Yes	31,630,285	32,326,696	696,411	Yes	Yes	Yes	Yes	
North Texas State Hospital	Yes	71,201,377	78,905,641	7,704,264	Yes	71,201,377	78,909,633	7,708,256	Yes	Yes	Yes	Yes	
San Antonio State Hospital	Yes	38,772,820	36,521,280	(2,251,540)	No	38,772,820	36,614,998	(2,157,822)	No	Yes	Yes	Yes	
Laurel Ridge Behavioral Hospital	Yes	76,528	(2,031,876)	(76,528)	No	76,528	(1,761,311)	(76,528)	No	Yes	Yes	Yes	
Harris Co Psychiatric Center	Yes	20,153,687	27,978,591	7,824,904	Yes	20,153,687	27,984,595	7,830,908	Yes	Yes	Yes	Yes	
Austin State Hospital	Yes	45,454,677	36,538,362	(8,916,315)	No	45,454,677	36,688,519	(8,766,158)	No	Yes	Yes	Yes	
Rio Grande State Center	Yes	10,433,715	14,116,444	3,682,729	Yes	10,433,715	14,129,008	3,695,293	Yes	Yes	Yes	Yes	
El Paso Psychiatric Center	Yes	14,574,811	11,526,845	(3,047,966)	No	14,574,811	11,547,052	(3,027,759)	No	Yes	Yes	Yes	
HMIH Cedar Crest LLC	Yes	3,458,789	(121,868)	(3,458,789)	No	3,458,789	28,894	(3,429,895)	No	Yes	Yes	Yes	
St. Marks Medical Center	Yes	470,772	1,195,296	724,524	Yes	470,772	2,520,307	2,049,535	Yes	Yes	Yes	Yes	
Sierra Providence East Med Ctr	Yes	2,377,703	2,705,436	327,733	Yes	2,377,703	13,565,312	11,187,609	Yes	Yes	Yes	Yes	

A: North Texas State Hospital represents two campuses: Wichita Falls and Vernon. Each campus received DSH Payments of \$26,596,678 and \$44,604,699 respectively. These campuses share a common financial system and are combined for the purposes of this report.

This report is intended solely for the information and use of the Texas Health and Human Services Commission, the State Legislature, hospitals participating in the State DSH program, and the Centers for Medicare and Medicaid Services (CMS) as required under 42 CFR §455.304 and is not intended to be, and should not be, used by anyone other than these specified parties and for the specified purpose contained in 42 CFR §455.304.

State of Texas Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2013

Finding 1

Criteria:

The Code of Federal Regulations at section 455.304(b), specifies that the state must submit to CMS a DSH examination report by December 31st each year for the Medicaid State plan rate year ending during the calendar year three years prior to that date.

Condition:

We found that 4 hospitals did not submit the DSH examination documentation requested.

Three of these hospitals were found to be bankrupt or out of business. The uncompensated care costs for these three hospitals were calculated based on services reported from state supplied MMIS claims data only.

One of these hospitals was found to be in business, had the capability to comply with the examination, submitted partial data, but did not submit a completed survey or a signed certification. The uncompensated care costs for this hospital was calculated based on services reported from state supplied MMIS claims data and limited hospital self-reported data. Testing was performed to gain reasonable assurance that unsupported uncompensated care costs were not included in this report.

Cause:

Texas HHSC along with Myers and Stauffer provided education to the providers on the proper completion of the survey tool, and required documentation to be submitted with the survey. Some hospitals, despite these efforts, found it difficult to meet the timelines necessary to provide a DSH examination report to HHSC in accordance with the federal rules. Some hospitals were bankrupt or no longer in business.

Recommendation:

We would recommend that hospitals receiving a DSH payment modify their accounting and financial systems to capture and report the necessary documentation in order to be in compliance with state and federal regulations.

State of Texas Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2013

Finding 2

Criteria:

The Code of Federal Regulations at section 455.301, specifies that the hospital-specific DSH limit should be inclusive of not only fee-for-service Medicaid claims, but also include Managed Care Medicaid claims, out-of-state Medicaid claims, and Medicaid crossover claims. In addition to the Medicaid claims, the DSH rule also specifies at section 455.301(d)(3) that the uncompensated costs of providing inpatient and outpatient hospital services to the uninsured should also be included.

Condition:

We found that the majority of hospitals were unable to obtain Medicaid out-of-state paid claims reports from out-of-state Medicaid agencies to satisfactorily document the out-of-state services provided and payments received.

Cause:

Out-of-state (non-Texas) Medicaid services are included in the uncompensated care cost calculation for hospitals that were able to provide their own internal data. Several hospitals did not report any out-of-state Medicaid services or only reported a limited amount of out-of-state Medicaid services. Hospital self-reported supported documentation was relied upon in testing of the costs and payments associated with Medicaid out-of-state services.

Recommendation:

We recognize that the difficulties in obtaining out-of-state documentation were predominately due to the hospitals' historical requests to out-of-state Medicaid agencies not being responded to timely, and are not necessarily due to inaction or a lack of cooperation by the hospitals. We recommend that either the hospitals receiving DSH payment or the Texas Medicaid agency attempt to obtain MMIS records directly from the out-of-state Medicaid agencies for out-of-state Medicaid services.

State of Texas Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2013

Finding 3

Criteria:

The Code of Federal Regulations at section 455.301, specifies that the hospital-specific DSH limit should be inclusive of not only fee-for-service Medicaid claims, but also include Managed Care Medicaid claims, out-of-state Medicaid claims, and Medicaid crossover claims. In addition to the Medicaid claims, the DSH rule also specifies at section 455.301(d)(3) that the uncompensated costs of providing inpatient and outpatient hospital services to the uninsured should also be included.

Condition:

For the state-owned and operated psychiatric and chest hospitals we were not able to obtain charge level detail to calculate uncompensated care costs using traditional Medicare cost report methods. We relied upon cost reports that aggregate all hospital costs to one or two routine cost centers in the uncompensated care costs calculations.

Cause:

The financial and accounting systems utilized by the state-owned and operated psychiatric and chest hospitals cannot match patient medical records to the ancillary service expenditure records. For this examination, the state-owned and operated psychiatric and chest hospitals submitted cost reports that aggregate all hospital costs to one or two routine cost centers.

Recommendation:

We recommend that state-owned and operated psychiatric and chest hospitals modify their accounting and financial systems to capture and report the necessary documentation in order to be in compliance with state and federal regulations.

Note on Findings

Due to the collection of financial and accounting data based on the hospital Medicare cost report fiscal years spanning each DSH state plan year portions of this examination originate from the examination ended September 30, 2012. In such cases, the findings reported in the *Schedule of Data Caveats Relating to the DSH Verifications* for the DSH Examination Year ended September 30, 2012 would also apply to this DSH Examination Year ended September 30, 2013.

State of Texas Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2013

Notes of Recent DSH Litigation

On March 2, 2018, the U.S. District Court for the District of Columbia issued an order vacating the April 3, 2017 Final Rule. This ruling was appealed by CMS and on August 13, 2019, the U.S. Court of Appeals for the District of Columbia reinstated the April 3, 2017 Final Rule. On June 1, 2018, in a separate case, the U.S. District Court for the District of Columbia issued an order permanently enjoining CMS from enforcing CMS FAQ 33. On December 31, 2018 CMS withdrew FAQs 33 and 34.

The DSH examination report reflects both the current CMS guidance (the withdrawal of FAQs 33 and 34 by CMS: not reducing uncompensated care costs by Medicare and private insurance payments), and separate, alternative calculations made based on the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017 (reducing uncompensated care costs by Medicare and private insurance payments).

Notes on Reissuance

This reissued report incorporates multiple changes from the original report dated December 12, 2016. These changes, including their reasons and impacts, are described below:

- The Report on DSH Verifications (table) has been updated to reflect two calculations of uncompensated care costs, as described in the newly inserted Notes of Recent DSH Litigation above. This change in reporting format was requested by the Texas Health and Human Services Commission (HHSC). While not a required part of the Report on DSH Verifications, the Schedule of Annual Reporting Requirements was also updated to present the aforementioned two calculations of uncompensated care costs.
- The uncompensated care costs on the Report on DSH Verifications (table) Verification #2 in the “Total Uncompensated Care Costs for Medicaid State Plan Rate Year,” as well as the resulting amounts in the “DSH Payment Under or <Over> Total Uncompensated Care Costs (UCC)” columns were updated for eight hospitals. Updates related to seven of these hospitals were the result of appeals, while one hospital’s update was the result of an error. None of these updates required a change to the Verification #2 “DSH Payment Complies with the Hospital-Specific DSH Limit” columns of the Report on DSH Verifications (table).
- Due to a formula error, the response in the “DSH Payment Complies with the Hospital-Specific DSH Limit” column of the Report on DSH Verifications (table) Verification #2 (Reducing UCC by Medicare and Private Insurance Payments) was updated from “No” to “Yes” for five hospitals. There was no change to the originally reported DSH payments and uncompensated care costs for these hospitals.

This reissued report incorporates the following change from the reissued report dated December 13, 2017:

- The Schedule of Data Caveats Relating to the DSH Verifications was reinserted, after inadvertent omission from the previous report.

It should be noted that no additional procedures beyond incorporation of the specific changes noted above were performed related to the originally reported data.

Schedule of Annual Reporting Requirements

State of Texas

Schedule of Annual Reporting Requirements (table)

For the Medicaid State Plan Year Ended September 30, 2013

Definition of Uncompensated Care: The definition of uncompensated care was based on guidance published by CMS in the 73 Fed. Reg. 77904 dated December 19, 2008, and the 79 Fed. Reg. 71679 dated December 3, 2014, and the 82 Fed. Reg. 16114 dated April 3, 2017, and the withdrawal of FAQs 33 and 34 by CMS on October 31, 2018. The annual reporting requirements below are presented reflecting both the current CMS guidance (the withdrawal of FAQs 33 and 34 by CMS) in column R, as well as separate, alternative calculations made based on the DSH Final Rule in Federal Register, Vol. 82, No. 62, April 3, 2017 in column P. The calculated uncompensated care costs (UCC) represent the net uncompensated costs of providing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no source of third party coverage for the inpatient and outpatient hospital services. The UCC for these patient groups was calculated using Medicare cost reporting methods and was not utilized in the CMS 2552 cost report. Medicaid and Medicaid Managed Care claims represent the most recent Medicaid and Medicaid Managed Care claims and associated care costs of providing inpatient and outpatient care services to patients that fall into one of the following Medicaid in-state and out-of-state payment categories: Fee-for-Service Medicaid primary, Fee-for-Service Crossovers, Managed Care Medicaid primary, Managed Care Medicaid Crossover, and Uninsured individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The cost of services for each of these payment categories was calculated using the appropriate per diem or cost-to-charge ratios from each hospital's most recent CMS 2552 cost report. These costs were then reduced by the total payments received for the services provided (column P) and reduced by all payments other than Medicare and private insurance payments (column R), including any supplemental Medicaid payments and Section 111 payments where applicable.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Hospital Name	State Estimated Hospital-Specific DSH Limit	Medicaid IP/OP Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Status	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid MCO Payments	Supplemental/Enhanced Medicaid IP/OP Payments	Total Medicaid IP/OP Payments (P+G+H)	Total Cost of Care - Medicaid IP/OP Services	Total Medicaid Uncompensated Care Costs (\$)	Total IP/OP Indigent Care/Self-Pay Revenues	Total Applicable Section 1111 Payments	Total Uninsured Care Costs	Total Uninsured Care Costs (N-M-L)	Total Eligible Uncompensated Care Costs Reduced by Medicare and Private Insurance Payments (K-O)	Total IP/OP Medicare and Medicaid Insurance Payments (P-Q)	Total Uncompensated Care Costs Not Reduced by Medicare and Private Insurance Payments (R-S)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider IP/OP Number	Medicare Provider Number	Total Hospital Cost
Providence Memorial Hospital	29,774,540	45.0%	24.0%		29,625,547	4,398,242	18,328,536	82,329,325	78,023,019	(4,398,306)	2,911,123	0	12,075,347	9,164,224	4,857,918	19,153,397	24,011,315	9,113,175	9,113,175	45,000	215,724,305	
United Regional Health Care System	41,955,688	27.2%	19.6%		22,842,752	10,380,296	17,260,442	50,489,480	44,779,508	(5,709,972)	1,293,226	0	24,581,901	23,287,865	17,583,893	17,360,401	34,944,294	5,931,836	5,931,836	45,000	219,599,965	
St. Joseph Regional Health Center	28,075,727	22.9%	20.4%		19,108,725	8,838,536	18,476,365	46,423,626	38,221,166	(8,202,520)	3,506,567	0	21,243,894	17,736,617	9,534,097	13,266,703	22,800,800	4,571,990	4,571,990	45,000	207,541,813	
Dallas Co. Hosp. Dist.	413,113,500	58.4%	89.4%		138,655,264	64,383,009	263,202,875	466,241,228	328,981,724	(137,259,504)	8,132,689	0	365,932,660	357,799,971	200,450,467	37,561,591	258,102,598	118,055,795	118,055,795	45,000	1,008,297,910	
The University of Texas Medical Br.	55,017,493	36.4%	36.0%		71,593,880	54,530,719	27,539,171	153,483,770	147,005,816	(6,477,954)	2,794,586	0	38,263,608	35,469,022	28,991,068	22,908,414	51,899,482	55,017,493	55,017,493	45,000	940,492,916	
Baylor University Medical Center	99,339,366	23.7%	17.0%		60,205,325	27,281,382	48,254,989	135,741,696	136,503,634	(761,938)	3,679,774	0	67,148,548	63,648,804	64,230,742	44,420,438	108,651,180	125,316,108	125,316,108	45,000	798,644,971	
University Medical Center Of El Paso	12,134,556	31.8%	33.4%		25,662,509	10,314,285	69,918,182	105,894,976	54,760,607	(51,334,349)	9,212,313	0	94,805,511	85,653,198	34,518,829	19,860,641	45,479,473	36,809,745	36,809,745	45,000	245,933,147	
Valley Baptist Med Ctr Brownsville	39,619,984	55.1%	33.0%		34,304,678	11,058,985	15,618,620	60,982,283	52,894,789	(8,087,494)	1,528,880	0	13,279,463	11,750,583	3,668,809	25,796,842	24,959,931	7,010,311	7,010,311	45,000	991,148,790	
Laredo Medical Center	12,845,981	54.9%	12.7%		4,817,670	14,435,900	1,650,734	61,904,304	58,547,571	(6,642,267)	2,555,527	0	11,449,578	8,894,051	15,537,318	6,657,235	10,529,971	10,529,971	10,529,971	45,000	148,251,865	
Marshall Regional Medical Center	7,026,091	32.1%	14.5%		7,753,525	3,846,710	838,529	12,438,764	15,416,259	(2,977,495)	440,985	0	5,165,356	4,724,371	7,701,866	6,563,240	14,265,126	17,233,235	17,233,235	45,000	54,200,712	
Valley Baptist Medical Center	49,018,005	39.2%	21.0%		40,886,077	18,105,163	27,105,788	92,297,028	82,001,743	(11,295,285)	1,675,901	0	21,561,662	19,520,662	12,921,662	36,734,669	45,315,755	10,712,822	10,712,822	45,000	215,494,681	
Christus Hospital	24,080,729	22.5%	21.1%		21,050,142	12,960,390	19,296,291	53,307,363	50,391,786	(2,915,577)	2,437,147	0	26,632,059	23,594,192	15,702,836	18,081,867	36,382,117	50,804,176	50,804,176	45,000	278,064,176	
St Joseph Medical Center	45,009,178	50.6%	29.0%		33,701,219	27,997,579	27,533,710	79,232,508	77,471,751	(1,760,757)	133,955	0	16,603,155	15,267,200	13,506,443	12,115,001	25,421,441	9,884,388	9,884,388	45,000	187,760,215	
Good Shepherd Medical Center	24,782,719	22.7%	17.5%		27,256,004	16,248,982	751,046	44,256,832	55,891,008	(11,634,176)	1,965,461	0	22,472,250	20,506,789	32,140,965	20,476,721	52,617,686	101,813,837	101,813,837	45,000	225,572,390	
TCHD D/VA/IPS Health Network	268,488,270	41.5%	87.8%		63,878,451	41,538,868	147,136,467	255,150,786	161,392,084	(93,858,702)	5,647,799	0	22,472,336	22,824,537	12,863,685	19,015,250	151,881,085	48,972,982	48,972,982	45,000	551,975,788	
Covenant Health System	50,727,984	18.7%	13.2%		28,995,874	13,335,964	32,890,053	75,121,891	60,065,248	(15,054,643)	1,958,668	0	26,458,452	24,519,984	9,436,341	23,444,421	32,869,762	6,833,435	6,833,435	45,000	440,662,527	
Christus Spohn Hosp Corpus Christ	108,118,439	29.3%	34.0%		50,225,542	27,748,137	73,049,208	156,326,887	109,374,542	(46,752,345)	3,798,430	0	66,485,432	62,686,996	19,935,651	41,599,508	57,534,159	14,300,767	14,300,767	45,000	446,054,757	
Methodist Dallas Medical Center	44,561,444	38.0%	24.3%		35,631,147	20,405,256	21,668,470	85,635,132	83,131,101	(2,504,031)	2,809,813	0	29,819,310	27,609,497	25,110,549	25,193,152	50,303,988	7,673,203	7,673,203	45,000	309,662,907	
Goodwill-Witcher Hospital Authority	1,119,458	31.5%	11.5%		1,092,023	622,285	167,476	1,881,787	1,937,488	(55,700)	2,700	0	77,414	56,583	77,404	1,296,985	941,573	941,573	45,000	83,561,024		
Scott and White Memorial Hospital	61,344,701	29.0%	7.5%		60,197,744	25,450,292	0	85,648,030	119,572,906	60,917,261	6,565,477	0	65,401,122	119,752,906	41,280,017	61,032,923	15,834,467	15,834,467	45,000	826,862,278		
Rolling Plains Memorial Hospital	2,660,576	37.8%	26.0%		2,837,681	1,725,407	951,840	5,154,928	6,654,278	1,139,350	152,413	0	2,153,573	2,001,160	3,140,510	5,290,728	1,870,243	1,870,243	45,000	205,819,958		
Baptist Health System	62,410,102	22.0%	16.4%		77,056,651	85,129,955	33,811,482	195,367,894	165,924,134	(29,441,760)	5,300,684	0	56,124,162	50,823,478	21,281,088	62,564,542	65,646,370	15,583,162	15,583,162	45,000	735,533,744	
Memorial Hermann Texas Medical Ctr	89,445,462	36.2%	25.2%		94,355,156	79,178,577	59,054,089	232,588,002	236,190,394	(3,602,392)	9,010,385	0	731,094,994	649,999,609	67,702,001	510,827,623	117,889,264	21,737,137	21,737,137	45,000	862,488,243	
D. M. Cogdell Memorial Hospital	3,683,197	41.9%	16.2%		1,190,620	1,193,889	2,000,000	3,819,230	4,182,324	363,094	19,694	0	2,185,768	1,992,074	3,355,013	29,252,465	66,806,478	83,031,411	83,031,411	45,000	178,000,166	
UT MD Anderson Cancer Center	81,161,923	78.4%	8.0%		67,580,200	41,493,676	14,288,916	110,502,792	122,252,169	(11,749,377)	42,789,933	0	48,594,169	25,804,636	37,584,013	29,252,465	66,806,478	83,031,411	83,031,411	45,000	2,009,380,266	
Texas Regional Medical Center	52,941,941	32.4%	24.2%		40,041,422	53,963,161	14,122,243	12,799,326	13,561,262	(7,733,586)	1,438,581	0	4,003,599	3,587,011	4,424,607	7,733,154	33,761,233	33,761,233	45,000	517,616,351		
Christus Spohn Bee Hospital	2,527,063	40.9%	24.5%		3,099,282	3,433,475	1,188,958	8,531,715	8,892,686	360,971	280,492	0	3,960,307	3,679,815	4,404,786	2,896,649	6,937,255	1,060,698	1,060,698	45,000	263,181,458	
ETMC - Tyler	36,447,432	25.6%	13.9%		37,463,415	10,303,026	5,001,376	52,767,817	53,432,703	(64,886)	2,592,714	0	24,623,736	22,031,022	22,076,906	21,393,636	51,835,544	7,228,486	7,228,486	45,000	271,510,000	
Graham Regional Medical Center	1,105,974	29.2%	16.7%		1,018,781	1,197,762	435,345	2,651,896	2,767,907	(116,011)	19,071	0	1,127,219	1,030,148	1,046,159	731,882	1,780,841	734,109	734,109	45,000	136,603,604	
North Texas Health System	2,987,327	27.4%	24.0%		2,987,327	2,987,327	2,987,327	6,055,493	7,018,962	963,469	208,620	0	3,518,965	3,319,245	4,273,754	1,805,212	6,078,966	3,284,632	3,284,632	45,000	283,623,783	
Ford Duncan Medical Center	6,899,770	46.2%	15.9%		14,895,958	6,653,883	771,140	22,311,211	21,649,245	(661,966)	1,115,258	0	4,607,870	3,486,112	2,494,646	11,649,230	14,553,876	2,904,646	2,904,646	45,000	465,163,143	
Bayshore Regional Center	37,620,997	39.1%	30.1%		27,697,835	37,336,012	21,870,973	86,904,820	74,901,165	(12,003,205)	2,711,190	0	34,880,203	31,969,013	19,965,880	17,367,369	7,052,796	7,052,796	45,000	245,809,789		
Hilcrest Baptist Medical Center	34,945,072	31.5%	29.0%		16,046,139	7,806,551	4,114,797	36,797,487	36,104,396	(693,091)	1,187,550	0	15,232,811	14,282,170	11,466,940	33,649,110	6,724,234	6,724,234	45,000	166,804,207		
Moher Frances Hospital	25,941,171	22.4%	12.2%		25,941,171	15,901,163	12,873,800	53,415,134	55,827,267	(2,412,133)	4,530,600	0	8,602,230	20,158,100	20,991,293	18,295,543	39,137,943	7,405,913	7,405,913	45,000	282,311,112	
Guadalupe Regional Medical Center	16,669,563	25.0%	20.0%		7,485,974	3,483,352	4,142,741	15,112,067	17,166,485	(2,054,418)	988,345	0	8,510,439	7,522,094	9,575,512	6,028,167	15,604,679	12,143,234	12,143,234	45,000	68,877,712	
Las Palmas Medical Center	28,688,509	33.9%	20.6%		50,016																	

State of Texas
Schedule of Annual Reporting Requirements (table)
For the Medicaid State Plan Rate Year Ended September 30, 2013

Definition of Uncompensated Care: The definition of uncompensated care was based on guidance published by CMS in the 73 Fed. Reg. 77904 dated December 19, 2008, the 79 Fed. Reg. 71679 dated December 3, 2014, and the 82 Fed. Reg. 71614 dated April 3, 2017, and the withdrawal of FAQs 33 and 34 by CMS on December 31, 2018. The annual reporting requirements below are presented reflecting both the current CMS guidance (the withdrawal of FAQs 33 and 34 by CMS) in column R, as well as separate, alternative calculations made based on the DSH Final Rule in Federal Register, Vol. 82, No. 62, April 3, 2017 in column P. The calculated uncompensated care costs (UCC) represent the net uncompensated costs of providing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The UCC for these patient groups was calculated using Medicare cost reporting methods and utilized the most recent CMS 2552 cost report. Medicaid and claims summary and hospital and hospice providers' net uncompensated care costs of providing inpatient and outpatient services to patients that fit into one of the following Medicaid in-state and out-of-state payment categories: Fee-for-Service Medicaid primary, Fee-for-Service Crossovers, Managed Care Medicaid primary, Managed Care Medicaid Crossover, and Uninsured individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The cost of services for each of these payment categories was calculated using the appropriate per diem or cost-to-charge ratios from each hospital's most recent CMS 2552 cost report. These costs were then reduced by the total payments received for the services provided (column P) and reduced by all payments other than Medicare and private insurance payments (column R), including any supplemental Medicaid payments and Section 1011 payments where applicable.

Hospital Name	State Estimated Hospital-Specific DSH Limit	Medicaid I/P Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Status	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid MCO Payments	Supplemental / Enhanced Medicaid Payments	Total IP/OP Medicaid (P+G+H)	Total Cost of Care - Medicaid (I+J+K)	Total Medicaid Uncompensated Care Costs (L)	Total IP/OP Indigent Care/Self-Pay Revenues	Total Applicable Section 1011 Payments	Total IP/OP Uninsured Cost of Care	Total Uninsured Cost (N+M)	Total Eligible Uncompensated Care Costs Reduced by Medicare and Private Insurance Payments (P+O)	Total IP/OP Medicare and Medicaid Insurance Payments (P+Q)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider	Medicare Provider	Total Hospital Cost	
																						Total Uninsured Cost (N+M)
Methodist Hospital	98,929,990	31.05%	18.96%		104,445,623	101,275,121	48,569,000	254,289,744	240,990,573	(13,299,171)	5,264,822	0	78,691,097	73,426,275	60,127,104	74,706,485	134,833,589	26,220,187	0	0	0	1,002,816,278
ETMC Athens	10,454,560	29.44%	23.74%		7,838,904	4,700,985	4,691,844	17,231,733	17,350,872	1,139,139	200,034	0	8,438,689	8,238,835	8,357,974	6,216,296	14,574,270	13,474,233	0	0	63,685,245	
Memorial Medical Center - Livingston	7,865,532	32.77%	20.48%		4,325,522	5,009,296	0	9,332,918	11,121,186	1,788,269	397,187	0	4,477,596	4,080,299	5,866,667	3,108,071	8,976,738	1,803,013	0	0	40,083,247	
Brownfield Regional Medical Center	2,401,687	34.05%	30.52%		1,339,002	755,599	803,984	2,898,585	3,104,493	205,908	171,179	0	1,157,692	986,313	1,199,220	2,090,927	1,703,053	0	0	0	10,005,547	
Riverside Medical Center	40,177,206	31.57%	16.50%		33,879,206	28,148,851	28,874,824	90,902,881	78,987,530	(11,915,351)	2,414,134	0	22,778,662	20,363,928	8,448,577	21,968,919	30,417,496	9,831,738	0	0	399,410,555	
Navarro General Hospital	5,816,325	50.38%	8.81%		1,574,741	427,312	0	1,582,053	3,153,654	0	0	0	1,571,601	1,170,584	1,170,584	2,589,185	1,029,376	0	0	0	131,440,816	
Navarro Regional Hospital	5,109,834	38.80%	14.29%		6,073,489	3,680,113	1,842,752	11,524,254	11,306,476	(217,878)	321,113	0	3,492,824	3,171,121	2,953,243	4,908,668	7,861,911	7,303,569	0	0	36,860,475	
Texas Health Dallas	6,720,955	21.17%	17.87%		22,981,407	24,730,607	32,554,588	80,266,662	73,469,029	(6,797,033)	1,001,994	0	26,444,780	25,442,786	18,645,753	15,336,880	33,982,633	8,453,632	0	0	40,920,821	
Matagorda General Hospital	4,803,819	29.94%	26.73%		4,803,819	4,609,302	1,210,701	10,623,822	11,124,615	509,793	238,994	0	5,538,185	5,099,191	5,538,185	9,185,791	3,295,655	0	0	0	42,151,388	
ETMC Henderson	4,234,738	37.89%	38.09%		2,526,860	3,676,622	558,216	6,761,708	6,532,623	(229,085)	291,975	0	2,862,479	2,570,504	2,341,419	1,696,135	4,037,554	727,281	0	0	19,949,942	
Medical City Hospital	12,748,820	37.66%	15.26%		10,322,453	7,352,292	580,265	23,480,011	24,065,192	(575,182)	164,959	0	6,753,322	5,103,732	6,071,117	12,644,872	9,640,186	0	0	0	92,771,901	
Nacogdoches Memorial Hospital	1,367,859	29.02%	32.17%		9,217,933	2,229,291	16,528,010	19,018,407	(2,489,905)	661,257	0	0	9,425,598	5,989,676	6,145,500	15,444,674	10,909,183	0	0	0	15,585,300	
The Medical Center of Southeast Texas	8,092,597	33.27%	15.38%		3,223,106	7,092,210	3,706,696	20,022,012	21,811,289	1,798,277	657,081	0	5,707,856	5,050,775	6,840,052	7,307,488	14,147,540	3,489,667	0	0	45,018,231	
Covenant Hospital Plainview	3,265,176	42.38%	20.14%		3,589,582	2,770,514	220,780	6,580,876	7,120,137	539,261	243,978	0	2,917,440	2,673,662	3,212,923	2,215,803	5,428,726	2,994,214	0	0	59,539,257	
Palo Pinto General Hospital	3,710,300	34.29%	38.15%		3,060,288	3,324,999	1,001,858	7,306,045	8,000,853	694,808	389,290	0	2,563,234	2,173,884	2,868,662	2,023,566	4,892,218	2,638,314	0	0	30,544,238	
Shannon Medical Center	15,686,814	28.03%	16.74%		17,995,610	7,524,044	9,034,388	34,354,042	36,241,213	1,887,171	1,040,024	0	14,970,205	13,931,981	15,819,152	14,421,537	30,240,689	3,697,835	0	0	137,226,051	
Jasper Memorial Hospital	3,026,660	37.45%	23.28%		3,412,714	2,939,867	0	6,352,581	6,593,512	240,931	428,654	0	2,603,494	2,174,840	2,174,840	3,181,707	1,273,810	0	0	0	45,057,323	
ETMC Crockett	2,140,646	40.23%	21.47%		2,079,820	1,225,552	467,968	3,078,040	4,937,561	637,721	87,020	0	1,116,962	1,049,962	1,049,962	1,655,710	3,343,293	1,673,386	0	0	13,653,213	
Baylor County Hospital District	353,211	24.10%	16.42%		701,975	423,831	0	1,125,806	1,482,178	356,372	81,577	0	381,911	300,334	658,706	474,556,371	1,231,644	344,462	0	0	1,835,317	
Brownwood Regional Medical Center	6,295,852	37.19%	12.56%		7,675,669	4,854,037	3,418,571	15,948,277	15,295,604	(652,673)	671,702	0	3,819,014	3,147,312	2,494,639	5,722,511	8,217,150	1,689,992	0	0	40,920,821	
Angleton-Danbury Medical Center	5,739,284	36.55%	22.16%		1,792,232	2,437,036	1,608,826	5,838,094	7,496,678	1,660,584	389,280	0	3,229,258	2,839,978	4,500,562	1,381,261	5,881,823	4,026,128	0	0	121,805,993	
Careo Community Hospital	2,346,540	35.91%	18.20%		2,311,618	1,595,999	386,918	4,294,435	4,138,666	1,844,251	369,800	0	1,251,016	881,636	1,272,587	1,894,967	4,570,854	2,037,745	0	0	20,372,745	
Clear Lake Reg Med Ctr	30,380,013	25.22%	18.00%		33,497,557	40,329,227	15,536,436	89,363,220	77,589,554	(11,773,666)	1,492,263	0	29,139,479	27,674,652	15,902,866	25,138,264	41,041,250	8,906,557	0	0	0	3,906,364
Dimmit Regional Hospital District	1,668,143	38.53%	32.00%		1,153,003	2,023,127	613,064	3,789,194	3,920,267	131,073	333,193	0	1,907,755	1,705,635	1,705,635	2,771,217	1,139,053	0	0	0	10,667,510	
Doctors Hospital of Laredo	1,2510,409	42.34%	15.22%		17,065,432	6,956,000	4,764,039	28,785,551	29,908,797	(1,123,246)	1,563,107	0	6,424,948	4,861,841	5,985,087	13,015,491	19,000,578	5,985,087	0	0	0	80,268,252
Medical City Dallas Hospital	39,587,760	23.44%	16.49%		34,981,760	45,737,327	20,857,937	101,433,224	97,727,224	(14,706,000)	2,350,344	0	22,633,752	19,901,208	23,859,238	25,460,980	43,532,564	25,460,980	0	0	0	423,379,999
Scenic Mt Regional	4,849,379	28.70%	12.54%		2,936,709	2,810,368	2,786,276	6,533,353	7,682,704	(850,649)	483,171	0	2,961,130	2,477,959	1,627,310	2,056,008	3,684,218	932,725	0	0	0	13,104,356
Starr County Memorial Hospital	6,539,784	37.62%	18.07%		7,756,566	2,443,043	968,225	11,167,834	13,722,727	2,554,893	659,522	0	4,234,533	3,575,011	6,129,904	5,519,667	11,549,519	5,509,139	0	0	0	20,833,705
Odessa Regional Hospital	14,585,948	44.52%	23.07%		7,241,630	11,044,200	5,367,399	23,653,229	25,697,916	6,034,687	483,160	0	4,045,732	3,562,572	9,567,259	5,639,643	15,206,722	6,748,520	0	0	0	137,226,051
Valley Regional Medical Center	15,646,139	23.53%	23.66%		15,646,139	15,646,139	8,231,575	37,465,385	51,191,647	(14,726,262)	1,428,113	0	11,845,751	10,417,638	11,845,751	10,417,638	36,445,961	20,379,861	0	0	0	10,827,113
University Medical Center	58,527,227	38.19%	13.88%		47,829,668	13,919,856	13,671,636	95,011,116	106,380,429	(13,369,313)	6,600,669	0	47,349,038	44,128,861	54,498,130	20,596,973	82,555,103	43,247,389	0	0	0	3,907,200
UT Health Center at Tyler	9,789,492	28.93%	17.24%		8,174,477	5,795,650	876,627	14,844,799	20,947,522	6,102,723	379,552	0	3,862,241	3,266,732	6,066,112	5,266,732	14,932,844	9,789,492	0	0	0	13,104,356
Southwest General Hospital	17,139,317	53.09%	20.42%		20,876,065	18,088,185	7,228,175	46,186,085	44,996,364	(1,189,721)	2,982,547	0	7,893,265	7,135,118	6,322,997	17,222,625	23,548,622	5,998,857	0	0	0	96,584,172
Lamb Healthcare Center	1,678,812	28.24%	8.89%		811,512	549,378	1,820,901	2,306,175	2,465,274	159,097	0	0	593,627	513,353	995,627	1,539,248	1,088,994	0	0	0	0	9,055,445
Rio Grande Regional Hospital	18,109,603	48.48%	28.42%		45,380,665	20,896,954	7,880,115	74,157,734	70,956,464	(3,201,270)	1,997,986	0	18,256,121	16,258,135	13,056,865	33,666,923	46,723,788	3,792,732	0	0	0	15,612,332
Cypress Fairbanks Medical Center	15,683,848	47.07%	21.03%		10,102,924	16,042,382	9,589,126	35,734,432	35,030,995	(703,437)	1,744,953	0	10,218,047	7,696,657	12,096,732	12,996,732	37,228,878	9,728,878	0	0	0	115,340,545
Knox County Hospital	4,547,567	26.09%	6.83%		357,633	96,377	97,084	551,094	826,015	274,921	133,539	0	2,680,803	131,264	406,185	331,272	737,457	343,940	0	0	0	2,936,471
Palmetto Regional Medical Center	5,161,568	33.96%	12.99%		7,833,383	5,561,058	1,394,641	13,394,641	13,462,018	67,377	0	0	3,305,588	3,005,168	3,075,545	5,565,811	1,953,856	0	0	0	48,908,455	
Cooper Hospital Levealand	2,707,968	42.03%	22.14%		1,314,582	1,632,215	743,278	3,690,075	3,977,927	287,852	202,280	0	1,226,807	1,024,257	1,219,104	1,11						

State of Texas
 Schedule of Annual Reporting Requirements (table)
 For the Medicaid State Plan Rate Year Ended September 30, 2013

Definition of Uncompensated Care: The definition of uncompensated care was based on guidance published by CMS in the 73 Fed. Reg. 77904 dated December 19, 2008, the 79 Fed. Reg. 71679 dated December 3, 2014, and the 82 Fed. Reg. 16114 dated April 3, 2017, and the withdrawal of FAQs 33 and 34 by CMS on December 31, 2018. The annual reporting requirements below are presented reflecting both the current CMS guidance (the withdrawal of FAQs 33 and 34 by CMS) in column R, as well as separate, alternative calculations made based the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017 in column P. The calculated uncompensated care costs (UCC) represent the net uncompensated costs of providing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The UCC for these patient groups was calculated using Medicare cost reporting methods, and utilized the most recent CMS 2552 cost report, Medicaid paid claims summaries, and hospital-provided data. Total uncompensated care costs represents the net uncompensated care costs of providing inpatient and outpatient hospital services to patients that fall into one of the following Medicaid in-state and out-of-state payment categories: Fee-for-Service Medicaid primary, Fee-for-Service Crossovers, Managed Care Medicaid primary, Managed Care Medicaid Crossover, and Uninsured individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The cost of services for each of these payment categories was calculated using the appropriate per diem or cost-to-charge ratios from each hospital's most recent CMS 2552 cost report. These costs were then reduced by the total payments received for the services provided (column P) and reduced by all payments other than Medicare and private insurance payments (column R), including any supplemental Medicaid payments and Section 1011 payments where applicable.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W																		
Hospital Name	State Estimated Hospital-Specific DSH Limit	Medicaid I/P Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Statistic	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid MCO Payments	Supplemental / Enhanced IP/OP Medicaid Payments	Total Medicaid IP/OP 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	Total Applicable Section 1011 Payments	Total IP/OP Uninsured Cost of Care	Total Uninsured Uncompensated Care Costs (N-M-L)	Total Eligible Uncompensated Care Costs Reduced by Medicare and Private Insurance Payments (K+O)	Total IP/OP Medicare and Private Insurance Payments	Total Eligible Uncompensated Care Costs Not Reduced by Medicare and Private Insurance Payments (P+Q)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider Number	Medicare Provider Number	Total Hospital Cost																		
																							Institutes for Mental Disease																	
Clarity Child Guidance Center	2,186,679	77.64%	77.74%		6,423,677	2,838,111	437,223	9,699,011	10,721,352	1,022,341	35,277	0	537,568	502,291	1,524,632	275,576	1,800,208	1,749,463	0	112742503	453323	16,059,666																		
Terrell State Hospital	31,969,849	7.60%	49.96%		342,563	1,043,550	0	1,386,113	4,559,404	3,173,291	45,652	0	29,156,825	29,111,173	32,284,464	42,232	32,326,696	31,630,285	0	137919003	454006	59,085,437																		
North Texas State Hospital	71,459,034	16.89%	58.39%		6,087,508	281,100	0	6,368,608	19,394,529	13,025,921	375,712	0	66,255,432	65,879,720	78,905,641	3,992	78,909,633	71,201,377	0	021196301	454008	121,121,349																		
San Antonio State Hospital	38,992,002	14.12%	50.54%		1,731,701	1,097,786	0	2,829,487	8,676,856	5,847,369	39,815	0	30,733,226	30,675,911	36,521,280	93,718	36,614,998	38,772,820	0	138706004	454011	61,578,943																		
Laurel Ridge Behavioral Hospital	76,528	18.13%	14.67%		1,936,151	5,510,679	0	7,446,830	5,083,681	(2,363,149)	59,789	0	391,062	331,273	(2,031,876)	270,565	(1,761,311)	76,528	0	021240902	454060	30,648,699																		
Harris Co Psychiatric Center	20,153,687	3.52%	77.50%		784,189	589,943	0	1,374,132	1,610,541	236,409	32,835	0	27,775,017	27,742,182	27,978,591	6,004	27,984,595	20,153,687	0	021187201	454076	45,351,094																		
Austin State Hospital	45,995,733	14.09%	46.31%		1,449,602	180,919	0	1,630,521	8,988,655	7,358,134	103,171	0	29,283,399	29,180,228	36,538,362	150,157	36,688,519	45,454,677	0	021194801	454084	63,783,602																		
Rio Grande State Center	10,476,042	5.56%	64.74%		28,973	3,737	10,127	42,837	996,919	954,082	331	0	13,162,693	13,162,362	14,116,444	12,564	14,129,008	10,533,715	0	021219307	454088	19,588,947																		
El Paso Psychiatric Center	14,597,740	7.83%	54.53%		216,771	191,608	0	408,379	1,509,874	1,101,495	4,946	0	10,430,296	10,425,350	11,526,845	20,207	11,547,052	14,574,811	0	112751605	454100	19,193,666																		
HMH Cedar Crest LLC	4,472,112	21.90%	19.90%		1,015,246	2,010,841	187,992	3,214,079	2,494,989	(719,090)	61,939	0	659,161	597,222	(121,868)	150,762	28,894	3,458,789	0	021215102	454114	12,080,333																		
Out-of-State DSH Hospitals																																								
None																																						#N/A	#N/A	#N/A

A: North Texas State Hospital represents two campuses: Wichita Falls and Vernon. Each campus received DSH Payments of \$26,596,678 and \$44,604,699 respectively. These campuses share a common financial system and are combined for the purposes of this report.

Independence Declaration



MYERS AND
STAUFFER LC
CERTIFIED PUBLIC ACCOUNTANTS

To Whom it May Concern:

Myers and Stauffer LC declares it is independent of the Texas Health and Human Services Commission and its DSH hospitals for the Medicaid State plan rate year ending September 30, 2013.

Topeka, Kansas
December 20, 2019