

**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, 2017

Prepared by:



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

Table of Contents

- I. Independent Accountant's Report
- II. Report on DSH Verifications
- III. Report on DSH Verifications (table)
- IV. Schedule of Data Caveats Relating to the DSH Verifications
- V. Schedule of Annual Reporting Requirements
- VI. Independence Declaration

**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
Brown-Heatly Building
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, 2017. 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.

Title 42 of the Code of Federal Regulations, section 447.299, requires that Medicaid uncompensated care cost be reported net of third-party payments, including those received from Medicare and private insurance. However, on December 31, 2018, the Centers for Medicare and Medicaid Services (CMS) issued additional guidance indicating that the regulation and additional guidance related to including Medicare and private insurance payments does not apply to hospital services prior to June 2, 2017. As such, Medicare and private insurance payments for services prior to June 2, 2017 are not included in the calculation of total uncompensated care costs presented in the Report on DSH Verifications.

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, 2017.

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 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 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
November 13, 2020

State of Texas Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2017

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:

- One hospital 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.

State of Texas Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2017

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, 2017

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, 2017

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)	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?
THE HOSPITALS OF PROVIDENCE - MEMORIAL	Yes	\$ 7,214,639	\$ 25,555,041	\$ 18,340,402	Yes	Yes	Yes	Yes	Yes
UNITED REGIONAL HEALTH CARE SYSTEM	Yes	\$ 4,992,341	\$ 19,109,517	\$ 14,117,176	Yes	Yes	Yes	Yes	Yes
ST. JOSEPH REGIONAL HEALTH CENTER	Yes	\$ 3,060,871	\$ 38,919,123	\$ 35,858,252	Yes	Yes	Yes	Yes	Yes
DALLAS CO. HOSP. DIST.	Yes	\$ 240,279,983	\$ 575,091,138	\$ 334,811,155	Yes	Yes	Yes	Yes	Yes
THE UNIVERSITY OF TEXAS MEDICAL BR.	Yes	\$ 22,498,846	\$ 64,976,602	\$ 42,477,756	Yes	Yes	Yes	Yes	Yes
BAYLOR UNIVERSITY MEDICAL CTR	Yes	\$ 11,039,538	\$ 85,032,188	\$ 73,992,650	Yes	Yes	Yes	Yes	Yes
UNIVERSITY MEDICAL CENTER OF EL PASO	Yes	\$ 44,384,513	\$ 76,922,870	\$ 32,538,357	Yes	Yes	Yes	Yes	Yes
VALLEY BAPTIST MED CNTR BROWNSVILLE	Yes	\$ 4,166,607	\$ 42,030,095	\$ 37,863,488	Yes	Yes	Yes	Yes	Yes
LAREDO MEDICAL CENTER	Yes	\$ 7,269,009	\$ 42,756,461	\$ 35,487,452	Yes	Yes	Yes	Yes	Yes
GOOD SHEPHERD MEDICAL CTR - MARSHALL	Yes	\$ 1,007,835	\$ 18,264,503	\$ 17,256,668	Yes	Yes	Yes	Yes	Yes
VALLEY BAPTIST MEDICAL CENTER	Yes	\$ 5,330,167	\$ 53,997,659	\$ 48,667,492	Yes	Yes	Yes	Yes	Yes
CHRISTUS HOSPITAL	Yes	\$ 4,946,474	\$ 41,560,974	\$ 36,614,500	Yes	Yes	Yes	Yes	Yes
ST JOSEPH MEDICAL CENTER	Yes	\$ 9,504,863	\$ 45,572,888	\$ 36,068,025	Yes	Yes	Yes	Yes	Yes
GOOD SHEPHERD MEDICAL CENTER	Yes	\$ 5,960,870	\$ 53,377,441	\$ 47,416,570	Yes	Yes	Yes	Yes	Yes
TCHD D/B/A JPS HEALTH NETWORK	Yes	\$ 122,954,677	\$ 179,482,368	\$ 56,527,691	Yes	Yes	Yes	Yes	Yes
COVENANT HEALTH SYSTEM	Yes	\$ 5,397,586	\$ 58,745,623	\$ 53,348,037	Yes	Yes	Yes	Yes	Yes
CHRISTUS SPOHN HOSP CORPUS CHRISTI	Yes	\$ 29,337,790	\$ 104,222,474	\$ 74,884,684	Yes	Yes	Yes	Yes	Yes
METHODIST DALLAS MEDICAL CENTER	Yes	\$ 9,435,788	\$ 57,771,535	\$ 48,335,747	Yes	Yes	Yes	Yes	Yes
SCOTT AND WHITE MEMORIAL HOSPITAL	Yes	\$ 11,477,998	\$ 149,602,081	\$ 138,124,083	Yes	Yes	Yes	Yes	Yes
ROLLING PLAINS MEMORIAL HOSPITAL	Yes	\$ 1,589,434	\$ 3,788,921	\$ 2,199,487	Yes	Yes	Yes	Yes	Yes
BAPTIST HEALTH SYSTEM	Yes	\$ 17,637,150	\$ 113,613,390	\$ 95,976,240	Yes	Yes	Yes	Yes	Yes
MEMORIAL HERMANN TEXAS MEDICAL CNTR	Yes	\$ 20,414,253	\$ 192,237,932	\$ 171,823,679	Yes	Yes	Yes	Yes	Yes
UT MD ANDERSON CANCER CENTER	Yes	\$ 18,557,053	\$ 39,032,769	\$ 20,475,716	Yes	Yes	Yes	Yes	Yes
TITUS REGIONAL MEDICAL CENTER	Yes	\$ 3,090,241	\$ 6,130,254	\$ 3,040,013	Yes	Yes	Yes	Yes	Yes
CHRISTUS SPOHN HOSPITAL BEEVILLE	Yes	\$ 661,465	\$ 2,651,733	\$ 1,990,268	Yes	Yes	Yes	Yes	Yes
ETMC- TYLER	Yes	\$ 4,984,736	\$ 58,416,875	\$ 53,432,139	Yes	Yes	Yes	Yes	Yes
NORTH TEXAS MEDICAL CENTER	Yes	\$ 1,949,351	\$ 3,679,144	\$ 1,729,793	Yes	Yes	Yes	Yes	Yes
FORT DUNCAN MEDICAL CENTER	Yes	\$ 1,713,487	\$ 9,510,187	\$ 7,796,700	Yes	Yes	Yes	Yes	Yes
BAYSHORE MEDICAL CENTER	Yes	\$ 10,123,704	\$ 49,224,751	\$ 39,101,047	Yes	Yes	Yes	Yes	Yes
PAMPA REGIONAL MEDICAL CENTER	Yes	\$ 370,619	\$ 4,379,949	\$ 4,009,330	Yes	Yes	Yes	Yes	Yes
HILLCREST BAPTIST MEDICAL CENTER	Yes	\$ 4,754,794	\$ 14,445,199	\$ 9,690,405	Yes	Yes	Yes	Yes	Yes
CHRISTUS MOTHER FRANCES HOSP-TYLER	Yes	\$ 5,851,961	\$ 65,868,315	\$ 60,016,354	Yes	Yes	Yes	Yes	Yes
LAS PALMAS MEDICAL CENTER	Yes	\$ 11,078,535	\$ 65,863,935	\$ 54,785,400	Yes	Yes	Yes	Yes	Yes
CONNALLY MEMORIAL MEDICAL CENTER	Yes	\$ 832,029	\$ 1,733,552	\$ 901,523	Yes	Yes	Yes	Yes	Yes
SOUTH TEXAS HEALTH SYSTEM	Yes	\$ 11,663,847	\$ 68,981,721	\$ 57,317,874	Yes	Yes	Yes	Yes	Yes
DELL SETON MEDICAL CENTER AT UT	Yes	\$ 44,087,019	\$ 106,055,272	\$ 61,968,253	Yes	Yes	Yes	Yes	Yes
KNAPP MEDICAL CENTER	Yes	\$ 4,024,876	\$ 28,067,480	\$ 24,042,604	Yes	Yes	Yes	Yes	Yes
NIX HEALTH CARE SYSTEM	Yes	\$ 5,618,692	\$ 22,989,723	\$ 17,371,031	Yes	Yes	Yes	Yes	Yes
MEDICAL CENTER HEALTH SYSTEM	Yes	\$ 18,322,796	\$ 44,740,774	\$ 26,417,979	Yes	Yes	Yes	Yes	Yes
MIDLAND MEMORIAL HOSPITAL	Yes	\$ 15,213,720	\$ 27,687,908	\$ 12,474,188	Yes	Yes	Yes	Yes	Yes
TX HLTH HARRIS METHODIST HOSPITAL	Yes	\$ 9,418,221	\$ 93,750,548	\$ 84,332,327	Yes	Yes	Yes	Yes	Yes
BAYLOR ALL SAINTS MEDICAL CENTER	Yes	\$ 5,782,420	\$ 39,639,407	\$ 33,856,987	Yes	Yes	Yes	Yes	Yes
PERMIAN REGIONAL MEDICAL CENTER	Yes	\$ 1,597,906	\$ 3,136,000	\$ 1,538,094	Yes	Yes	Yes	Yes	Yes
DETAR HEALTHCARE SYSTEMS	Yes	\$ 2,141,964	\$ 24,059,729	\$ 21,917,765	Yes	Yes	Yes	Yes	Yes
METROPLEX HOSPITAL	Yes	\$ 2,574,537	\$ 16,177,392	\$ 13,602,855	Yes	Yes	Yes	Yes	Yes
VAL VERDE REGIONAL MEDICAL CENTER	Yes	\$ 3,873,959	\$ 9,062,700	\$ 5,188,741	Yes	Yes	Yes	Yes	Yes
HEREFORD REGIONAL MEDICAL CTR	Yes	\$ 1,820,203	\$ 3,482,198	\$ 1,661,995	Yes	Yes	Yes	Yes	Yes
CHRISTUS SPOHN KLEBERG MEMORIAL HOSP	Yes	\$ 818,342	\$ 4,409,707	\$ 3,591,365	Yes	Yes	Yes	Yes	Yes
METHODIST HOSPITAL SOUTH	Yes	\$ 503,942	\$ 8,891,021	\$ 8,387,079	Yes	Yes	Yes	Yes	Yes
MISSION REGIONAL MEDICAL CENTER	Yes	\$ 4,585,051	\$ 24,825,373	\$ 20,240,322	Yes	Yes	Yes	Yes	Yes

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2017

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)	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?
MEMORIAL HERMANN HOSPITAL SYS	Yes	\$ 23,756,145	\$ 191,186,755	\$ 167,430,610	Yes	Yes	Yes	Yes	Yes
SCOTT & WHITE HOSPITAL BRENHAM	Yes	\$ 616,569	\$ 1,363,747	\$ 747,178	Yes	Yes	Yes	Yes	Yes
HILL REGIONAL HOSPITAL	Yes	\$ 364,538	\$ 2,733,221	\$ 2,368,683	Yes	Yes	Yes	Yes	Yes
ETMC JACKSONVILLE	Yes	\$ 632,603	\$ 2,335,849	\$ 1,703,246	Yes	Yes	Yes	Yes	Yes
PARIS REGIONAL MEDICAL CENTER	Yes	\$ 1,911,425	\$ 13,414,258	\$ 11,502,833	Yes	Yes	Yes	Yes	Yes
WADLEY REGIONAL MEDICAL CENTER	Yes	\$ 3,167,358	\$ 9,626,078	\$ 6,458,720	Yes	Yes	Yes	Yes	Yes
NORTHWEST TEXAS HOSPITAL	Yes	\$ 9,502,066	\$ 36,821,626	\$ 27,319,560	Yes	Yes	Yes	Yes	Yes
ETMC CARTHAGE	Yes	\$ 631,263	\$ 2,513,987	\$ 1,882,724	Yes	Yes	Yes	Yes	Yes
CHI ST LUKES HEALTH MEMORIAL LUFKIN	Yes	\$ 3,427,689	\$ 14,326,253	\$ 10,898,564	Yes	Yes	Yes	Yes	Yes
UNIVERSITY HEALTH SYSTEM	Yes	\$ 109,363,057	\$ 232,229,836	\$ 122,866,779	Yes	Yes	Yes	Yes	Yes
HENDRICK MEDICAL CENTER	Yes	\$ 3,783,847	\$ 50,355,420	\$ 46,571,573	Yes	Yes	Yes	Yes	Yes
BAPTIST SAINT ANTHONYS HOSPITAL	Yes	\$ 3,069,492	\$ 33,110,757	\$ 30,041,264	Yes	Yes	Yes	Yes	Yes
GONZALES HEALTHCARE SYSTEMS	Yes	\$ 1,701,121	\$ 3,063,883	\$ 1,362,762	Yes	Yes	Yes	Yes	Yes
CHRISTUS MF - SULPHUR SPRINGS	Yes	\$ 1,271,565	\$ 5,309,890	\$ 4,038,325	Yes	Yes	Yes	Yes	Yes
FAITH COMMUNITY HOSPITAL	Yes	\$ 480,163	\$ 2,652,117	\$ 2,171,954	Yes	Yes	Yes	Yes	Yes
HAMLIN MEMORIAL HOSPITAL	Yes	\$ 258,697	\$ 744,441	\$ 485,744	Yes	Yes	Yes	Yes	Yes
CENTRAL TEXAS MEDICAL CENTER	Yes	\$ 1,602,479	\$ 9,543,546	\$ 7,941,067	Yes	Yes	Yes	Yes	Yes
HARRIS HEALTH SYSTEM	Yes	\$ 234,969,243	\$ 464,297,390	\$ 229,328,147	Yes	Yes	Yes	Yes	Yes
COLLEGE STATION MEDICAL CENTER	Yes	\$ 1,323,562	\$ 14,752,738	\$ 13,429,176	Yes	Yes	Yes	Yes	Yes
TEXOMA MEDICAL CENTER	Yes	\$ 2,679,753	\$ 24,701,229	\$ 22,021,476	Yes	Yes	Yes	Yes	Yes
SAN ANGELO COMMUNITY MEDICAL CENTER	Yes	\$ 859,023	\$ 12,466,857	\$ 11,607,834	Yes	Yes	Yes	Yes	Yes
BAPTIST BEAUMONT HOSPITAL	Yes	\$ 4,733,254	\$ 27,249,289	\$ 22,516,035	Yes	Yes	Yes	Yes	Yes
TEXAS HEALTH HARRIS METHODIST STEPHE	Yes	\$ 405,064	\$ 6,805,413	\$ 6,400,349	Yes	Yes	Yes	Yes	Yes
HUNT REGIONAL MEDICAL CENTER	Yes	\$ 7,727,670	\$ 22,169,296	\$ 14,441,625	Yes	Yes	Yes	Yes	Yes
CHILDRESS REGIONAL MEDICAL CENTER	Yes	\$ 833,474	\$ 1,824,384	\$ 990,910	Yes	Yes	Yes	Yes	Yes
COLUMBUS COMMUNITY HOSPITAL	Yes	\$ 372,837	\$ 1,246,815	\$ 873,978	Yes	Yes	Yes	Yes	Yes
METHODIST HOSPITAL	Yes	\$ 28,041,909	\$ 150,350,337	\$ 122,308,427	Yes	Yes	Yes	Yes	Yes
ETMC ATHENS	Yes	\$ 4,587,991	\$ 14,568,337	\$ 9,980,346	Yes	Yes	Yes	Yes	Yes
CHI ST LUKES HEALTH MEM LIVINGSTON	Yes	\$ 1,382,503	\$ 4,603,099	\$ 3,220,596	Yes	Yes	Yes	Yes	Yes
BROWNFIELD REGIONAL MEDICAL CENTER	Yes	\$ 1,065,330	\$ 1,855,228	\$ 789,898	Yes	Yes	Yes	Yes	Yes
ST. DAVIDS MEDICAL CENTER	Yes	\$ 10,231,223	\$ 47,794,408	\$ 37,563,185	Yes	Yes	Yes	Yes	Yes
NAVARRO REGIONAL HOSPITAL	Yes	\$ 770,787	\$ 7,055,453	\$ 6,284,666	Yes	Yes	Yes	Yes	Yes
TYLER COUNTY HOSPITAL	Yes	\$ 993,479	\$ 1,567,482	\$ 574,003	Yes	Yes	Yes	Yes	Yes
TEXAS HEALTH DALLAS	Yes	\$ 7,071,257	\$ 56,071,872	\$ 49,000,615	Yes	Yes	Yes	Yes	Yes
MATAGORDA REGIONAL MEDICAL CENTER	Yes	\$ 4,030,314	\$ 6,961,855	\$ 2,931,541	Yes	Yes	Yes	Yes	Yes
WILSON N JONES REGIONAL MEDICAL CTR	Yes	\$ 1,223,548	\$ 13,067,522	\$ 11,843,974	Yes	Yes	Yes	Yes	Yes
ETMC HENDERSON	Yes	\$ 507,092	\$ 5,426,466	\$ 4,919,374	Yes	Yes	Yes	Yes	Yes
WOODLAND HEIGHTS MED CENTER	Yes	\$ 1,481,605	\$ 7,647,222	\$ 6,165,617	Yes	Yes	Yes	Yes	Yes
MEDICAL ARTS HOSPITAL	Yes	\$ 853,579	\$ 1,369,241	\$ 515,662	Yes	Yes	Yes	Yes	Yes
NACOGDOCHES MEMORIAL HOSPITAL	Yes	\$ 6,614,954	\$ 13,416,148	\$ 6,801,194	Yes	Yes	Yes	Yes	Yes
THE MEDICAL CENTER OF SOUTHEAST TEXA	Yes	\$ 2,347,040	\$ 13,257,115	\$ 10,910,075	Yes	Yes	Yes	Yes	Yes
COVENANT HOSPITAL PLAINVIEW	Yes	\$ 750,158	\$ 2,533,816	\$ 1,783,658	Yes	Yes	Yes	Yes	Yes
ABILENE REG MED CTR	Yes	\$ 1,418,706	\$ 11,183,017	\$ 9,764,311	Yes	Yes	Yes	Yes	Yes
PALO PINTO GENERAL HOSPITAL	Yes	\$ 2,837,112	\$ 6,583,474	\$ 3,746,362	Yes	Yes	Yes	Yes	Yes
SHANNON MEDICAL CENTER	Yes	\$ 3,460,244	\$ 32,213,505	\$ 28,753,261	Yes	Yes	Yes	Yes	Yes
JASPER MEMORIAL HOSPITAL	Yes	\$ 694,067	\$ 2,955,929	\$ 2,261,862	Yes	Yes	Yes	Yes	Yes
TIMBERLANDS HOSPITAL	Yes	\$ 201,833	\$ 669,704	\$ 467,871	Yes	Yes	Yes	Yes	Yes
BAYLOR COUNTY HOSPITAL DISTRICT	Yes	\$ 382,157	\$ 1,295,051	\$ 912,894	Yes	Yes	Yes	Yes	Yes
BROWNWOOD REGIONAL MEDICAL CENTER	Yes	\$ 987,388	\$ 7,262,969	\$ 6,275,581	Yes	Yes	Yes	Yes	Yes
CUERO COMMUNITY HOSPITAL	Yes	\$ 1,819,747	\$ 3,011,381	\$ 1,191,634	Yes	Yes	Yes	Yes	Yes

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2017

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)	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?
CLEAR LAKE REG MED CTR	Yes	\$ 8,284,509	\$ 47,702,473	\$ 39,417,964	Yes	Yes	Yes	Yes	Yes
DIMMIT REGIONAL HOSPITAL DISTRICT	Yes	\$ 2,611,196	\$ 6,041,290	\$ 3,430,094	Yes	Yes	Yes	Yes	Yes
HOUSTON NORTHWEST MEDICAL CENTER	Yes	\$ 7,159,053	\$ 46,352,794	\$ 39,193,741	Yes	Yes	Yes	Yes	Yes
DOCTORS HOSPITAL OF LAREDO	Yes	\$ 3,197,387	\$ 19,815,363	\$ 16,617,976	Yes	Yes	Yes	Yes	Yes
MEDICAL CITY DALLAS	Yes	\$ 11,018,432	\$ 53,405,293	\$ 42,386,861	Yes	Yes	Yes	Yes	Yes
SCENIC MT REGIONAL	Yes	\$ 452,152	\$ 3,867,660	\$ 3,415,508	Yes	Yes	Yes	Yes	Yes
STARR COUNTY MEMORIAL HOSPITAL	Yes	\$ 2,554,642	\$ 7,486,101	\$ 4,931,459	Yes	Yes	Yes	Yes	Yes
NACOGDOCHES MEDICAL CENTER	Yes	\$ 687,762	\$ 6,634,971	\$ 5,947,209	Yes	Yes	Yes	Yes	Yes
ODESSA REGIONAL HOSPITAL	Yes	\$ 3,355,430	\$ 14,684,009	\$ 11,328,579	Yes	Yes	Yes	Yes	Yes
VALLEY REGIONAL MEDICAL CENTER	Yes	\$ 5,476,923	\$ 29,133,182	\$ 23,656,259	Yes	Yes	Yes	Yes	Yes
WOMANS HOSPITAL OF TEXAS	Yes	\$ 8,990,877	\$ 19,365,352	\$ 10,374,475	Yes	Yes	Yes	Yes	Yes
MEDICAL CITY ARLINGTON	Yes	\$ 6,030,245	\$ 38,165,350	\$ 32,135,105	Yes	Yes	Yes	Yes	Yes
UNIVERSITY MEDICAL CENTER	Yes	\$ 29,281,396	\$ 105,171,614	\$ 75,890,218	Yes	Yes	Yes	Yes	Yes
DALLAS REGIONAL MEDICAL CENTER	Yes	\$ 1,413,591	\$ 19,047,256	\$ 17,633,665	Yes	Yes	Yes	Yes	Yes
UT HEALTH CENTER AT TYLER	Yes	\$ 12,872,691	\$ 22,999,766	\$ 10,127,075	Yes	Yes	Yes	Yes	Yes
SOUTHWEST GENERAL HOSPITAL	Yes	\$ 5,613,789	\$ 25,616,000	\$ 20,002,211	Yes	Yes	Yes	Yes	Yes
LAMB HEALTHCARE CENTER	Yes	\$ 688,942	\$ 1,798,407	\$ 1,109,465	Yes	Yes	Yes	Yes	Yes
LONGVIEW REGIONAL MEDICAL CENTER	Yes	\$ 1,956,831	\$ 16,504,635	\$ 14,547,804	Yes	Yes	Yes	Yes	Yes
RIO GRANDE REGIONAL HOSPITAL	Yes	\$ 7,099,761	\$ 57,485,687	\$ 50,385,926	Yes	Yes	Yes	Yes	Yes
CYPRESS FAIRBANKS MEDICAL CENTER	Yes	\$ 3,698,063	\$ 25,168,255	\$ 21,470,192	Yes	Yes	Yes	Yes	Yes
BAYLOR SCOTT & WHITE-LAKE POINTE	Yes	\$ 1,840,033	\$ 16,719,443	\$ 14,879,410	Yes	Yes	Yes	Yes	Yes
KNOX COUNTY HOSPITAL	Yes	\$ 98,043	\$ 486,493	\$ 388,450	Yes	Yes	Yes	Yes	Yes
PALESTINE REGIONAL MEDICAL CENTER	Yes	\$ 1,253,370	\$ 7,567,738	\$ 6,314,368	Yes	Yes	Yes	Yes	Yes
COVENANT HOSPITAL LEVELLAND	Yes	\$ 337,584	\$ 1,895,854	\$ 1,558,270	Yes	Yes	Yes	Yes	Yes
CORPUS CHRISTI MEDICAL CENTER	Yes	\$ 7,223,501	\$ 42,629,124	\$ 35,405,623	Yes	Yes	Yes	Yes	Yes
CHRISTUS ST MICHAEL	Yes	\$ 5,122,938	\$ 30,828,026	\$ 25,705,089	Yes	Yes	Yes	Yes	Yes
NORTH AUSTIN MEDICAL CENTER	Yes	\$ 5,726,258	\$ 32,609,763	\$ 26,883,505	Yes	Yes	Yes	Yes	Yes
CHRISTUS SPOHN ALICE	Yes	\$ 924,386	\$ 7,556,230	\$ 6,631,844	Yes	Yes	Yes	Yes	Yes
ENNIS REGIONAL MEDICAL CENTER	Yes	\$ 439,208	\$ 2,944,341	\$ 2,505,133	Yes	Yes	Yes	Yes	Yes
DOCTORS HOSPITAL AT RENAISSANCE	Yes	\$ 18,993,348	\$ 114,216,798	\$ 95,223,450	Yes	Yes	Yes	Yes	Yes
LIMESTONE MEDICAL CENTER	Yes	\$ 615,705	\$ 1,394,025	\$ 778,320	Yes	Yes	Yes	Yes	Yes
YOAKUM COUNTY HOSPITAL	Yes	\$ 837,889	\$ 1,837,329	\$ 999,440	Yes	Yes	Yes	Yes	Yes
FISHER COUNTY HOSPITAL DISTRICT	Yes	\$ 168,872	\$ 475,183	\$ 306,311	Yes	Yes	Yes	Yes	Yes
REFUGIO MEMORIAL HOSPITAL	Yes	\$ 327,369	\$ 1,022,486	\$ 695,117	Yes	Yes	Yes	Yes	Yes
STONEWALL MEMORIAL HOSPITAL	Yes	\$ 185,626	\$ 231,817	\$ 46,191	Yes	Yes	Yes	Yes	Yes
LILLIAN M. HUDSPETH MEMORIAL HOSP.	Yes	\$ 271,575	\$ 593,523	\$ 321,948	Yes	Yes	Yes	Yes	Yes
CONCHO COUNTY HOSPITAL	Yes	\$ 251,463	\$ 755,174	\$ 503,711	Yes	Yes	Yes	Yes	Yes
MEDINA REGIONAL HOSPITAL	Yes	\$ 1,038,443	\$ 2,149,548	\$ 1,111,105	Yes	Yes	Yes	Yes	Yes
COON MEMORIAL HOSPITAL	Yes	\$ 595,049	\$ 1,124,609	\$ 529,560	Yes	Yes	Yes	Yes	Yes
PARKVIEW HOSPITAL	Yes	\$ 186,557	\$ 254,752	\$ 68,195	Yes	Yes	Yes	Yes	Yes
W.J. MANGOLD MEMORIAL HOSPITAL	Yes	\$ 379,356	\$ 545,598	\$ 166,242	Yes	Yes	Yes	Yes	Yes
YOAKUM COMMUNITY HOSPITAL	Yes	\$ 730,898	\$ 2,002,794	\$ 1,271,896	Yes	Yes	Yes	Yes	Yes
COLEMAN COUNTY MEDICAL CENTER	Yes	\$ 425,764	\$ 475,088	\$ 49,324	Yes	Yes	Yes	Yes	Yes
HARDEMAN COUNTY HOSPITAL	Yes	\$ 240,426	\$ 354,054	\$ 113,628	Yes	Yes	Yes	Yes	Yes
OLNEY HAMILTON HOSPITAL DISTRICT	Yes	\$ 526,560	\$ 1,032,036	\$ 505,476	Yes	Yes	Yes	Yes	Yes
MEMORIAL MEDICAL CENTER	Yes	\$ 1,156,082	\$ 1,482,384	\$ 326,302	Yes	Yes	Yes	Yes	Yes
MEMORIAL HOSPITAL-SEMINOLE	Yes	\$ 1,136,982	\$ 2,375,015	\$ 1,238,033	Yes	Yes	Yes	Yes	Yes
OCHILTREE GENERAL HOSPITAL	Yes	\$ 853,584	\$ 1,371,960	\$ 518,376	Yes	Yes	Yes	Yes	Yes
JACKSON COUNTY HOSPITAL	Yes	\$ 352,947	\$ 1,833,388	\$ 1,480,441	Yes	Yes	Yes	Yes	Yes
GOLDEN PLAINS COMMUNITY HOSPITAL	Yes	\$ 309,922	\$ 2,349,450	\$ 2,039,528	Yes	Yes	Yes	Yes	Yes

State of Texas
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2017

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)	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?
REEVES COUNTY HOSPITAL	Yes	\$ 1,778,602	\$ 3,382,671	\$ 1,604,069	Yes	Yes	Yes	Yes	Yes
BIG BEND REGIONAL MED CTR	Yes	\$ 197,766	\$ 1,366,971	\$ 1,169,205	Yes	Yes	Yes	Yes	Yes
D.M. COGDELL MEMORIAL HOSPITAL	Yes	\$ 1,354,068	\$ 2,815,113	\$ 1,461,045	Yes	Yes	Yes	Yes	Yes
GOODALL-WITCHER HOSPITAL AUTHORITY	Yes	\$ 1,080,673	\$ 1,215,733	\$ 135,060	Yes	Yes	Yes	Yes	Yes
MOORE COUNTY HOSP. DBA DUMAS MEM HOS	Yes	\$ 1,820,522	\$ 2,618,548	\$ 798,026	Yes	Yes	Yes	Yes	Yes
UVALDE MEMORIAL HOSPITAL	Yes	\$ 3,713,418	\$ 9,103,268	\$ 5,389,850	Yes	Yes	Yes	Yes	Yes
PECOS COUNTY MEMORIAL HOSPITAL	Yes	\$ 1,311,186	\$ 2,434,507	\$ 1,123,321	Yes	Yes	Yes	Yes	Yes
FRIO REGIONAL HOSPITAL	Yes	\$ 279,589	\$ 3,354,096	\$ 3,074,507	Yes	Yes	Yes	Yes	Yes
TEXAS CENTER FOR INFECTIOUS DISEASE	Yes	\$ 11,444,355	\$ 12,309,115	\$ 864,760	Yes	Yes	Yes	Yes	Yes
COOK CHILDRENS MEDICAL CENTER	Yes	\$ 14,273,260	\$ 80,587,762	\$ 66,314,502	Yes	Yes	Yes	Yes	Yes
CHILDRENS MEDICAL CENTER OF DALLAS	Yes	\$ 22,122,692	\$ 38,138,936	\$ 16,016,244	Yes	Yes	Yes	Yes	Yes
TEXAS CHILDRENS HOSPITAL	Yes	\$ 22,378,259	\$ 37,509,907	\$ 15,131,648	Yes	Yes	Yes	Yes	Yes
COVENANT CHILDRENS HOSPITAL	Yes	\$ 3,127,591	\$ 7,252,193	\$ 4,124,602	Yes	Yes	Yes	Yes	Yes
OUR CHILDRENS HOUSE	Yes	\$ 2,262,146	\$ 7,531,144	\$ 5,268,998	Yes	Yes	Yes	Yes	Yes
HEALTHBRIDGE CHILDRENS HOSPITAL	Yes	\$ 861,349	\$ 2,481,083	\$ 1,619,734	Yes	Yes	Yes	Yes	Yes
DELL CHILDRENS MEDICAL CENTER	Yes	\$ 6,290,870	\$ 23,198,721	\$ 16,907,851	Yes	Yes	Yes	Yes	Yes
EL PASO CHILDRENS HOSPITAL	Yes	\$ 5,178,547	\$ 15,040,207	\$ 9,861,660	Yes	Yes	Yes	Yes	Yes
TEXAS SCOTTISH RITE HOSPITAL FOR CHILDREN	Yes	\$ 525,491	\$ 22,056,281	\$ 21,530,790	Yes	Yes	Yes	Yes	Yes
CHILDRENS HOSPITAL OF SAN ANTONIO	Yes	\$ 8,736,381	\$ 48,746,622	\$ 40,010,241	Yes	Yes	Yes	Yes	Yes
CLARITY CHILD GUIDANCE CENTER	Yes	\$ 1,914,550	\$ 4,137,582	\$ 2,223,032	Yes	Yes	Yes	Yes	Yes
BIG SPRING STATE HOSPITAL	Yes	\$ 21,701,520	\$ 35,692,720	\$ 13,991,200	Yes	Yes	Yes	Yes	Yes
TERRELL STATE HOSPITAL	Yes	\$ 36,165,167	\$ 47,359,511	\$ 11,194,344	Yes	Yes	Yes	Yes	Yes
NORTH TEXAS STATE HOSPITAL	Yes	\$ 82,910,173	\$ 113,737,129	\$ 30,826,956	Yes	Yes	Yes	Yes	Yes
RUSK STATE HOSPITAL	Yes	\$ 34,912,177	\$ 56,363,457	\$ 21,451,280	Yes	Yes	Yes	Yes	Yes
SAN ANTONIO STATE HOSPITAL	Yes	\$ 32,286,035	\$ 51,434,887	\$ 19,148,852	Yes	Yes	Yes	Yes	Yes
WEST OAKS HOSPITAL	Yes	\$ 615,761	\$ 2,208,587	\$ 1,592,826	Yes	Yes	Yes	Yes	Yes
GLEN OAKS HOSPITAL	Yes	\$ 553,131	\$ 1,620,940	\$ 1,067,809	Yes	Yes	Yes	Yes	Yes
RIVER CREST HOSPITAL	Yes	\$ 2,310,962	\$ 3,365,532	\$ 1,054,570	Yes	Yes	Yes	Yes	Yes
HARRIS CO PSYCHIATRIC CENTER	Yes	\$ 25,395,548	\$ 32,252,798	\$ 6,857,250	Yes	Yes	Yes	Yes	Yes
AUSTIN STATE HOSPITAL	Yes	\$ 33,443,513	\$ 49,246,055	\$ 15,802,542	Yes	Yes	Yes	Yes	Yes
RIO GRANDE STATE CENTER	Yes	\$ 9,019,744	\$ 12,052,337	\$ 3,032,593	Yes	Yes	Yes	Yes	Yes
EL PASO PSYCHIATRIC CENTER	Yes	\$ 11,501,470	\$ 14,684,637	\$ 3,183,167	Yes	Yes	Yes	Yes	Yes
KINGWOOD PINES HOSPITAL	Yes	\$ 670,029	\$ 1,409,804	\$ 739,775	Yes	Yes	Yes	Yes	Yes
CEDAR CREST HOSPITAL	Yes	\$ 74,524	\$ (842,600)	\$ (74,524)	No	Yes	Yes	Yes	Yes

A: North Texas State Hospital represents two campuses: Wichita Falls and Vernon. Each campus received DSH Payments of \$38,756,631 and \$44,153,542 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 State of 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, 2017

Findings

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 one hospital did not submit the DSH examination documentation requested.

This hospital was found to be bankrupt or out of business. The uncompensated care costs for this hospital were calculated based on services reported from state supplied MMIS claims data only.

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. One hospital was bankrupt or no longer in business.

Recommendation:

As the Texas HHSC would have difficulty collecting documentation from a hospital that has entered bankruptcy or has gone out of business subsequent to DSH payment, we have no recommendation.

Management Comments:

Texas HHSC has communicated that it has no comments related to this finding.

State of Texas Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2017

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 HHSC attempt to obtain MMIS records directly from the out-of-state Medicaid agencies for out-of-state Medicaid services.

Management Comments:

Texas HHSC has communicated that it has no comments related to this finding.

Additional Disclosures

Treatment of Third Party Payers (TPP) in Calculating Uncompensated Care Costs (UCC)

On April 3, 2017, CMS published a final rule clarifying that the total cost of uncompensated care is the costs remaining for all uninsured and Medicaid eligible individuals after accounting for payments made to hospitals by or on behalf of uninsured and Medicaid eligible individuals, including Medicare and other third party payments. This rule became effective June 2, 2017.

Per the CMS bulletin released on August 18, 2020, the DSH examination has been completed based on recommended Method #2 in combination with the CMS "*Additional Information of the DSH Reporting and Audit Requirements – Part 2*", #21 methodology for pro-rating cost report periods to the state fiscal year. Each hospital's applicable TPP payments have been determined by pro-rating the TPP payments for the entire cost report period overlapping the state plan rate year (SPRY) to reflect the partial cost report period on or after June 2, 2017. This percentage of the cost report period occurring on or after June 2, 2017 was computed based on the number of days within the cost report period that occur on or after June 2, 2017, divided by the total number of days within the entire cost report year. The resulting fraction was then applied to the total cost report period TPP payments. The cost report period UCC was then prorated to the SPRY. The hospital's Medicaid and uninsured costs for the entire SPRY have only been offset by the portion of the TPP payments attributed to the percentage of the overlapping cost report period on or after June 2, 2017.

Adjudication Date

The state of Texas uses adjudicated claims date, when available, as the basis for determining the volume of hospital services furnished to Medicaid-eligible patients during the DSH year. This basis of reporting is included in Texas's Medicaid State Plan, which has been approved by CMS.

Schedule of Annual Reporting Requirements

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, 2017.

Topeka, Kansas
November 13, 2020