



March 21, 2014

**Re: Texas 2011 Medicaid DSH Audits Surveys Due: April 30, 2014  
-RESPONSE REQUIRED-**

Dear Hospital DSH Examination Contact:

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

The regulation mandates auditing and reporting requirements for DSH payments under state Medicaid programs. The certified audit report, along with other required data elements, must be submitted by the Medicaid program to CMS by December 31, 2014. Texas' DSH year corresponds with the federal fiscal year; therefore, the DSH year under audit covers the time period from October 1, 2010 through September 30, 2011.

Since your hospital received Medicaid DSH payments during these time periods, it is subject to the DSH program audit and must identify its actual Medicaid and uninsured costs incurred during the DSH year(s). To fulfill the other reporting requirements, several additional data elements will need to be reported by your hospital.

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

Once your completed surveys (and other required documents) are received by Myers and Stauffer, we will contact you to address any questions we may have and to schedule a detailed examination of your survey responses if considered necessary.

It is important to the Texas Medicaid program that all hospitals that received DSH payments during these time periods provide the information needed in order to complete the required federal audit. Per 1 TAC 355.8065(o)(1)(D) "A hospital that fails to provide requested information or to otherwise comply with the independent certified audit requirements may be subject to a withholding of Medicaid disproportionate share payments or other appropriate sanctions."

### **Additional Details**

1. TMHP will be sending Medicaid Eligible fee-for-service (FFS) claims data, Medicaid Eligible cross-over claims data, and Medicaid Managed Care claims (encounter) data to Myers and Stauffer within the next few weeks. Myers and Stauffer will send out that data in summary to each hospital. Please begin the survey by completing the uninsured, Medicaid Eligible Secondary claims not billed and out-of-state Medicaid sections of the surveys from your own records.
2. The Medicaid claims data from the state will be based on date of adjudication. If possible, hospital generated claims data should be based on adjudication date. If claims data cannot be run on adjudication date, reports should be run on date of discharge for inpatient services and date of service for outpatient services.
3. Myers and Stauffer will send a copy of your supplemental payments and cost report settlements in the next few weeks. Please refer to this data while completing the survey(s).
4. A listing of general information required for survey submission is available on the HHSC website <http://www.hhsc.state.tx.us/rad/hospital-svcs/dsh-audit.shtml>

### **Webinars and Seminars**

Webinars with Myers and Stauffer have been scheduled to assist hospitals in the completion of the survey. The webinar will discuss the CMS requirements, known issues in data collection and review, and provide a detailed description of the survey document including answering any questions hospitals might have. The webinar is intended for the hospital personnel that will be responsible for actual completion of the survey and will run two to three hours in length. Each webinar will be limited to 100 call-in lines. After the first 100 callers have joined the conference the website and phone lines will be locked and you will be asked to participate in a webinar scheduled at a later date.

We have scheduled four opportunities to participate; three live webinars and one in-person seminar at the Texas Hospital Association (with webinar simulcast). All four of these events will cover the same material. Participation in more than one session will not be necessary. Please see below for details.

<b>Webinar Date:</b>	<b>Time:</b>
Wednesday, April 2	9:00 am
Friday, April 4	9:00 am
Monday, April 7	1:30 pm

**Webinar URL:** <https://webinar.mslc.com/?meeting=5849964>

**Webinar Telephone:** 888-506-9354

**Participant Code:** 9793484

**In-Person Seminar at the Texas Hospital Association (Simulcast using the webinar details above)**

Wednesday, April 9 9:00am

Due to limited seating, information regarding signup for the In-Person Seminar has been distributed by the Texas Hospital Association.

We encourage you to participate in one of these sessions; however, if hospital personnel cannot attend, a link to the presentation materials (including frequently asked questions (FAQs) and responses) will be made available following the conclusion of sessions.

**Myers and Stauffer will be in contact with you regarding the setup of secure file transfer protocol (FTP) to aid in the delivery of your surveys and supporting documentation. If you do not wish to use FTP please send completed surveys with supporting documentation to:**

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

**Completed DSH surveys must be submitted by April 30, 2014.**

Please contact Marvin Teufel for audit questions.

Marvin Teufel, Project Manager

Myers and Stauffer LC

Tel: (800) 374-6858

[TXDSH@mslc.com](mailto:TXDSH@mslc.com)

If you have questions or concerns about this review, please contact:

Rene Cantu

Coordinator for DSH and Uncompensated Care

Texas Health and Human Services Commission

(512) 730-7465

[rene.cantu@hhsc.state.tx.us](mailto:rene.cantu@hhsc.state.tx.us)

Sincerely,

A handwritten signature in blue ink, appearing to read "Marvin Teufel".

Marvin Teufel

Senior Manager

Myers and Stauffer LC

C: Rene Cantu, HHSC