

South Dakota Department of Social Services Medicaid DSH Audit & Reporting Protocol State Fiscal Year 2017

Background

The Centers for Medicare and Medicaid Services (CMS) published the final Medicaid Disproportionate Share Hospital (DSH) audit and reporting rule in the Federal Register on December 19, 2008 to implement Section 1001 (d) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (also known as the Medicare Modernization Act or MMA). A hospital's DSH payments may not exceed the costs incurred by that hospital in furnishing services to Medicaid participants and the uninsured less other Medicaid payments made to the hospital and payments made by or on behalf of the uninsured. Cost and payment data needs to be supplied by the hospitals to verify that payments to individual hospitals do not exceed the costs of providing inpatient and outpatient hospital care to South Dakota Medicaid Recipients.

The final rule applies to hospitals receiving the inpatient fee-for-service Medicaid disproportionate share adjustment add-on payments (also known as DSH by the federal government) and also those hospitals that receive inpatient Medicaid payments for which the State of South Dakota receives federal DSH funds.

Using the data collected from the individual hospitals, the Department will prepare a report using the reporting format developed by CMS. This report will be subject to federal audit requirements. The audit will be performed by an independent auditor contracted by the State of South Dakota. The report prepared by the State of South Dakota and the independent auditor's report must be submitted to CMS.

Data for 2016 must be collected and the resulting report and independent auditor's report submitted to CMS. The audit must be completed by September 30, 2018 and the audit report must be submitted to CMS within 90 days of the completion of the audit.

The costing of the claims data must be done using a hospital's finalized Medicare cost report for the appropriate time period (or the submitted cost report if the Medicare fiscal intermediary hasn't finalized the cost report).

The data generated and used for this audit should be retained for four years after the Department submits the certified audit report to CMS and all audit issues are resolved.

Cost and payment reporting

The hospitals will use the submitted claims data from the SW86JS45 MMIS adjudicated claims detail listing report to populate the Medicaid days and revenue sections on the attached DSH survey. The Department will use this data along with the other required CMS data elements to determine applicable DSH payments to the hospitals. The department will compile the data from the DSH survey's into an excel file in the CMS required format when they are received back from the hospitals. The Department will use this data to complete the DSH calculations.

To qualify hospitals must have at least two obstetricians who have staffing privileges and who have agreed to provide obstetric services to individuals entitled to receive Medicaid services. The other data elements South Dakota uses to determine payments are the hospitals Medicaid inpatient utilization rate or their Medicaid low-income utilization rate. Hospitals in South Dakota can qualify by either one of two ways for DSH payments. The hospital may qualify based on their disproportionate share of Medicaid Inpatient revenue above the mean for participating hospitals or their disproportionate share of Medicaid Inpatient days above the mean for participating hospitals. If a hospital qualifies for disproportionate share payment under both the Medicaid inpatient utilization rate and the low-income utilization rate, the payment will be based on whichever utilization rate will result in the higher payment. Only one disproportionate share payment is allowed to a hospital. The Department notifies qualifying hospitals of their disproportionate share payments prior to June 30.

The Department will recover any disproportionate share payments in excess of hospital specific limits made to qualifying hospitals from those qualifying hospitals. The amount recovered will then be redistributed to the remaining qualifying hospitals proportionately based upon their low-income utilization rate or Medicaid inpatient utilization rate (whichever utilization rate results in a higher payment) by using how many standard deviations above the mean the hospital qualified.

Required Data Elements

Please provide the following information from the **latest fiscal year accounting period that your facility has available** (MCR = Medicare Cost Report). **This information should ONLY encompass South Dakota Medicaid, not Medicaid days or payments from of other states.** Information taken from the Medicare Cost Report must be for the same reporting period as the accounting period used to provide the other information requested. This form must be completed fully and accurately to be considered. Any additional information needed to clarify responses should be sent with the completed form. For comparison purposes, if days for a particular item are included or excluded from required information the related revenue, costs, and charges should also be included or excluded. **Days and revenue from Swing Bed, Long Term Care, and Skilled Nursing Facilities are NOT to be included in the calculations but exempt unit days are to be included.**

The information provided will be used to determine your hospital specific Disproportionate Share Payment. The Department of Social Services will audit the information provided for completeness and accuracy.

Any discrepancies between what is reported on this form and information reported in the facility's Medicare Cost Report **must be supported with documentation** (to be submitted with this form) or it will not be considered. Any amounts that cannot be verified with the facility's Medicare Cost Report (any amount taken from Hospital Records) must be supported by adequate documentation to be considered.

**INFORMATION NEEDED FOR MEDICAID 2017
DISPROPORTIONATE SHARE DETERMINATION AND PAYMENT**

Inpatient Medicaid Provider Number: _____

Hospital Name: _____

Fiscal Year (mm/dd/yy-mm/dd/yy): _____

Name Of Person Completing Survey: _____

Telephone Number: _____

PART I: Qualification Data

1. Number of Obstetricians on Staff (Urban Hospitals Only): _____
(Hospital Records) – ATTACH COPIES

2. Number of Physicians on Staff (Rural Hospitals Only): _____
(Hospital Records) – ATTACH COPIES

3. Number of Medicaid Inpatient Days:
 Include Nursery and Exempt Unit Days
 Exclude Chemical Dependence Unit (CDU),
 Long-Term Care (LTC), Swing Bed, and
 Observation Bed Days. _____
(MCR W/S S-3, Part 1, Col. 5) – ATTACH COPY

4. Total Number of Inpatient Days:
 Include Nursery and Exempt Unit Days
 Exclude Chemical Dependence Unit (CDU),
 Long-Term Care (LTC), Swing Bed, and
 Observation Bed Days. _____
(MCR W/S S-3, Part 1, Col. 6) – ATTACH COPY

5. Total Medicaid Payments for Inpatient Services: _____
(Medical Management Information
System =MMIS inpatient logs or Hospital
Records) – ATTACH COPIES

6. Total Medicaid Payments for Inpatient Services
AND Outpatient Services: _____
(Medical Management Information
System =MMIS inpatient logs or Hospital
Records) – ATTACH COPIES

7. Amount of Subsidy Received, Other than Payments for
Services Provided, From State or Local Government (if any) _____
(MCR W/S G-3, Line 23) – ATTACH COPY
Examples: Sales taxes, Grants,
Government appropriations, etc.

- 8. Total for Inpatient Revenue from All Sources: Including Medicare, Medicaid, Health Insurance, Private Individuals, etc. Also include subsidies from State and Local Governments: _____
(MCR W/S G-2, Part 1, Col. 1, line 28) less
Swing Bed, Long Term Care, & Skilled Nursing Facility - ATTACH COPY
- 9. Total Charges for Inpatient Services Attributed to Charity Care. (Charity care does not include contractual allowances, partial payments, patients that have a third party with any responsibility for their care, care paid for in full or part by local governments, etc.): _____
(Hospital Records) – ATTACH COPIES
- 10. Total Charges for Inpatient and Outpatient Services Attributed To Indigent Care/Self Pay: _____
(MCR W/S S-10, Line 20, Col 3, or hospital records) – ATTACH COPY
- 11. Total Charges for Inpatient and Outpatient Services Attributed To Uninsured Care: _____
(MCR W/S S-10, Line 20, Col 1, or hospital records) – ATTACH COPY
- 12. Total Cost of Care Medicaid Inpatient and Outpatient

(MCR W/S S-10, Line 7, or hospital records) – ATTACH COPY _____
- 13. Total Amount of Charges for All Inpatients:
(MCR W/S C, Part I, Col.6, Line 202) less Swing Bed, Long Term Care, & Skilled Nursing Facility - ATTACH COPY _____

PART II: Payment Limitation Data

- 14. Total Amount of Charges for All Charity Care and Bad Debt: _____
(Hospital Records) – ATTACH CALCULATIONS
- 15. Total Costs for Both Inpatient and Outpatient Services:
(MCR W/S C, Part 1, Col. 5, Line 202)
ATTACH COPY _____
- 16. Total Costs for Medicaid-only Inpatient and Medicaid-only Outpatient Services:
(MCR, W/S S-10, Line 7) – ATTACH COPY _____
- 17. Total Amount of Charges for Both Inpatient and Outpatient Services: _____
(MCR W/S C, Part 1, Col. 8, Line 202)
ATTACH COPY

Due Date:

Friday, May 19, 2017

When Completed Mail to:

Attn: Lori Lawson
Department of Social Services
700 Governors Drive
Pierre, SD 57501-2291