



May 18, 2010

**Re: Louisiana Federal Medicaid DSH Audits  
Surveys Due June 18, 2010**

Dear Hospital Contact:

In order to comply with the new federal regulation regarding disproportionate share hospital (DSH) payments issued by CMS on December 19, 2008, the Louisiana Department of Health and Hospitals has contracted with Myers and Stauffer LC, a certified public accounting firm, to perform the mandated 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 audit of Louisiana's fiscal 2007 and 2008 DSH years will be completed by September 30, 2010. The certified audit report, along with other required data elements, will be submitted by the Medicaid program to CMS by December 31, 2010. Louisiana's DSH year corresponds with the state fiscal year; therefore, the DSH years under audit cover the time periods from July 1, 2006 through June 30, 2007 and July 1, 2007 through June 30, 2008.

Since your hospital received Medicaid DSH payments during one or both of 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 the enclosed survey(s), so the Medicaid and uninsured costs can be calculated. In addition to completing the survey document, each hospital must prepare a claims level analysis to support its uninsured services provided (and payments received) during each cost report year covering a portion of the DSH year. These analyses must be submitted to Myers and Stauffer so that we can perform the necessary audit testing.

A separate DSH survey must be completed for each state fiscal year (2007, 2008) in which your hospital received a Medicaid DSH payment. The surveys will be available at the following website by the end of the day, Wednesday, May 19<sup>th</sup>:

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

A copy of the surveys will also be posted on the Louisiana Medicaid web site at the following location:

<http://www.lamedicaid.com/provweb1/default.htm>

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

It is important to the Louisiana Medicaid program that all hospitals receiving DSH payments during these time periods provide the information needed in order to complete the required federal audit.

**Additional Instructions:**

1. A paper copy of your hospital's MR-0-14 paid claims data is being mailed on May 19, 2010. You should receive a separate MR-0-14 for each cost report period shown on the DSH surveys.
2. If your hospital has a Rural Health Clinic (RHC), you will receive the RHC MR-0-14 paid claims summary at a later date (DHH is currently requesting those reports). You will notice a new tab in the survey to be completed for RHC services.
3. A copy of your total in-state DSH payments, supplemental payments, and outlier payments will be mailed as soon as all data is available. Some of this data will be used in completing the survey.
4. Myers and Stauffer is working with DHH to obtain a separate Medicaid/Medicare crossover report that separates charges between inpatient and outpatient and provides Medicare payments. However, at this time the data is not available. Please begin the uninsured and out-of-state sections of the surveys since that data must come from your own records and usually takes the longest to accumulate.

If we obtain reasonable crossover data, we will send it out separately. If we can't obtain crossover data, we will request that all hospitals use the crossover data on the MR-0-14 crossover schedules and either calculate the Medicare payments or use their own records.

**Send completed surveys with supporting documentation to:**

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

**Completed DSH surveys must be submitted by June 18, 2010.**

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

Sincerely,



Bob Hicks  
Myers and Stauffer LC