

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

**State of Oklahoma  
Department of Health Care Authority  
4345 N. Lincoln Blvd.  
Oklahoma City, Oklahoma 73105**

**DSH Year Ended September 30, 2015**

**Prepared by:**



**MYERS AND  
STAUFFER<sub>L.C.</sub>**  
CERTIFIED PUBLIC ACCOUNTANTS

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



**MYERS AND  
STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

Oklahoma Health Care Authority  
Oklahoma City, Oklahoma

### Independent Accountant's Report

We have examined the state of Oklahoma'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, 2015. The state of Oklahoma is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of Oklahoma'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 Oklahoma complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the state of Oklahoma 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 Oklahoma'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 on the state of Oklahoma's compliance with federal Medicaid DSH requirements.

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 Oklahoma's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending September 30, 2015.

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 Oklahoma'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 Oklahoma's compliance with federal Medicaid DSH program requirements and not for the purpose of expressing an opinion on the effectiveness of the state of Oklahoma'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 Oklahoma Health Care Authority, 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.

Myers and Stauffer LC  
December 12, 2018

State of Oklahoma Disproportionate Share Hospital (DSH)  
Report on DSH Verifications  
For the Year Ended September 30, 2015

As required by 42 CFR §455.304(d) the state of Oklahoma 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 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.

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 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

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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: 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 Oklahoma 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.

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: Our examination identified that the information specified in the 2015 State MSP provides a description of the methodology for calculating each hospital's DSH payment but does not provide a description of the methodology for calculating hospital-specific DSH limits. Using documentation provided by the State and through discussions with OHCA personnel, we have been able to document the methodology for calculating hospital-specific DSH limits. The State relies on the Oklahoma Administrative Code for the definitions of inpatient hospital and outpatient hospital Medicaid reimbursable services when calculating the hospital-specific DSH limits.

State of Oklahoma Disproportionate Share Hospital (DSH)  
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Inpatient services are defined as follows:

(a) Covered hospital inpatient services are those medically necessary services which require an inpatient stay ordinarily furnished by a hospital for the care and treatment of inpatients and which are provided under the direction of a physician or dentist in an institution approved under OAC:317:30:5-40.1(a) or (b). Effective October 1, 2005, claims for inpatient admissions provided on or after October 1st in acute care or critical access hospitals are reimbursed utilizing a Diagnosis Related Groups (DRG) methodology. (b) Inpatient status. OHCA considers a member an inpatient when the member is admitted to the hospital and is counted in the midnight census. In situations when a member inpatient admission occurs and the member dies, is discharged following an obstetrical stay, or is transferred to another facility on the day of admission, the member is also considered an inpatient of the hospital. (1) Same day admission. If a member is admitted and dies before the midnight census on the same day of admission, the member is considered an inpatient. (2) Same day admission/discharge C-obstetrical and newborn stays. A hospital stay is considered inpatient stay when a member is admitted and delivers a baby, even when the mother and baby are discharged on the date of admission (i.e., they are not included in the midnight census). This rule applies when the mother and/or newborn are transferred to another hospital. (3) Same day admission/discharges other than obstetrical and newborn stays. In the event a member is admitted as an inpatient, but is determined to not qualify for an inpatient payment based on OHCA criteria, the hospital may bill on an outpatient claim for the ancillary services provided during that time. (4) Discharges and Transfers. (A) Discharges. A hospital inpatient is considered discharged from a hospital paid under the DRG-based payment system when: (i) The patient is formally released from the hospital; or (ii) The patient dies in the hospital; or (iii) The patient is transferred to a hospital that is excluded from the DRG-based payment system, or transferred to a distinct part psychiatric or rehabilitation unit of the same hospital. Such instances will result in two or more claims. Effective January 1, 2007, distinct part psychiatric and rehabilitation units excluded from the Medicare Prospective Payment System (PPS) of general medical surgical hospitals will require a separate provider identification number.

Outpatient services are defined as follows:

(a) Hospitals providing outpatient hospital services are required to meet the same requirements that apply to OHCA contracted, non-hospital providers performing the same services. Outpatient services performed outside the hospital facility are not reimbursed as hospital outpatient services. (b) Covered outpatient hospital services must meet all of the criteria listed in (1) through (4) of this subsection. (1) The care is directed by a physician or dentist. (2) The care is medically necessary. (3) The



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member is not an inpatient. (4) The service is provided in an approved hospital facility. (c) Covered outpatient hospital services are those services provided for a member who is not a hospital inpatient. A member in a hospital may be either an inpatient or an outpatient, but not both (see OAC 317:30-5-41). (d) In the event a member is admitted as an inpatient, but is determined to not qualify for an inpatient payment based on OHCA criteria, the hospital may bill on an outpatient claim for the ancillary services provided during that time. (e) Separate payment is made for prosthetic devices inserted during the course of surgery when the prosthetic devices are not integral to the procedure and are not included in the reimbursement for the procedure itself. (f) Physical, occupational, and speech therapy services are covered when performed in an outpatient hospital based setting. Coverage is limited to one evaluation/re-evaluation visit (unit) per discipline per calendar year and 15 visits (units) per discipline per date of service per calendar year. Claims for these services must include the appropriate revenue code(s).

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 Oklahoma  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2015

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?
HILLCREST MEDICAL CENTER	Yes	5,194,811	19,792,231	14,597,420	Yes	5,194,811	52,273,854	47,079,043	Yes	Yes	Yes	Yes	
WOODWARD REGIONAL HOSPITAL	Yes	227,425	864,127	636,702	Yes	227,425	3,042,364	2,814,939	Yes	Yes	Yes	Yes	
INTEGRIS BAPTIST REGIONAL HEALTH CE	Yes	485,228	2,716,423	2,231,195	Yes	485,228	8,309,727	7,824,499	Yes	Yes	Yes	Yes	
PONCA CITY MEDICAL CENTER	Yes	498,250	262,756	(235,484)	No	498,250	4,276,197	3,777,947	Yes	Yes	Yes	Yes	
NORMAN REGIONAL HOSPITAL	Yes	2,757,051	5,448,539	2,691,488	Yes	2,757,051	23,847,217	21,090,166	Yes	Yes	Yes	Yes	
MERCY HEALTH CENTER	Yes	339,220	10,441,105	10,101,885	Yes	339,220	23,447,235	23,108,015	Yes	Yes	Yes	Yes	
MEDICAL CENTER OF SOUTHEASTERN OKLAHOMA	Yes	1,235,707	249,748	(985,959)	No	1,235,707	9,850,339	8,614,632	Yes	Yes	Yes	Yes	
JANE PHILLIPS EP HSP	Yes	767,818	3,705,034	2,937,216	Yes	767,818	8,617,922	7,850,104	Yes	Yes	Yes	Yes	
GREAT PLAINS REGIONAL MEDICAL CENTER	Yes	286,371	1,792,627	1,506,256	Yes	286,371	3,780,789	3,494,418	Yes	Yes	Yes	Yes	
DUNCAN REGIONAL HOSPITAL	Yes	598,563	(320,459)	(598,563)	No	598,563	7,278,886	6,680,323	Yes	Yes	Yes	Yes	
MUSKOGEE REGIONAL MEDICAL CENTER	Yes	1,706,308	8,977,166	7,270,858	Yes	1,706,308	21,140,300	19,433,992	Yes	Yes	Yes	Yes	
ST MARY'S REGIONAL CTR	Yes	590,031	2,908,345	2,318,314	Yes	590,031	7,175,838	6,585,807	Yes	Yes	Yes	Yes	
INTEGRIS BAPTIST MEDICAL C	Yes	2,651,501	4,115,154	1,463,653	Yes	2,651,501	59,710,829	57,059,328	Yes	Yes	Yes	Yes	
CLINTON HMA LLC	Yes	238,197	1,710,717	1,472,520	Yes	238,197	3,166,786	2,928,589	Yes	Yes	Yes	Yes	
DEACONESS HSP	Yes	1,046,609	4,489,142	3,442,533	Yes	1,046,609	10,548,499	9,501,890	Yes	Yes	Yes	Yes	
HARMON MEM HSP	Yes	51,161	103,571	52,410	Yes	51,161	537,584	486,423	Yes	Yes	Yes	Yes	
ST ANTHONY HOSPITAL	Yes	6,231,594	7,083,661	852,067	Yes	6,231,594	31,639,471	25,407,877	Yes	Yes	Yes	Yes	
AHS CLAREMORE REGIONAL HOSPITAL, LLC	Yes	392,661	1,818,835	1,426,174	Yes	392,661	6,293,191	5,900,530	Yes	Yes	Yes	Yes	
OKLAHOMA STATE UNIVERSITY MEDICAL CENTER	Yes	476,117	709,270	233,153	Yes	476,117	18,617,346	18,141,229	Yes	Yes	Yes	Yes	
MIDWEST CITY REGIONAL HOSPITAL	Yes	1,703,815	8,051,561	6,347,746	Yes	1,703,815	19,094,108	17,900,293	Yes	Yes	Yes	Yes	
CUSHING REGIONAL HOSPITAL	Yes	273,599	1,965,980	1,692,381	Yes	273,599	4,987,146	4,713,547	Yes	Yes	Yes	Yes	
INTEGRIS SOUTHWEST MEDICAL	Yes	2,984,784	15,728,195	12,743,411	Yes	2,984,784	38,956,001	35,971,217	Yes	Yes	Yes	Yes	
INTEGRIS GROVE HOSPITAL	Yes	511,125	2,318,193	1,807,068	Yes	511,125	6,729,265	6,218,140	Yes	Yes	Yes	Yes	
ST JOHN MED CTR	Yes	4,590,943	15,995,726	11,404,783	Yes	4,590,943	42,946,344	38,355,401	Yes	Yes	Yes	Yes	
MEMORIAL HOSPITAL OF TEXAS COUNTY	Yes	160,348	924,313	763,965	Yes	160,348	1,168,336	1,007,988	Yes	Yes	Yes	Yes	
ST. ANTHONY SHAWNEE HOSPITAL	Yes	739,233	3,297,019	2,557,786	Yes	739,233	9,780,851	9,041,618	Yes	Yes	Yes	Yes	
JEAY MEDICAL SERVICES	Yes	60,031	208,677	148,646	Yes	60,031	497,296	437,265	Yes	Yes	Yes	Yes	
HENRYETTA MEDICAL CENTER	Yes	182,257	1,210,020	1,027,763	Yes	182,257	3,304,377	3,122,120	Yes	Yes	Yes	Yes	
LAKEVIEW WOMENS CENTER OF OKLAHOMA CITY	Yes	49,216	1,403,362	1,354,146	Yes	49,216	1,797,800	1,748,584	Yes	Yes	Yes	Yes	
HILLCREST HOSPITAL SOUTH	Yes	899,323	4,854,800	3,955,477	Yes	899,323	13,912,281	13,012,958	Yes	Yes	Yes	Yes	
INTEGRIS CANADIAN VALLEY HOSPITAL	Yes	409,545	3,803,486	3,393,941	Yes	409,545	6,402,965	5,993,420	Yes	Yes	Yes	Yes	
SAINT FRANCIS HOSPITAL SOUTH	Yes	416,433	2,749,609	2,333,176	Yes	416,433	6,710,851	6,294,418	Yes	Yes	Yes	Yes	
ST JOHN OWASSO	Yes	235,351	1,340,730	1,105,379	Yes	235,351	2,748,813	2,513,462	Yes	Yes	Yes	Yes	
BAILEY MEDICAL CENTER LLC	Yes	284,157	1,549,166	1,265,009	Yes	284,157	3,149,029	2,864,872	Yes	Yes	Yes	Yes	
SEMINOLE HMA LLC	Yes	241,899	957,366	715,467	Yes	241,899	2,681,905	2,440,006	Yes	Yes	Yes	Yes	
INTEGRIS HEALTH EDMOND, INC.	Yes	228,742	2,768,224	2,539,482	Yes	228,742	4,682,655	4,453,913	Yes	Yes	Yes	Yes	
PRAGUE COMMUNITY HOSPITAL	Yes	59,606	305,214	245,608	Yes	59,606	779,613	720,007	Yes	Yes	Yes	Yes	
MERCY HOSPITAL KINGFISHER, INC	Yes	111,107	855,562	744,455	Yes	111,107	1,949,677	1,838,570	Yes	Yes	Yes	Yes	
CAH ACQUISITION COMPANY 12 LLC	Yes	82,670	147,568	64,898	Yes	82,670	945,299	862,629	Yes	Yes	Yes	Yes	
COAL COUNTY GENERAL HOSPITAL INC	Yes	36,125	265,423	229,298	Yes	36,125	896,839	860,714	Yes	Yes	Yes	Yes	
HOLDENVILLE GEN HSP	Yes	4,282	269,746	265,464	Yes	4,282	1,194,072	1,189,790	Yes	Yes	Yes	Yes	
WEATHERFORD HOSPITAL AUTHORITY	Yes	153,444	1,003,788	850,344	Yes	153,444	1,800,577	1,647,133	Yes	Yes	Yes	Yes	
DRUMRIGHT REGIONAL HOSPITAL	Yes	117,241	387,251	270,010	Yes	117,241	1,171,426	1,054,185	Yes	Yes	Yes	Yes	
CAH ACQUISITION COMPANY 9 LLC	Yes	20,750	123,903	103,153	Yes	20,750	223,433	202,683	Yes	Yes	Yes	Yes	
CAH ACQUISITION COMPANY 16 LLC	Yes	88,375	519,173	430,798	Yes	88,375	1,651,344	1,562,969	Yes	Yes	Yes	Yes	
GEORGE NIGH REHAB INST VA	Yes	19,175	2,485,290	2,466,115	Yes	19,175	2,675,457	2,656,282	Yes	Yes	Yes	Yes	
J D MCCARTY C P CTR	Yes	263,663	1,457,635	1,193,972	Yes	263,663	1,586,831	1,323,168	Yes	Yes	Yes	Yes	
GRIFFIN MEMORIAL HOSPITAL	Yes	3,273,248	20,991,075	17,717,827	Yes	3,273,248	21,176,176	17,902,928	Yes	Yes	Yes	Yes	

This report is intended solely for the information and use of the Oklahoma Health Care Authority, 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 Oklahoma Disproportionate Share Hospital (DSH)  
Schedule of Data Caveats Relating to the DSH Verifications  
For the Year Ended September 30, 2015

## Finding 1

Criteria:

Section 42 CFR §455.304(b) specifies that the State must submit to CMS a DSH examination report by December 31<sup>st</sup> each year for the Medicaid State plan rate year ending during the calendar year three years prior to that date.

Condition:

We found that two hospitals did not make available to us, during the course of this examination, supporting documentation for 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 the DSH Rule; and any other payments made on behalf of the uninsured from payment adjustments under the DSH Rule.

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

One of these hospitals was not able to submit all the requested documentation. The uncompensated care costs for this hospital were calculated based on services reported from state supplied MMIS claims data. All Medicaid eligible claims may not have been captured.

Cause:

The Oklahoma Health Care Authority (OHCA) along with Myers and Stauffer LC provides educational material to the providers on the proper completion of the DSH Survey files and required documentation to be submitted with the DSH Surveys. One hospital was not able to pull all Medicaid eligible claims by the date the files were requested in order to provide a DSH examination report to the OHCA in accordance with the federal rules. One hospital went out of business subsequent to receiving the 2015 DSH payment.

## Notes of Recent Litigation

On February 9, 2018, the U.S. District Court for the Western District of Missouri issued an order enjoining CMS from enforcing CMS FAQ 33 and FAQ 34 and the April 3, 2017 DSH Final Rule. On March 2, 2018, in a separate case, the U.S. District Court for the District of Columbia issued an order vacating the April 3, 2017 Final Rule. Government appeals were filed in both cases and are ongoing.

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For the Year Ended September 30, 2015

Our DSH examination report reflects both the existing CMS guidance (FAQs 33 and 34 and the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017), and separate, alternative calculations made based on the orders in the above-noted trial court rulings. Our report presents total uncompensated care cost using the current CMS DSH examination guidance (reducing uncompensated care cost by Medicare and private insurance payments), and, separately, for the agency's administrative convenience at its request, consistent with the above-noted court rulings (not reducing uncompensated care costs by Medicare and private insurance payments).

## **Schedule of Annual Reporting Requirements**

State of Oklahoma  
Schedule of Annual Reporting Requirements (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2015

**Definition of Uncompensated Care:** The definition of uncompensated care was based on guidance published by CMS in the 73 Fed. Reg. 71904 dated December 19, 2008, the 79 Fed. Reg. 71679 dated December 3, 2014, and the 82 Fed. Reg. 16114 dated April 3, 2017. Due to uncertainty surrounding the U.S. District Court for the Western District of Missouri ordering that CMS is enjoined from enforcement of CMS FAQ 33 and FAQ 34 and the April 3, 2017 DSH final rule on February 9, 2018 and the U.S. District Court for the District of Columbia ordering that the April 3, 2017 Final Rule to be vacated on March 2, 2018, the annual reporting requirements below are presented reflecting both the existing CMS guidance (FAQs 33 and 34 and the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017) in column P, as well as separate, alternative calculations made based on the orders in the above noted court rulings in column R. The calculated uncompensated care costs (CCC) 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 CCC for these patient groups was calculated using Medicare cost reporting methods, and utilized the most recent CMS 2552 cost report. Medicaid paid claims surcharges, and hospital provided care. 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. Fees for Service Medicaid primary, Fee for Service Cross-over, Managed Care Medicaid primary, Managed Care Medicaid Cross-over, 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 Medicare cost reports, in column S and column T 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 VP Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Statistic	Regular IP/OP Medicaid FFS Payments	IP/OP Medicaid MCO Payments	Supplemental/Enhanced IP/OP Medicaid Payments	Total Medicaid Payments (FCR)	Total Cost of Care- Medicaid IP/OP Services	Total Medicaid Uncompensated Care Costs	Total Medicaid IP/OP Care/Sell/Indg Revenues	Total Applicable Section 1011 Payments	Total IP/OP Uninsured Cost of Care	Total Uninsured Uncompensated Care Costs	Total Eligible Uncompensated Care Costs Reduced by Medicare and Private Insurance Payments	Total IP/OP Medicare and Private Insurance Payments	Total Eligible Uncompensated Care Costs Not Reduced by Medicare and Private Insurance Payments	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider Number	Medicare Provider Number	Total Hospital Cost
AHS CLAREMORE REGIONAL HOSPITAL, LLC	3,369,040	39.83%	19.73%	1% MUR	9,395,204	0	3,370,358	12,765,562	12,677,389	(88,173)	230,059	0	2,137,067	1,907,008	1,838,835	4,474,356	6,293,151	392,661	0	200435950A	370039	40,843,232
BAILEY MEDICAL CENTER LLC	4,802,682	29.31%	11.57%	1% MUR	3,723,868	0	1,256,718	4,980,586	5,680,701	702,115	812,155	0	1,659,206	847,051	1,549,166	1,999,963	3,149,029	284,157	0	200102405A	370028	27,938,131
CAH ACQUISITION COMPANY 13 LLC	1,307,839	72.73%	11.54%	1% MUR	1,069,008	0	311,661	1,380,669	1,304,486	(76,183)	50,556	0	274,603	223,747	147,568	797,731	945,299	82,670	0	200331937A	371138	2,799,890
CAH ACQUISITION COMPANY 16 LLC	1,806,840	14.97%	14.97%	1% MUR	1,657,846	0	305,398	1,963,244	2,045,210	81,966	70,080	0	507,287	437,207	1,132,171	1,132,171	1,651,344	88,375	0	200313370A	371332	5,219,140
CAH ACQUISITION COMPANY 9 LLC	2,103,031	14.02%	5.74%	1% MUR	169,472	0	60,575	230,047	247,072	17,025	19,331	0	126,209	106,878	123,903	99,530	223,433	20,750	0	200287200A	371332	20,320,323
CLINTON HMA LLC	3,802,976	34.04%	17.51%	1% MUR	3,501,447	0	1,471,495	4,972,942	5,720,931	747,989	144,721	0	1,107,449	962,728	1,710,217	1,456,069	3,166,786	238,197	0	100700010G	370029	19,096,721
COAL COUNTY GENERAL HOSPITAL INC	41,044	30.94%	12.16%	1% MUR	1,020,941	0	44,175	1,065,116	1,139,866	74,750	87,461	0	278,134	190,673	265,423	631,416	896,339	96,125	0	100774600D	371139	3,705,808
CUSHING REGIONAL HOSPITAL	2,093,663	38.37%	18.97%	1% MUR	5,459,288	0	1,287,472	6,746,760	7,351,481	604,721	115,642	0	1,476,901	1,361,259	1,965,980	3,021,166	4,987,146	273,599	0	200044190A	370009	20,392,287
DEACONSHP HSP	9,215,790	27.42%	13.23%	1% MUR	14,977,645	0	6,417,473	21,395,118	19,982,236	(1,413,082)	1,340,988	0	7,243,212	5,902,224	4,489,142	6,059,157	10,548,499	1,046,609	0	100099370A	370032	93,004,359
DUNCAN REGIONAL HOSPITAL	1,110,449	62.60%	26.74%	1% MUR	1,511,919	0	769,184	2,281,103	2,438,637	(17,464)	48,662	0	473,379	424,117	387,241	784,175	1,172,426	117,241	0	200230440A	371131	6,403,413
DUNCAN REGIONAL HOSPITAL	3,108,851	37.88%	13.28%	1% MUR	11,682,768	0	17,360,420	17,360,188	14,508,576	(2,877,612)	670,884	0	3,238,037	2,557,153	(320,499)	7,099,345	7,778,866	998,563	0	100700120A	370023	60,243,818
GEORGE NOSH REHAB INST VA	226,861	15.54%	16.25%	1% MUR	531,412	0	0	531,412	1,093,220	561,808	0	1,923,482	2,485,290	190,167	2,675,457	19,175	17,502	0	100693650A	370026	7,292,749	
GREAT PLAINS REGIONAL MEDICAL CENTER	3,441,000	23.39%	12.79%	1% MUR	4,668,607	0	1,772,346	6,440,953	7,005,704	564,751	502,345	0	1,730,221	1,227,876	1,792,627	1,988,162	3,780,789	286,171	0	100699410A	370019	35,838,704
HARMON MEM HSP	51,161	36.05%	18.95%	1% MUR	817,819	0	268,983	1,086,802	1,190,371	103,571	0	0	0	0	103,571	434,013	537,584	51,161	0	100700780B	370026	3,891,132
HENRYETTA MEDICAL CENTER	1,993,261	36.83%	18.85%	1% MUR	1,633,982	0	623,762	4,257,744	4,690,046	432,302	114,728	0	692,446	1,210,020	2,094,357	3,954,377	1,827,287	0	0	200045700C	370018	13,514,636
HILLCREST MEDICAL CENTER	18,428,643	31.10%	14.98%	1% MUR	75,259,013	0	26,954,014	26,787,902	(166,112)	383,736	0	5,404,648	5,020,912	4,854,800	9,057,481	13,912,281	899,333	0	20049320A	370020	109,722,112	
HILLCREST MEDICAL CENTER	8,206,263	41.71%	19.09%	1% MUR	76,178,410	0	34,471,342	110,649,752	110,009,028	(640,724)	962,513	0	21,395,468	20,432,955	19,792,231	32,481,623	52,273,854	5,194,811	0	200044210A	370001	363,682,932
HOCKESSVILLE GEN HSP	4,282	47.05%	16.15%	1% MUR	1,741,864	0	651,316	2,393,180	2,451,631	44,451	131,454	0	356,749	225,295	269,746	524,126	1,194,072	4,282	0	100698880A	371131	7,997,403
INTEGRI BAPTIST MEDICAL C	2,651,501	44.48%	14.88%	1% MUR	102,289,576	0	38,826,482	139,116,058	124,750,499	(14,324,009)	3,278,415	0	21,717,614	18,439,163	4,115,154	55,995,675	59,710,829	2,651,501	0	100806400C	370008	501,644,928
INTEGRI BAPTIST REGIONAL HEALTH CE	3,978,932	45.00%	21.54%	1% MUR	10,046,351	0	2,547,364	12,593,715	13,523,858	930,143	185,440	0	1,971,720	1,786,289	2,716,423	5,993,304	8,309,727	485,228	0	100699400A	370024	33,925,386
INTEGRI CANADIAN VALLEY HOSPITAL	2,202,091	35.83%	11.22%	1% MUR	4,611,539	0	2,751,844	9,368,383	10,268,437	1,620,074	776,543	0	2,959,955	2,183,412	3,803,486	2,599,479	4,402,965	409,545	0	100700610A	370011	44,616,149
INTEGRI GROVE HOSPITAL	5,005,040	38.84%	18.63%	1% MUR	8,132,173	0	2,398,188	10,530,361	10,981,768	451,407	253,744	0	2,120,530	1,866,786	2,318,193	4,411,072	6,729,265	115,125	0	100699700A	370013	33,657,937
INTEGRI HEALTH EDMOND, INC.	5,742,659	20.53%	9.12%	1% MUR	3,849,793	0	1,012,802	4,862,595	5,994,405	1,131,810	277,444	0	1,913,588	1,636,414	1,914,431	4,482,655	228,742	0	200405550A	370026	89,880,145	
INTEGRI SOUTHWEST MEDICAL	16,046,790	29.15%	20.14%	1% MUR	43,386,920	0	14,577,701	57,964,621	56,639,443	(2,325,178)	1,135,450	0	19,188,823	18,093,371	15,728,195	23,227,806	38,956,001	2,864,784	0	100700200A	370026	190,139,783
J D MCGRATH C CTR	243,643	100.00%	94.91%	1% MUR	11,292,147	0	1,039,877	14,477,024	15,704,409	1,227,385	0	0	0	0	1,637,635	1,39,196	1,586,811	0	0	100700010A	370001	16,313,818
JANE PHILLIPS EP HSP	1,062,951	18.83%	13.83%	1% MUR	11,124,276	0	4,388,815	15,513,091	14,957,823	(555,268)	985,078	0	5,245,380	4,260,302	3,705,034	4,912,888	8,611,922	674,818	0	100699400A	370018	93,916,216
JEAN MEDICAL SERVICES	553,204	22.72%	24.56%	1% MUR	700,454	0	131,770	832,224	1,040,901	208,677	0	0	0	208,677	288,619	497,296	60,031	0	200404110A	370049	3,981,709	
LAKESIDE WOMENS CENTER OF OKLAHOMA CITY	3,939,021	20.86%	1.64%	1% MUR	1,260,497	0	1,260,497	2,862,190	1,601,693	(1,260,497)	407,429	0	209,098	(196,313)	1,403,862	394,438	1,797,800	49,216	0	100743310B	370199	20,991,964
MEDICAL CENTER OF SOUTHEASTERN OKLAHOMA	6,069,883	16.90%	13.74%	1% MUR	19,580,108	0	7,692,391	27,272,499	23,681,159	(3,594,340)	523,387	0	4,337,475	3,834,088	2,449,748	9,600,591	9,850,339	1,235,707	0	100696610B	370014	62,844,937
MEMORIAL HOSPITAL OF TEXAS COUNTY	731,073	41.95%	24.25%	1% MUR	1,327,769	0	1,225,936	2,553,705	2,605,791	52,086	137,281	0	1,009,508	872,227	1,243,313	244,023	1,168,336	160,348	0	100699630A	370018	10,887,266
MERCY HEALTH CENTER	339,220	22.03%	14.41%	1% MUR	33,939,604	3,915	16,144,240	50,087,759	49,503,247	(584,512)	2,221,085	0	13,246,702	11,025,617	10,441,105	17,006,130	23,447,235	339,220	0	100699300A	370013	317,170,529
MERCY HOSPITAL KINGFISHER, INC	659,390	9.49%	8.26%	1% MUR	1,514,644	0	374,985	1,889,630	2,095,260	165,630	71,837	0	761,759	689,932	855,562	1,094,115	1,948,677	111,107	0	200211810B	371131	10,902,669
MOORE CITY REGIONAL HOSPITAL	15,829,167	26.65%	14.20%	1% MUR	23,540,281	0	9,799,134	33,339,415	31,499,100	(1,840,315)	673,667	0	10,565,543	9,891,876	8,051,561	11,042,547	19,094,108	1,706,815	0	100700400A	370094	115,538,122
MUSKOGEE REGIONAL MEDICAL CENTER	3,404,293	35.08%	21.31%	1% MUR	26,694,074	0	8,739,181	35,433,255	36,911,864	1,478,609	83,183	0	7,561,740	7,478,557	12,163,134	21,140,300	1,703,808	0	100700630A	370025	118,049,877	
MUSKOGEE REGIONAL MEDICAL CENTER	6,996,017	25.88%	14.98%	1% MUR	36,404,740	0	16,541,715	52,946,455	52,480,007	(1,096,448)	2,499,572	0	9,938,699	7,444,987	5,466,209	18,508,676	23,847,217	2,757,051	0	100700600A	370028	256,860,400
OKLAHOMA STATE UNIVERSITY MEDICAL CENTER	476,137	47.83%	50.15%	1% MUR	30,700,346	0	34,145,541	64,845,887	53,188,194	(16,657,693)	475,731	0	17,440,836	17,364,889	709,270	37,008,076	18,511,346	476,137	0	200342500A	370006	137,446,811
PONCA CITY MEDICAL CENTER	2,352,402	37.88%	19.75%	1% MUR	9,115,777	0	3,801,286	12,917,063	11,562,199	(1,364,864)	446,911	0	2,074,311	1,627,620	2,672,756	4,013,441	4,776,197	488,250	0	100699420A	370006	38,084,068
PRAGUE COMMUNITY HOSPITAL	186,714	24.10%	16.20%	1% MUR	780,770	0	340,847	1,121,617	1,243,751	122,134	73,810	0	256,890	183,080	305,214	474,399	779,613	59,605	0	200213400B	371301	4,029,638
SAINTE FRANCIS HOSPITAL SOUTH	3,170,119	33.33%	11.61%	1% MUR	9,293,108	0	3,975,330	13,268,438	12,766,233	(498,635)	609,725	0	2,030,719	2,250,994	2,749,609	3,901,242	6,710,851	416,433	0	200013200A	370116	63,120,295
SEMINOLE HMA LLC	3,602,208	30.00%	19.51%	1% MUR	3,550,760	0	790,188	4,340,948	4,209,116	(131,830)	130,958	0	1,220,154	1,029,198	957,366	1,724,539	2,681,905	241,899	0	200319450C	370229	11,857,924
ST ANTHONY HOSPITAL	25,783,244	38.46%	23.88%	1% MUR	68,072,444	0	32,121,387	100,193,831	83,627,25													

## **Independence Declaration**



**MYERS AND  
STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

To Whom it May Concern:

Myers and Stauffer LC declares it is independent of the state of Oklahoma and its disproportionate share hospitals for the Medicaid State plan rate year ending September 30, 2015.

December 12, 2018  
Austin, TX