

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

**State of Utah
Department of Health & Human Services
Office of Reimbursement,
Coordinated Care & Audit
288 North 1460 West
Salt Lake City, Utah 84116**

DSH Year Ended September 30, 2021

Prepared By:



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

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



Department of Health & Human Services
Salt Lake City, Utah

Independent Accountant's Report

We have examined the state of Utah'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, 2021. The state of Utah is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of Utah'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, and 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 Utah complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the state of Utah 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination was conducted for the purpose of forming an opinion on the state of Utah'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 Utah's compliance with federal Medicaid DSH requirements.

Federal regulations found at 42 CFR §455.301 require disclosure of identified data issues or other caveats impacting the results of the examination. These are disclosed in the Schedule of Data Caveats Relating to the DSH Verifications.

In our opinion, the Report on DSH Verifications presents fairly, in all material respects, the state of Utah's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending September 30, 2021.

This report is intended solely for the information and use of the Utah Department of Health & Human Services, the State Legislature, hospitals participating in the State DSH program, and the Centers for Medicare & 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.

Meridian, Idaho
September 4, 2024

State of Utah Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2021

As required by 42 CFR §455.304(d), the state of Utah 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: DSH payments made to each qualifying hospital comply with the hospital-specific DSH payment limit. 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.

State of Utah Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2021

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: 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 Utah 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: 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 Utah
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2021

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)
In-State Hospitals									
American Fork Hospital	Note 1	0	\$ 5,412	\$ (6,345,490)	\$ (5,412)	No	Yes	Yes	Yes
Ashley Regional Medical Center		Yes	\$ 11,853	\$ (7,088,594)	\$ (11,853)	No	Yes	Yes	Yes
Bear River Valley Hospital		Yes	\$ 6,137	\$ 21,235	\$ 15,098	Yes	Yes	Yes	Yes
Beaver Valley Hospital		Yes	\$ 2,317,790	\$ 437,844	\$ (1,879,946)	No	Yes	Yes	Yes
Blue Mountain Hospital		Yes	\$ 592	\$ 1,120,452	\$ 1,119,860	Yes	Yes	Yes	Yes
Brigham City Community Hospital		Yes	\$ 14,851	\$ (2,410,443)	\$ (14,851)	No	Yes	Yes	Yes
Cache Valley Hospital		Yes	\$ 779	\$ 1,139,874	\$ 1,139,095	Yes	Yes	Yes	Yes
Castleview Hospital LLC		Yes	\$ 1,987	\$ (7,585,142)	\$ (1,987)	No	Yes	Yes	Yes
Cedar City Hospital	Note 1	0	\$ 73,334	\$ (5,910,194)	\$ (73,334)	No	Yes	Yes	Yes
Central Valley Medical Center	Note 1	0	\$ 7,997	\$ (209,787)	\$ (7,997)	No	Yes	Yes	Yes
Delta Community Hospital		Yes	\$ 15,779	\$ 170,591	\$ 154,812	Yes	Yes	Yes	Yes
Dixie Medical Center		Yes	\$ 33,312	\$ (6,889)	\$ (33,312)	No	Yes	Yes	Yes
Fillmore Community Hospital		Yes	\$ 7,685	\$ 193,875	\$ 186,190	Yes	Yes	Yes	Yes
Garfield Memorial Hospital		Yes	\$ 1,105,532	\$ 50,883	\$ (1,054,649)	No	Yes	Yes	Yes
Gunnison Valley Hospital	Note 1	0	\$ 180,216	\$ (116,572)	\$ (180,216)	No	Yes	Yes	Yes
Heber Valley Medical Center		Yes	\$ 7,687	\$ (12,825)	\$ (7,687)	No	Yes	Yes	Yes
IHC Riverton Hospital	Note 1	0	\$ 4,155	\$ (5,079,162)	\$ (4,155)	No	Yes	Yes	Yes
Intermountain Medical Center	Note 1	0	\$ 119,393	\$ (24,581,335)	\$ (119,393)	No	Yes	Yes	Yes
Kane County Hospital		Yes	\$ 1,133,855	\$ 885,976	\$ (247,879)	No	Yes	Yes	Yes
Lakeview Hospital		Yes	\$ 7,615	\$ (2,132,505)	\$ (7,615)	No	Yes	Yes	Yes
Layton Hospital		Yes	\$ 3,193	\$ 2,950,687	\$ 2,947,494	Yes	Yes	Yes	Yes
LDS Hospital		Yes	\$ 53,573	\$ (6,995,099)	\$ (53,573)	No	Yes	Yes	Yes
Logan Regional Medical Center	Note 1	0	\$ 8,978	\$ (9,778,650)	\$ (8,978)	No	Yes	Yes	Yes
Mckay Dee Hospital	Note 1	0	\$ 81,635	\$ (21,081,026)	\$ (81,635)	No	Yes	Yes	Yes
Milford Valley Memorial Hospital		Yes	\$ 411,091	\$ 347,603	\$ (63,488)	No	Yes	Yes	Yes
Moab Regional Hospital		Yes	\$ 775,365	\$ 1,057,567	\$ 282,202	Yes	Yes	Yes	Yes
Mountain View Hospital		Yes	\$ 12,670	\$ (3,419,733)	\$ (12,670)	No	Yes	Yes	Yes
Ogden Regional Medical Center		Yes	\$ 20,874	\$ (18,299,994)	\$ (20,874)	No	Yes	Yes	Yes
Orem Community Hospital		Yes	\$ 2,218	\$ 126,848	\$ 124,630	Yes	Yes	Yes	Yes
Park City Hospital		Yes	\$ 7,669	\$ 1,986	\$ (5,683)	No	Yes	Yes	Yes
Primary Children's Hospital	Note 1	0	\$ 1,001,516	\$ (42,928,264)	\$ (1,001,516)	No	Yes	Yes	Yes
San Juan Hospital		Yes	\$ 813,389	\$ 27,753	\$ (785,636)	No	Yes	Yes	Yes
Sanpete Valley Hospital		Yes	\$ 25,740	\$ (517,883)	\$ (25,740)	No	Yes	Yes	Yes
Sevier Valley Hospital		Yes	\$ 55,562	\$ (1,701,837)	\$ (55,562)	No	Yes	Yes	Yes
Shriners Hospital For Children		Yes	\$ 204	\$ 6,441,390	\$ 6,441,186	Yes	Yes	Yes	Yes
St Mark's Hospital		Yes	\$ 49,465	\$ (41,269,513)	\$ (49,465)	No	Yes	Yes	Yes
Timpanogos Regional Hospital		Yes	\$ 21,163	\$ (13,899,152)	\$ (21,163)	No	Yes	Yes	Yes
Uintah Basin Medical Center	Note 1	0	\$ 23,544	\$ (602,805)	\$ (23,544)	No	Yes	Yes	Yes
University Of Utah Hospital		Yes	\$ 21,445,370	\$ 11,281,169	\$ (10,164,201)	No	Yes	Yes	Yes
Utah Valley Hospital	Note 1	0	\$ 123,467	\$ (20,477,212)	\$ (123,467)	No	Yes	Yes	Yes
Institutes for Mental Disease									
Utah State Hospital		Yes	\$ 934,586	\$ 28,756,122	\$ 27,821,536	Yes	Yes	Yes	Yes

Note 1: These hospitals are voluntarily non-compliant. The hospitals elected to not submit support for the DSH examination, which has limited our ability to report any information other than the DSH and supplemental payments received, data collected in the prior year, and the state defined eligibility statistics. The State of Utah plans to recoup the DSH money paid.

This report is intended solely for the information and use of the Utah Department of Health & Human Services, 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 Utah Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended September 30, 2021

During the course of the engagement, no data issues or other caveats were identified to be reported in accordance with the requirements of 42 CFR §455.301.

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 state of Utah and its DSH hospitals for the Medicaid State plan rate year ending September 30, 2021.

September 4, 2024
Meridian, Idaho