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MEMORANDUM

Date: July 24, 2009

To: Chief Executive Officer  
Chief Financial Officer

From: Alec Steele, Director  
Reimbursement Services

Subject: Georgia Federal Medicaid DSH Audits

BY FACSIMILE AND EMAIL

In order to comply with the new federal regulation regarding disproportionate share hospital (DSH) payments issued by CMS on December 19, 2008, the Georgia Department of Community Health 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)

This regulation mandates auditing and reporting requirements for DSH payments under state Medicaid programs. Audits of Georgia's 2005 and 2006 DSH plan years must be completed and submitted to CMS by December 31, 2009.

Since your hospital received Medicaid DSH payments during these time periods, it is subject to the DSH program audit and must identify the actual Medicaid and uninsured costs incurred during the 2005 and/or 2006 DSH years (state fiscal years), along with several other data elements, in order to fulfill the audit and reporting requirements. By rule, 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 DSH survey to assist in calculating Medicaid and uninsured costs. The DSH audit survey documents for state fiscal years 2005 and 2006 must be downloaded from either of the following websites:

<http://ga.mslc.com/Downloads.aspx>

Or:

[http://dch.georgia.gov/00/article/0,2086,31446711\\_31944824\\_146244983,00.html](http://dch.georgia.gov/00/article/0,2086,31446711_31944824_146244983,00.html)

To complete the survey you will need to provide Medicaid paid claims data from the Medicaid HS&R. Copies of your Medicaid FFS HS&R for each applicable cost period are also available on the website referenced above and should be downloaded to complete the survey document.

In addition to completing the survey document, each hospital must prepare a claims level analysis to support the uninsured services provided and payments received during each cost report year covered by a portion of the DSH year. These analyses should be submitted to Myers and Stauffer, so they can perform the necessary audit testing.

In order for the Georgia Medicaid program to complete the required federal audits, all hospitals that received Medicaid DSH payments during the 2005 and/or 2006 state fiscal years must provide the requested information. We appreciate your cooperation with this initiative.

Please submit the completed survey along with the items included on the checklist tab of the survey document, including the uninsured data analyses (uninsured data analyses required for submission are included in the survey form instructions) in electronic format to:

**Myers and Stauffer LC**  
**ATTN: Georgia DSH Audits**  
**11440 Tomahawk Creek Parkway**  
**Leawood, KS 66211**

The data analyses and surveys need to be submitted by **August 28, 2009**.

The data analyses may be submitted in Excel (.xls), Access (.mdb), Dbase or FoxPro (.dbf), or comma separated values (.csv). This information contains protected health information (PHI), and as such, should be sent on CD or DVD via U.S. mail, or other carrier authorized to transfer PHI.

If you have any questions, please contact Myers and Stauffer by phone at 800-374-6858, or by e-mail at [gadsh@mslc.com](mailto:gadsh@mslc.com).