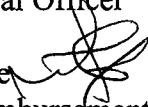




MEMORANDUM

Date: October 30, 2009

To: Chief Executive Officer
Chief Financial Officer

From: G. Alec Steele 
Director, Reimbursement Services
Division of Financial Management

Subject: DSH Data Surveys for 2010 Payment Data and 2007 Audit Data

BY FACSIMILE AND MAIL

In an attempt to bring the survey process current and to enable us to only survey on an annual basis for a single period moving forward, the current surveys are collecting the data necessary to complete the 2007 DSH audit and the 2010 DSH payment calculation. In addition, due to the change in the calculation of the hospital-specific DSH limits due to the DSH audit rule, the survey for the payment calculation is in the same format as the survey for the audit process. This accomplishes two goals, it allows us to utilize a consistent approach with the audit process in calculating each hospital's total uncompensated care costs (hospital-specific DSH limit), and it will allow us to utilize the data that is collected for 2010 payment purposes for the 2007/2008 audit process, which will eliminate the need to resurvey for this data during the audit process.

In preparation for calculating the State Fiscal Year 2010 DSH payments and conducting the 2007 DSH audit, it is necessary to gather additional data from your hospital. In accordance with the state plan, the SFY 2010 DSH payments should be based upon cost report data ending in 2008. Therefore, the 2010 DSH survey is designed to collect data from your hospital for the cost reporting periods ending in 2008. As you are aware, in addition to the DSH payment process, CMS has also required states to conduct an audit of the DSH program to ensure that DSH payments made do not exceed the "actual" uncompensated care costs for the state plan year. If your hospital received DSH payments in SFY 2005 or 2006, you recently completed surveys for these time periods to be used in completing the SFY 2005 and 2006 DSH audits. These audits need to be completed and delivered to CMS no later than December 31, 2010. In addition, the SFY 2007 audit is also due to CMS by no later than December 31, 2010.

Because the audit process is only concerned with hospitals that received DSH payments in SFY 2007, not all providers need to complete the 2007 DSH audit survey. In addition, some providers, based on their fiscal year-ends, have already provided data on their 2007 cost reports for the 2006 DSH audit, and will be asked to provide information on their 2008 cost reports for the 2010 payment survey. As a result, the cost report periods will already cover the 2007 audit period, so the additional survey will not need to be completed. To assist with determining whether or not you need to complete the 2007 DSH audit survey, we have provided a

spreadsheet (DSH Cost Reports.xls) that shows the cost report periods covered by each survey. If your hospital does not have a fiscal period indicated in the 2007 DSH audit columns, you do not need to complete the 2007 DSH audit survey. In addition, if you download the survey and open it and if your hospital is not available for selection in the drop down box, you do not need to complete it. The following link will direct you to the documents needed for both the payment and the audit surveys:

http://dch.georgia.gov/00/channel_title/0,2094,31446711_45327286,00.html

We are asking that the Payment Survey be completed and returned to Myers and Stauffer by December 15, 2009, and the Audit Survey be completed and returned by January 15, 2010. Please mail completed surveys and supporting documentation to:

Myers and Stauffer LC
ATTN: GA DSH
11440 Tomahawk Creek Parkway
Leawood, Kansas 66211

If you have questions during the completion of the surveys, please contact Myers and Stauffer at (800) 374-6858 and indicate that you have a Georgia DSH question. If you prefer e-mailing your questions, you can contact Myers and Stauffer by e-mail at gadsh@mslc.com.

Two Web-based training sessions are planned for October 29, 2009, to discuss the DSH survey process. The morning session is being sponsored by Hometown Health, and the afternoon session is being sponsored by the Georgia Hospital Association. Please contact your association if you have not received a notice about the training sessions.