**Frequently Asked Questions:**
**FY 2009 Disproportionate Share Hospital Program**

April 1, 2009 ------------------------------------------------------------------------------------------------

Q: RE: the ICTF Letter Agreement - Have you heard any concerns about section (f)? It seems very over-reaching, in essence putting the state claims even if not due, before many other creditors. Bonuses are not defined, thus incentives relating to construction, product volume purchases, as well as many employment agreements which have pre-existing terms and conditions that are not easily modified would seem to be covered. The obligations to the state that they seem to be capturing may cover amounts due to the state for Medicaid settlements not related to ICTF, state income taxes, state payroll taxes for employees, state property taxes, car tag fees on hospital vehicles, etc.

A: This provision is to ensure that a hospital agrees that any Medicaid debt can and should be satisfied with the use of DSH payments before such DSH payments are directed toward other expenditures that are <u>not</u> mission critical to logistical hospital operations (which is defined is the agreement as funding distributed to outside investors in the form of dividends or bonuses). We wouldn't consider construction, product purchasing, or employment agreements to be impacted by this provision.

This provision does not negate existing extended repayment plans (ERPs) between DCH and a hospital or a hospital's ability to seek one in the future. We are only referring to Medicaid debt that is due to the department ("due" defined as the department has made a request for payment).

Q: Regarding OB the agreement there has been a question that this seems to mean that only hospital's still delivering babies qualify for or are eligible for ICTF where this seems to be contradictory to the agreement reached when Jim Marshall got the hospitals qualified for ICTF where they had the services available but did not deliver babies or something like that. Question is , "Is this the same language or intent of language as the Jim Marshall language or is this different?"

A: Language is included in (e) of the Letter of Agreement that provides for the rural hospital exemption that has now applied to DSH eligibility for several years. We believe the term "Non-emergency obstetric procedures" is broad enough to cover more than just deliveries. As a reminder, our CMS approved DSH state plan defines the rural exemption as follows:

> For rural hospitals subject to a federal requirement to provide obstetric services, as an alternative to determining whether deliveries are provided at the hospital, the Department will consider the following factors:
>
> a. The hospital must have two or more physicians with staff privileges that are:
>    - i. Enrolled in the Medicaid program;
>    - ii. Credentialed to provide OB services at the hospital in family practice, general practice, or obstetrics; and
>    - iii. Located within 25 miles of the hospital or in an office in the hospital network or must attest to attendance at the hospital on some routine basis; and
>
> b. The hospital must be able to provide at least one obstetric service that is currently covered by Medicaid and appropriate to be provided in a hospital-based setting.

**Frequently Asked Questions:**
**FY 2009 Disproportionate Share Hospital Program**

April 2, 2009 ------------------------------------------------------------------------------------------------

Q. Has the DSH survey "replaced" the log for measuring the amount of indigent care provided?

A. The DSH survey does not replace the Log of Patient Accounts. Maintenance of the Log is still a requirement in our rule (see pages 160 - 174 of Appendix Q and all of Appendix R):

https://www.ghp.georgia.gov/wps/output/en_US/public/Provider/MedicaidManuals/2009-01_Hospital_Services_v2.pdf

Q. Does the audit by Myers & Stauffer satisfy the requirement on page Q12 that an independent accounting firm attest to the Hospital Financial Survey?

A. The survey and validation process conducted by Myers and Stauffer does not satisfy the audit requirement.

Q: Certain anomalies are evident in some hospitals' data relationships, either as compared to last year's data or in ratios using this year's numbers. Please consider reviewing these anomalies before finalizing the DSH payment amounts.

A: Formal request letters were sent to 27 hospitals by Myers and Stauffer to provide additional documentation of their uninsured data. These facilities were flagged as having significant differences in their uninsured charges and payments in this year's data set vs. last year's. This data was reviewed and additional follow up questions were asked of the hospitals, and any discrepancies were adjusted. In addition to the formal request letters that were sent out, Myers and Stauffer had contact with numerous other hospitals to clear up data anomalies as they were discovered.

Data anomalies are also likely given that this year's data is 2 years removed from the data used in the FY 2008 DSH payments. Please recall that FY 2008 DSH Payments were based on FY 2005 data and FY 2009 DSH Payments will be based on FY 2007 data. In addition to the difference 2 years can make, these periods are also markedly different given that the FY 2005 time period was pre-CMO and the FY 2007 was after the CMO program was statewide.

As with every year, we have to balance the time and resources needed for a "perfect audit" and the need to make payments in a timely manner. We will certainly continue to correct data errors as they are identified up to the point of issuing the final calculation.