

**Independent Accountant's Report on the Examination of  
Disproportionate Share Hospital Verifications**

**State of Michigan  
Department of Health and Human Services  
Lansing, Michigan**

**DSH Year Ended September 30, 2014**

**Prepared by:**



**MYERS AND  
STAUFFER** L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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



**MYERS AND  
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CERTIFIED PUBLIC ACCOUNTANTS

Michigan Department of Health and Human Services  
Lansing, Michigan

Independent Accountant's Report

We have examined the state of Michigan'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, 2014. The state of Michigan is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of Michigan's compliance with federal Medicaid DSH program requirements based on our examination.

Except for the items addressed in the Schedule of Data Caveats Relating to the DSH Verifications, we conducted our examination 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 Michigan complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the state of Michigan 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 does not provide a legal determination of the state of Michigan's compliance with federal Medicaid DSH requirements.

Our examination was conducted for the purpose of forming an opinion on the state of Michigan'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.

In our opinion, except for the findings discussed below and the effect of the items addressed 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 Michigan's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending September 30, 2014.

This report is intended solely for the information and use of the Michigan Department of Health and 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.

*Myers and Stauffer LC*

Myers and Stauffer LC  
December 11, 2017

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State of Michigan Disproportionate Share Hospital (DSH)  
Report on DSH Verifications  
For the Year Ended September 30, 2014

As required by 42 CFR §455.304(d) the state of Michigan 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: Our examination identified that one hospital did not certify that they were allowed to retain the DSH payment made by the State during MSP year 2014.

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: Our examination identified that 14 hospitals exceeded their hospital-specific DSH payment limit calculated based on the DSH Rule.

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 state of Michigan is in compliance with Verification 3 as 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 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.

State of Michigan Disproportionate Share Hospital (DSH)  
Report on DSH Verifications  
For the Year Ended September 30, 2014

Findings: The state of Michigan is in compliance with Verification 4. In calculating the hospital-specific DSH limit represented in the Report on DSH Verifications (table), total uncompensated care costs were reduced if a hospital had total Medicaid payments in excess of the calculated Medicaid 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: Our examination identified the state of Michigan retains cost data through the collection of cost reports along with Michigan Medicaid Forms (MMFs); Medicaid expenditure data through the Medicaid Management Information System (MMIS) and other documentation; and uninsured data through the DSH payment calculations and DSH examination. Each hospital is responsible for maintaining all supporting documentation and records in accordance with the Medicaid Provider Manual. We found that one in-state hospital did not retain and make available to us, during the course of this examination, supporting documentation for inpatient and outpatient hospital service costs in determining payments adjustments under 42 CFR §455.304; and any payments made on behalf of uninsured patients from payments adjustments.

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 state of Michigan is in compliance with Verification 6 as 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's Medicaid Provider Manual defines inpatient and outpatient services. "Inpatient services are:

- Ordinarily furnished in a facility for the care and treatment of inpatients.
- Furnished under the direction of a physician or a dentist.
- Furnished in a facility that is:
  - Maintained primarily for the care and treatment of inpatients with disorders other than mental diseases;
  - Licensed or formally approved as a hospital by an officially designated authority for State standard-setting; and
  - Medicare-certified to provide inpatient services.

State of Michigan Disproportionate Share Hospital (DSH)  
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An inpatient is an individual who has been admitted to a hospital for bed occupancy with the expectation that he will remain at least overnight, even when it later develops that he can be discharged or is transferred to another hospital and does not use the bed overnight. Days of care provided to a beneficiary are in units of full days, beginning at midnight and ending 24 hours later. Medicaid covers the day of admission but not the day of discharge. If the day of admission and the day of discharge are the same, the day is considered an admission and counts as one inpatient day.”

“Outpatient hospital services are:

- Furnished under the direction of a physician or dentist.
- Furnished in a facility that is certified as a provider, or as having provider-based status, by Medicare.”

State of Michigan  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2014

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)	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 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?
Aspirus Grand View Hospital	Yes	712,671	2,184,699	1,472,028	Yes	Yes	Yes	Yes	Yes
Aspirus Keweenaw Hospital	Yes	268,384	818,538	550,154	Yes	Yes	Yes	Yes	Yes
Aspirus Ontonagon Hospital	Yes	21,183	(25,105)	(21,183)	No	Yes	Yes	Yes	Yes
Barbara Ann Karmanos Cancer Hospital	Yes	175,819	6,501,754	6,325,935	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Dearborn	Yes	1,222,427	7,084,485	5,862,058	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Farmington Hills	Yes	353,405	9,820,250	9,466,845	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Taylor	Yes	183,460	10,562,100	10,378,640	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Trenton	Yes	99,481	2,323,138	2,223,657	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Wayne	Yes	492,216	8,129,685	7,637,469	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital, Grosse Pointe	Yes	233,022	6,888,518	6,655,496	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital, Royal Oak	Yes	763,365	9,273,366	8,510,001	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital, Troy	Yes	508,428	4,694,517	4,186,089	Yes	Yes	Yes	Yes	Yes
Bell Memorial Hospital	Yes	254,668	454,673	200,005	Yes	Yes	Yes	Yes	Yes
Borgess Hospital	Yes	2,877,286	11,244,654	8,367,368	Yes	Yes	Yes	Yes	Yes
Borgess Pipp Hospital	Yes	293,838	560,621	266,783	Yes	Yes	Yes	Yes	Yes
Borgess-Lee Memorial Hospital	Yes	844,730	2,323,265	1,478,535	Yes	Yes	Yes	Yes	Yes
Bronson Battle Creek Hospital	Yes	1,853,157	9,503,546	7,650,389	Yes	Yes	Yes	Yes	Yes
Bronson Lake View Hospital	Yes	804,252	882,715	78,463	Yes	Yes	Yes	Yes	Yes
Bronson Methodist Hospital	Yes	4,176,223	16,800,838	12,624,615	Yes	Yes	Yes	Yes	Yes
Caro Community Hospital	Yes	161,120	488,401	327,281	Yes	Yes	Yes	Yes	Yes
Children's Hospital of Michigan	Yes	13,946,544	19,687,558	5,741,014	Yes	Yes	Yes	Yes	Yes
Chippewa War Memorial Hospital	Yes	450,812	790,681	339,869	Yes	Yes	Yes	Yes	Yes
Clinton Memorial Hospital	Yes	213,552	654,547	440,995	Yes	Yes	Yes	Yes	Yes
Community Health Center of Branch County	Yes	5,073,549	1,238,517	(3,835,032)	No	Yes	Yes	Yes	Yes
Crittenton Hospital	Yes	132,853	4,316,528	4,183,675	Yes	Yes	Yes	Yes	Yes
Deckerville Community Hospital	Yes	68,324	396,333	328,009	Yes	Yes	Yes	Yes	Yes
Detroit Receiving Hospital	Yes	4,351,531	8,832,695	4,481,164	Yes	Yes	Yes	Yes	Yes
Pontiac General Hospital (Doctors' Hospital of Michigan)	Yes	981,225	1,892,671	911,446	Yes	Yes	Yes	Yes	Yes
Eaton Rapids Medical Center	Yes	460,210	880,747	420,537	Yes	Yes	Yes	Yes	Yes
Edward W. Sparrow Hospital	Yes	4,942,037	11,298,379	6,356,342	Yes	Yes	Yes	Yes	Yes
Garden City Hospital	Yes	262,541	3,708,870	3,446,329	Yes	Yes	Yes	Yes	Yes
Genesys Regional Medical Center	Yes	7,494,104	13,409,608	5,915,504	Yes	Yes	Yes	Yes	Yes
Harper University Hospital	Yes	14,850,274	17,289,019	2,438,745	Yes	Yes	Yes	Yes	Yes
Hayes Green Beach Memorial Hospital	Yes	965,436	632,775	(332,661)	No	Yes	Yes	Yes	Yes
Helen Newberry Joy Hospital	Yes	2,252,902	1,431,717	(821,185)	No	Yes	Yes	Yes	Yes
Henry Ford Allegiance Health	Yes	2,767,437	3,995,808	1,228,371	Yes	Yes	Yes	Yes	Yes
Henry Ford Hospital	Yes	22,910,922	85,487,106	62,576,184	Yes	Yes	Yes	Yes	Yes
Henry Ford Macomb Hospital	Yes	1,121,969	(5,849,911)	(1,121,969)	No	Yes	Yes	Yes	Yes
Henry Ford West Bloomfield Hospital	Yes	231,194	13,897,882	13,666,688	Yes	Yes	Yes	Yes	Yes
Henry Ford Wyandotte Hospital	Yes	969,678	12,914,137	11,944,459	Yes	Yes	Yes	Yes	Yes
Hills & Dales General Hospital	Yes	80,626	1,176,967	1,096,341	Yes	Yes	Yes	Yes	Yes
Hillsdale Hospital	Yes	1,232,347	1,252,419	20,072	Yes	Yes	Yes	Yes	Yes
Holland Community Hospital	Yes	580,979	8,209,510	7,628,531	Yes	Yes	Yes	Yes	Yes
Hurley Medical Center	Yes	5,779,649	4,018,041	(1,761,608)	No	Yes	Yes	Yes	Yes
Huron Memorial Hospital	Yes	178,237	(66,310)	(178,237)	No	Yes	Yes	Yes	Yes



State of Michigan  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2014

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)	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?
Huron Valley - Sinai Hospital	Yes	99,427	10,337,932	10,238,505	Yes	Yes	Yes	Yes	Yes
Ionia County Memorial Hospital	Yes	299,139	2,634,797	2,335,658	Yes	Yes	Yes	Yes	Yes
Kalkaska Memorial Health Center	Yes	2,072,562	1,023,840	(1,048,722)	No	Yes	Yes	Yes	Yes
Lake Huron Medical Center	Yes	246,534	3,671,955	3,425,421	Yes	Yes	Yes	Yes	Yes
Lakeland Hospital - St. Joseph	Yes	1,876,980	9,908,381	8,031,401	Yes	Yes	Yes	Yes	Yes
Lakeland Hospital Watervliet	Yes	529,773	(49,885)	(529,773)	No	Yes	Yes	Yes	Yes
Mackinac Straits Hospital	Yes	864,812	1,096,247	231,435	Yes	Yes	Yes	Yes	Yes
Marlette Regional Hospital	Yes	180,662	713,820	533,158	Yes	Yes	Yes	Yes	Yes
Mary Free Bed Hospital & Rehabilitation Center	Yes	104,088	1,144,568	1,040,480	Yes	Yes	Yes	Yes	Yes
McLaren - Central Michigan	Yes	573,901	1,360,861	786,960	Yes	Yes	Yes	Yes	Yes
McLaren - Greater Lansing	Yes	12,334,053	12,801,882	467,829	Yes	Yes	Yes	Yes	Yes
McLaren Bay Regional	Yes	533,096	2,386,172	1,853,076	Yes	Yes	Yes	Yes	Yes
McLaren Flint	Yes	8,136,067	8,341,673	205,606	Yes	Yes	Yes	Yes	Yes
McLarenapeer Region	Yes	444,543	990,949	546,406	Yes	Yes	Yes	Yes	Yes
McLaren Macomb	Yes	9,575,424	12,227,851	2,652,427	Yes	Yes	Yes	Yes	Yes
McLaren Oakland	Yes	577,894	8,200,997	7,623,103	Yes	Yes	Yes	Yes	Yes
McLaren Port Huron	Yes	1,154,496	6,735,179	5,580,683	Yes	Yes	Yes	Yes	Yes
McLaren-Northern Michigan	Yes	540,253	541,846	1,593	Yes	Yes	Yes	Yes	Yes
Memorial Healthcare	Yes	791,887	1,030,935	239,048	Yes	Yes	Yes	Yes	Yes
Mercy Health Muskegon	Yes	2,864,759	9,292,441	6,427,682	Yes	Yes	Yes	Yes	Yes
Mercy Health Partners - Lakeshore Campus	Yes	239,374	770,798	531,424	Yes	Yes	Yes	Yes	Yes
Mercy Health Partners - Mercy Campus	Yes	1,178,645	4,971,780	3,793,135	Yes	Yes	Yes	Yes	Yes
Metro Health Hospital	Yes	1,968,057	4,176,175	2,208,118	Yes	Yes	Yes	Yes	Yes
Mid Michigan Medical Center - Gladwin	Yes	418,070	1,600,375	1,182,305	Yes	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Alpena	Yes	5,851	(1,476,433)	(5,851)	No	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Gratiot	Yes	681,594	1,719,289	1,037,695	Yes	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Midland	Yes	3,817,937	4,924,029	1,106,092	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Cadillac Hospital	Yes	605,123	1,591,078	985,955	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Charlevoix Hospital	Yes	179,927	815,005	635,078	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Grayling Hospital	Yes	562,705	671,597	108,892	Yes	Yes	Yes	Yes	Yes
Munson Medical Center	Yes	7,187,705	10,210,939	3,023,234	Yes	Yes	Yes	Yes	Yes
North Ottawa Community Hospital	Yes	478,642	624,261	145,619	Yes	Yes	Yes	Yes	Yes
Oaklawn Hospital	Yes	715,609	2,749,498	2,033,889	Yes	Yes	Yes	Yes	Yes
Otsego County Memorial Hospital	Yes	533,313	337,771	(195,542)	No	Yes	Yes	Yes	Yes
Promedica Bixby Hospital	Yes	401,913	3,522,610	3,120,697	Yes	Yes	Yes	Yes	Yes
Promedica Herrick Medical Center	Yes	361,371	1,078,600	717,229	Yes	Yes	Yes	Yes	Yes
ProMedica Monroe Regional Hospital	Yes	379,240	2,337,617	1,958,377	Yes	Yes	Yes	Yes	Yes
Providence-Providence Park Hospital	Yes	801,964	13,570,455	12,768,491	Yes	Yes	Yes	Yes	Yes
Rehabilitation Institute	Yes	74,998	5,530,342	5,455,344	Yes	Yes	Yes	Yes	Yes
Saint Mary's Standish Community Hospital	Yes	183,137	856,178	673,041	Yes	Yes	Yes	Yes	Yes
Scheurer Hospital	Yes	252,861	612,788	359,927	Yes	Yes	Yes	Yes	Yes
Sinai-Grace Hospital	Yes	3,771,588	7,169,585	3,397,997	Yes	Yes	Yes	Yes	Yes
South Haven Community Hospital	Yes	1,239,177	1,626,669	387,492	Yes	Yes	Yes	Yes	Yes
Southeast Michigan Surgical Hospital	Yes	60,682	222,638	161,956	Yes	Yes	Yes	Yes	Yes
Southwest Regional Rehabilitation Hospital	No	73,179	226,874	153,695	Yes	Yes	Yes	No	Yes

State of Michigan  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2014

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)	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?
Sparrow Carson Hospital	Yes	652,511	787,874	135,363	Yes	Yes	Yes	Yes	Yes
Spectrum Health - Reed City Campus	Yes	1,678,204	2,277,916	599,712	Yes	Yes	Yes	Yes	Yes
Spectrum Health Big Rapids	Yes	551,339	2,974,846	2,423,507	Yes	Yes	Yes	Yes	Yes
Spectrum Health Gerber Memorial	Yes	766,372	4,175,497	3,409,125	Yes	Yes	Yes	Yes	Yes
Spectrum Health Ludington Hospital	Yes	463,642	2,146,341	1,682,699	Yes	Yes	Yes	Yes	Yes
Spectrum Health Pennock	Yes	1,391,484	867,859	(523,625)	No	Yes	Yes	Yes	Yes
Spectrum Health United Memorial - Kelsey Campus	Yes	252,605	861,935	609,330	Yes	Yes	Yes	Yes	Yes
Spectrum Health United Memorial - United Campus	Yes	839,161	1,505,561	666,400	Yes	Yes	Yes	Yes	Yes
Spectrum Health Zeeland Community Hospital	Yes	409,041	2,018,719	1,609,678	Yes	Yes	Yes	Yes	Yes
St Joseph Mercy Chelsea	Yes	765,872	1,143,751	377,879	Yes	Yes	Yes	Yes	Yes
St. Francis Hospital & Medical Group	Yes	650,624	2,725,356	2,074,732	Yes	Yes	Yes	Yes	Yes
St. John Hospital and Medical Center	Yes	3,265,402	18,877,583	15,612,181	Yes	Yes	Yes	Yes	Yes
St. John Macomb-Oakland Hospital-Macomb Center	Yes	856,290	12,680,175	11,823,885	Yes	Yes	Yes	Yes	Yes
St. John River District Hospital	Yes	260,943	2,309,162	2,048,219	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Hospital - Ann Arbor	Yes	9,000,393	9,932,402	932,009	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Livingston Hospital	Yes	3,087,675	1,648,826	(1,438,849)	No	Yes	Yes	Yes	Yes
St. Joseph Mercy Oakland	Yes	806,468	3,635,041	2,828,573	Yes	Yes	Yes	Yes	Yes
St. Mary Mercy Hospital	Yes	200,875	9,256,195	9,055,320	Yes	Yes	Yes	Yes	Yes
St. Mary's Health Care (Grand Rapids)	Yes	2,137,923	9,821,517	7,683,594	Yes	Yes	Yes	Yes	Yes
St. Mary's of Michigan Medical Center	Yes	2,538,874	5,879,288	3,340,414	Yes	Yes	Yes	Yes	Yes
Sturgis Memorial Hospital	Yes	482,397	1,299,727	817,330	Yes	Yes	Yes	Yes	Yes
Tawas St. Joseph Hospital	Yes	423,906	969,115	545,209	Yes	Yes	Yes	Yes	Yes
Three Rivers Health	Yes	485,933	1,151,370	665,437	Yes	Yes	Yes	Yes	Yes
University of Michigan Health System	Yes	71,823,095	85,284,878	13,461,783	Yes	Yes	Yes	Yes	Yes
UP Health System - Portage	Yes	154,931	2,747,411	2,592,480	Yes	Yes	Yes	Yes	Yes
West Shore Medical Center	Yes	300,812	2,431,494	2,130,682	Yes	Yes	Yes	Yes	Yes
Caro Regional Mental Health Center	Yes	14,873,640	32,728,001	17,854,361	Yes	Yes	Yes	Yes	Yes
Center for Forensic Psychiatry	Yes	24,813,659	35,023,536	10,209,877	Yes	Yes	Yes	Yes	Yes
Kalamazoo Regional Psychiatric Hospital	Yes	52,451,355	41,339,130	(11,112,225)	No	Yes	Yes	Yes	Yes
Kingswood Psychiatric Hospital	Yes	229,532	2,082,277	1,852,745	Yes	Yes	Yes	Yes	Yes
Walter P. Reuther Psychiatric Hospital	Yes	17,982,250	36,368,115	18,385,865	Yes	Yes	Yes	Yes	Yes

This report is intended solely for the information and use of the MDHHS, 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 Michigan Disproportionate Share Hospital (DSH)  
Schedule of Data Caveats Relating to the DSH Verifications  
For the Year Ended September 30, 2014

During the course of the engagement, the following data issues, or other caveats, were identified and are being reported in accordance with the requirements of 42 CFR §455.301.

**1. Retain information and records of all its inpatient and outpatient hospital service costs under the Medicaid program and uninsured inpatient and outpatient service costs**

- One hospital did not retain and make available to us, during the course of this examination, supporting documentation for inpatient and outpatient Medicaid and uninsured services cost. The facility ceased operations in December, 2014 and did not respond to the data request.

**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 Michigan and its DSH hospitals for the Medicaid State plan rate year ending September 30, 2014.

*Myers and Stauffer LC*

December 11, 2017