

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

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

**DSH Year Ended September 30, 2019**

**Prepared by:**



**MYERS AND  
STAUFFER<sup>LC</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

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



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, 2019. 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.

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 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.

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 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.

Our examination does not provide a legal determination on the state of Michigan'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.

State of Michigan Disproportionate Share Hospital (DSH)  
Report on DSH Verifications  
For the Year Ended September 30, 2019

In our opinion, 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, 2019.

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 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  
December 15, 2022

State of Michigan Disproportionate Share Hospital (DSH)  
Report on DSH Verifications  
For the Year Ended September 30, 2019

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: 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 Michigan Disproportionate Share Hospital (DSH)  
Report on DSH Verifications  
For the Year Ended September 30, 2019

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 Michigan 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 Michigan  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2019

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?
Allegan General Hospital	N/A	\$ -	\$ 2,706,565	\$ 2,706,565	N/A	Yes	Yes	Yes	Yes
Ascension Crittenton Hospital	Yes	\$ 587,429	\$ 403,826	\$ (183,603)	No	Yes	Yes	Yes	Yes
Aspirus Iron River Hospital & Clinics	Yes	\$ 560,853	\$ 1,451,310	\$ 890,457	Yes	Yes	Yes	Yes	Yes
Aspirus Ironwood Hospital	Yes	\$ 1,271,422	\$ 1,844,622	\$ 573,200	Yes	Yes	Yes	Yes	Yes
Aspirus Keweenaw Hospital	Yes	\$ 508,815	\$ 1,023,962	\$ 515,147	Yes	Yes	Yes	Yes	Yes
Aspirus Ontonagon Hospital	Yes	\$ 97,153	\$ 710,238	\$ 613,085	Yes	Yes	Yes	Yes	Yes
Barbara Ann Karmanos Cancer Hospital	Yes	\$ 627,268	\$ 9,301,603	\$ 8,674,335	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Dearborn	Yes	\$ 4,188,141	\$ (5,301,650)	\$ (4,188,141)	No	Yes	Yes	Yes	Yes
Beaumont Hospital - Farmington Hills	N/A	\$ -	\$ (275,736)	\$ -	N/A	Yes	Yes	Yes	Yes
Beaumont Hospital - Grosse Pointe	Yes	\$ 1,862,567	\$ 4,560,188	\$ 2,697,621	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Royal Oak	Yes	\$ 8,157,860	\$ (7,960,746)	\$ (8,157,860)	No	Yes	Yes	Yes	Yes
Beaumont Hospital - Taylor	Yes	\$ 2,187,479	\$ 3,148,935	\$ 961,456	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Trenton	Yes	\$ 830,377	\$ 1,575,067	\$ 744,690	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Troy	Yes	\$ 3,561,652	\$ (557,588)	\$ (3,561,652)	No	Yes	Yes	Yes	Yes
Beaumont Hospital - Wayne	Yes	\$ 2,241,064	\$ 14,890,127	\$ 12,649,063	Yes	Yes	Yes	Yes	Yes
Bell Memorial Hospital	Yes	\$ 226,649	\$ 723,863	\$ 497,214	Yes	Yes	Yes	Yes	Yes
Borgess Hospital	Yes	\$ 3,811,604	\$ 876,461	\$ (2,935,143)	No	Yes	Yes	Yes	Yes
Borgess Pipp Hospital	Yes	\$ 381,254	\$ 765,350	\$ 384,096	Yes	Yes	Yes	Yes	Yes
Borgess-Lee Memorial Hospital	Yes	\$ 1,453,580	\$ 2,576,809	\$ 1,123,229	Yes	Yes	Yes	Yes	Yes
Bronson Battle Creek Hospital	Yes	\$ 4,951,720	\$ 5,778,610	\$ 826,890	Yes	Yes	Yes	Yes	Yes
Bronson Lake View Hospital	Yes	\$ 2,387,191	\$ 1,620,569	\$ (766,622)	No	Yes	Yes	Yes	Yes
Bronson Methodist Hospital	Yes	\$ 8,235,510	\$ (1,230,498)	\$ (8,235,510)	No	Yes	Yes	Yes	Yes
Caro Community Hospital	Yes	\$ 363,209	\$ 1,351,984	\$ 988,775	Yes	Yes	Yes	Yes	Yes
Caro Regional Mental Health Center	Yes	\$ 37,751,782	\$ 47,200,148	\$ 9,448,366	Yes	Yes	Yes	Yes	Yes
Center for Forensic Psychiatry	Yes	\$ 30,181,127	\$ 97,652,502	\$ 67,471,375	Yes	Yes	Yes	Yes	Yes
Children's Hospital of Michigan	N/A	\$ -	\$ (29,014,769)	\$ -	N/A	Yes	Yes	Yes	Yes
Chippewa War Memorial Hospital	Yes	\$ 806,291	\$ (2,085,666)	\$ (806,291)	No	Yes	Yes	Yes	Yes
Clinton Memorial Hospital	Yes	\$ 598,730	\$ 1,058,518	\$ 459,788	Yes	Yes	Yes	Yes	Yes
Community Health Center of Branch County	Yes	\$ 2,055,947	\$ 107,419	\$ (1,948,528)	No	Yes	Yes	Yes	Yes
Deckerville Community Hospital	Yes	\$ 165,169	\$ 496,229	\$ 331,060	Yes	Yes	Yes	Yes	Yes
Detroit Receiving Hospital	Yes	\$ 9,680,192	\$ 3,827,057	\$ (5,853,135)	No	Yes	Yes	Yes	Yes
Dickinson County Memorial Hospital	Yes	\$ 918,075	\$ (259,674)	\$ (918,075)	No	Yes	Yes	Yes	Yes
Eaton Rapids Medical Center	Yes	\$ 942,002	\$ 952,477	\$ 10,475	Yes	Yes	Yes	Yes	Yes
Edward W. Sparrow Hospital	Yes	\$ 4,254,495	\$ 14,122,903	\$ 9,868,408	Yes	Yes	Yes	Yes	Yes
Garden City Hospital	Yes	\$ 1,722,526	\$ (7,297,016)	\$ (1,722,526)	No	Yes	Yes	Yes	Yes
Genesys Regional Medical Center	Yes	\$ 1,363,805	\$ 10,147,848	\$ 8,784,043	Yes	Yes	Yes	Yes	Yes
Harper University Hospital	Yes	\$ 8,813,398	\$ 12,663,547	\$ 3,850,149	Yes	Yes	Yes	Yes	Yes
Hawthorn Center	N/A	\$ -	\$ 15,690,112	\$ 15,690,112	N/A	Yes	Yes	Yes	Yes
Hayes Green Beach Memorial Hospital	Yes	\$ 2,018,933	\$ 1,355,459	\$ (663,474)	No	Yes	Yes	Yes	Yes
Helen Newberry Joy Hospital	Yes	\$ 3,023,589	\$ 1,656,095	\$ (1,367,494)	No	Yes	Yes	Yes	Yes
Henry Ford Allegiance Health	Yes	\$ 3,829,141	\$ 18,041,769	\$ 14,212,628	Yes	Yes	Yes	Yes	Yes
Henry Ford Hospital	Yes	\$ 9,976,951	\$ 84,548,741	\$ 74,571,790	Yes	Yes	Yes	Yes	Yes
Henry Ford Macomb Hospital	Yes	\$ 3,435,173	\$ 5,423,906	\$ 1,988,733	Yes	Yes	Yes	Yes	Yes
Henry Ford West Bloomfield Hospital	Yes	\$ 1,215,803	\$ 6,293,668	\$ 5,077,865	Yes	Yes	Yes	Yes	Yes
Henry Ford Wyandotte Hospital	Yes	\$ 3,118,446	\$ 2,254,793	\$ (863,653)	No	Yes	Yes	Yes	Yes
Hills & Dales General Hospital	Yes	\$ 506,781	\$ 1,096,495	\$ 589,714	Yes	Yes	Yes	Yes	Yes
Hillsdale Hospital	Yes	\$ 2,965,879	\$ 360,851	\$ (2,605,028)	No	Yes	Yes	Yes	Yes
Holland Community Hospital	Yes	\$ 3,517,296	\$ 6,643,326	\$ 3,126,030	Yes	Yes	Yes	Yes	Yes
Hurley Medical Center	Yes	\$ 16,939,328	\$ (16,865,118)	\$ (16,939,328)	No	Yes	Yes	Yes	Yes
Huron Medical Center	Yes	\$ 338,223	\$ 442,780	\$ 104,557	Yes	Yes	Yes	Yes	Yes
Huron Valley - Sinal Hospital	Yes	\$ 594,948	\$ 862,020	\$ 267,072	Yes	Yes	Yes	Yes	Yes
Ionia County Memorial Hospital	Yes	\$ 1,091,184	\$ 1,226,445	\$ 135,261	Yes	Yes	Yes	Yes	Yes
Kalamazoo Psychiatric Hospital	Yes	\$ 36,029,514	\$ 61,615,445	\$ 25,585,931	Yes	Yes	Yes	Yes	Yes
Kalkaska Memorial Health Center	Yes	\$ 1,085,770	\$ 497,715	\$ (588,055)	No	Yes	Yes	Yes	Yes
Kingswood Psychiatric Hospital	Yes	\$ 338,993	\$ 4,243,098	\$ 3,904,105	Yes	Yes	Yes	Yes	Yes



State of Michigan  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2019

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?
Lake Huron Medical Center	N/A	\$ -	\$ (2,236,193)	\$ -	N/A	Yes	Yes	Yes	Yes
Lakeland Hospital - St. Joseph	Yes	\$ 3,278,185	\$ (9,100,473)	\$ (3,278,185)	No	Yes	Yes	Yes	Yes
Lakeland Hospital - Watervliet	Yes	\$ 632,754	\$ 1,685,017	\$ 1,052,263	Yes	Yes	Yes	Yes	Yes
Mackinac Straits Hospital	Yes	\$ 834,824	\$ 1,219,054	\$ 384,230	Yes	Yes	Yes	Yes	Yes
Marquette Regional Hospital	Yes	\$ 369,052	\$ 691,456	\$ 322,404	Yes	Yes	Yes	Yes	Yes
Marquette General Hospital	N/A	\$ -	\$ (8,850,449)	\$ -	N/A	Yes	Yes	Yes	Yes
Mary Free Bed Rehabilitation Hospital	Yes	\$ 7,353	\$ 501,868	\$ 494,515	Yes	Yes	Yes	Yes	Yes
McLaren Central Michigan	Yes	\$ 1,530,911	\$ 1,063,120	\$ (467,791)	No	Yes	Yes	Yes	Yes
McLaren Flint	Yes	\$ 2,370,801	\$ (11,021,877)	\$ (2,370,801)	No	Yes	Yes	Yes	Yes
McLaren Greater Lansing	Yes	\$ 5,809,948	\$ 8,162,396	\$ 2,352,448	Yes	Yes	Yes	Yes	Yes
McLaren Macomb	Yes	\$ 2,236,178	\$ (3,141,797)	\$ (2,236,178)	No	Yes	Yes	Yes	Yes
McLaren Northern Michigan	Yes	\$ 10,119	\$ (3,034,427)	\$ (10,119)	No	Yes	Yes	Yes	Yes
McLaren Oakland	Yes	\$ 2,238,835	\$ 3,254,911	\$ 1,016,076	Yes	Yes	Yes	Yes	Yes
McLaren Port Huron	Yes	\$ 2,606,747	\$ 2,161,264	\$ (445,483)	No	Yes	Yes	Yes	Yes
Memorial Healthcare	Yes	\$ 168,900	\$ 4,051,904	\$ 3,883,004	Yes	Yes	Yes	Yes	Yes
Mercy Health Muskegon	Yes	\$ 4,449,148	\$ 21,944,875	\$ 17,495,727	Yes	Yes	Yes	Yes	Yes
Mercy Health Partners - Lakeshore Campus	Yes	\$ 1,085,107	\$ 727,847	\$ (357,260)	No	Yes	Yes	Yes	Yes
Metro Health Hospital	Yes	\$ 2,638,587	\$ 15,768,191	\$ 13,129,604	Yes	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Alpena	Yes	\$ 1,331,344	\$ 5,586,913	\$ 4,255,569	Yes	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Gladwin	Yes	\$ 994,022	\$ 434,959	\$ (559,063)	No	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Gratiot	Yes	\$ 2,004,235	\$ (1,294,677)	\$ (2,004,235)	No	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Midland	N/A	\$ -	\$ (7,443,524)	\$ -	N/A	Yes	Yes	Yes	Yes
Munson Healthcare Charlevoix Hospital	Yes	\$ 402,957	\$ 1,256,899	\$ 853,942	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Manistee Hospital	Yes	\$ 593,790	\$ 1,737,952	\$ 1,144,162	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Otsego Memorial Hospital	N/A	\$ -	\$ (454,054)	\$ -	N/A	Yes	Yes	Yes	Yes
Munson Medical Center	Yes	\$ 2,871,530	\$ (3,113,610)	\$ (2,871,530)	No	Yes	Yes	Yes	Yes
North Ottawa Community Hospital	Yes	\$ 1,175,193	\$ 2,563,473	\$ 1,388,280	Yes	Yes	Yes	Yes	Yes
Oaklawn Hospital	Yes	\$ 1,599,544	\$ 2,926,388	\$ 1,326,844	Yes	Yes	Yes	Yes	Yes
Pontiac General Hospital	N/A	\$ -	\$ (5,178,043)	\$ -	N/A	Yes	Yes	Yes	Yes
ProMedica Bixby Hospital	Yes	\$ 1,466,950	\$ 248,152	\$ (1,218,798)	No	Yes	Yes	Yes	Yes
ProMedica Herrick Hospital	Yes	\$ 751,251	\$ 1,410,968	\$ 659,717	Yes	Yes	Yes	Yes	Yes
ProMedica Monroe Regional Hospital	Yes	\$ 1,722,635	\$ 5,506,270	\$ 3,783,635	Yes	Yes	Yes	Yes	Yes
Providence-Providence Park Hospital	Yes	\$ 4,938,124	\$ (2,580,869)	\$ (4,938,124)	No	Yes	Yes	Yes	Yes
Rehabilitation Institute	Yes	\$ 876,127	\$ 1,883,127	\$ 1,007,000	Yes	Yes	Yes	Yes	Yes
Saint Mary's Standish Community Hospital	Yes	\$ 517,562	\$ 206,320	\$ (311,242)	No	Yes	Yes	Yes	Yes
Scheurer Hospital	Yes	\$ 318,358	\$ 1,404,056	\$ 1,085,698	Yes	Yes	Yes	Yes	Yes
Sheridan Community Hospital	Yes	\$ 411,801	\$ 1,541,289	\$ 1,129,488	Yes	Yes	Yes	Yes	Yes
Sinai-Grace Hospital	Yes	\$ 8,562,973	\$ (12,274,121)	\$ (8,562,973)	No	Yes	Yes	Yes	Yes
Sparrow Carson Hospital	Yes	\$ 663,402	\$ 1,406,576	\$ 743,174	Yes	Yes	Yes	Yes	Yes
Spectrum Health Big Rapids	Yes	\$ 1,723,993	\$ 181,468	\$ (1,542,525)	No	Yes	Yes	Yes	Yes
Spectrum Health Gerber Memorial	Yes	\$ 2,777,211	\$ 3,328,834	\$ 551,623	Yes	Yes	Yes	Yes	Yes
Spectrum Health Ludington Hospital	Yes	\$ 1,719,051	\$ 2,273,681	\$ 554,630	Yes	Yes	Yes	Yes	Yes
Spectrum Health Pennock	Yes	\$ 1,440,327	\$ 2,434,909	\$ 994,582	Yes	Yes	Yes	Yes	Yes
Spectrum Health Reed City Campus	Yes	\$ 1,083,848	\$ 602,179	\$ (481,669)	No	Yes	Yes	Yes	Yes
Spectrum Health United Hospital	N/A	\$ -	\$ (2,333,672)	\$ -	N/A	Yes	Yes	Yes	Yes

State of Michigan  
Report on DSH Verifications (table)  
For the Medicaid State Plan Rate Year Ended September 30, 2019

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?
Spectrum Health United Memorial - Kelsey Campus	Yes	\$ 728,174	\$ 938,156	\$ 209,982	Yes	Yes	Yes	Yes	
Spectrum Health Zeeland Community Hospital	Yes	\$ 1,331,482	\$ 1,806,397	\$ 474,915	Yes	Yes	Yes	Yes	
St. Francis Hospital & Medical Group	Yes	\$ 832,878	\$ 4,041,653	\$ 3,208,775	Yes	Yes	Yes	Yes	
St. John Hospital and Medical Center	Yes	\$ 1,983,660	\$ (3,933,617)	\$ (1,983,660)	No	Yes	Yes	Yes	
St. John Macomb-Oakland Hospital-Macomb Center	Yes	\$ 3,609,221	\$ (7,640,133)	\$ (3,609,221)	No	Yes	Yes	Yes	
St. John River District Hospital	Yes	\$ 687,580	\$ 2,489,531	\$ 1,801,951	Yes	Yes	Yes	Yes	
St. Joseph Mercy Chelsea	Yes	\$ 927,267	\$ 445,514	\$ (481,753)	No	Yes	Yes	Yes	
St. Joseph Mercy Hospital - Ann Arbor	Yes	\$ 3,063,699	\$ 4,617,916	\$ 1,554,217	Yes	Yes	Yes	Yes	
St. Joseph Mercy Livingston Hospital	Yes	\$ 2,545,829	\$ 6,007,450	\$ 3,461,621	Yes	Yes	Yes	Yes	
St. Joseph Mercy Oakland	N/A	\$ -	\$ 3,252,934	\$ 3,252,934	N/A	Yes	Yes	Yes	
St. Mary Mercy Hospital	Yes	\$ 1,418,165	\$ 904,069	\$ (514,096)	No	Yes	Yes	Yes	
St. Mary's Health Care (Grand Rapids)	Yes	\$ 4,852,592	\$ 13,792,406	\$ 8,939,814	Yes	Yes	Yes	Yes	
St. Mary's of Michigan Medical Center	Yes	\$ 1,757,356	\$ 3,335,555	\$ 1,578,199	Yes	Yes	Yes	Yes	
Sturgis Memorial Hospital	Yes	\$ 1,116,235	\$ 1,434,329	\$ 318,094	Yes	Yes	Yes	Yes	
Tawas St. Joseph Hospital	N/A	\$ -	\$ (1,543,368)	\$ -	N/A	Yes	Yes	Yes	
Three Rivers Health	Yes	\$ 756,482	\$ (70,357)	\$ (756,482)	No	Yes	Yes	Yes	
University of Michigan Health System	Yes	\$ 76,220,453	\$ 75,539,454	\$ (680,999)	No	Yes	Yes	Yes	
UP Health System - Portage	Yes	\$ 171,565	\$ 1,360,836	\$ 1,189,271	Yes	Yes	Yes	Yes	
Walter P. Reuther Psychiatric Hospital	Yes	\$ 40,703,477	\$ 57,385,136	\$ 16,681,659	Yes	Yes	Yes	Yes	

Footnote1: Facilities marked "N/A" did not have a DSH payment to retain, but were included in the DSH examination at the request of the state in order to be eligible to receive any potential redistribution of DSH payments.

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.

State of Michigan Disproportionate Share Hospital (DSH)  
Schedule of Data Caveats Relating to the DSH Verifications  
For the Year Ended September 30, 2019

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) **Medicaid Cost Report Settlements**

Michigan calculated upper payment limit (UPL) recoveries and final settlements for all hospitals in the state. As of the date of this report, adjustments overlapping the 2019 DSH year had not been fully completed for all hospitals. When completed in future years, additional adjustments may result in additional Medicaid payments or recoupments, but the impact of those settlements may be minimized by changes in allowable costs that would also need to be recognized in the uncompensated care cost.

## **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, 2019.

Myers and Stauffer LC  
December 15, 2022