

**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, 2020

Prepared by:



**MYERS AND
STAUFFER^{LC}**
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 hospital (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, 2020. 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 qualified 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.

Our examination disclosed certain compliance related issues, which are described in the Schedule of Data Caveats Relating to the DSH Verifications.

In our opinion, except for the possible 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, 2020.

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 & 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 13, 2023

State of Michigan Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2020

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, 2020

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, 2020

Hospital	Verification #1	Verification #2			Verification #3	Verification #4	Verification #5	Verification #6	
	Was Hospital Allowed to Retain DSH Payment? ²¹	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 ¹	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	Yes	\$ 682,726	\$ 2,328,038	\$ 1,645,312	Yes	Yes	Yes	Yes	Yes
Ascension Borgess Hospital	Yes	\$ 2,191,696	\$ 10,817,112	\$ 8,625,416	Yes	Yes	Yes	Yes	Yes
Ascension Borgess Lee Hospital	Yes	\$ 2,067,298	\$ 1,597,270	\$ (470,028)	No	Yes	Yes	Yes	Yes
Ascension Borgess Pipp Hospital	Yes	\$ 241,978	\$ 433,390	\$ 191,412	Yes	Yes	Yes	Yes	Yes
Ascension Crittenton Hospital	Yes	\$ 1,195,697	\$ (1,240,288)	\$ (1,195,697)	No	Yes	Yes	Yes	Yes
Ascension Macomb Oakland Hospital, Warren Campus	Yes	\$ 3,868,741	\$ 2,220,815	\$ (1,647,926)	No	Yes	Yes	Yes	Yes
Ascension Providence Hospital	Yes	\$ 4,676,262	\$ 5,117,441	\$ 441,179	Yes	Yes	Yes	Yes	Yes
Ascension River District Hospital	Yes	\$ 615,677	\$ 2,873,634	\$ 2,257,957	Yes	Yes	Yes	Yes	Yes
Aspirus Iron River Hospital & Clinics	Yes	\$ 539,408	\$ 1,235,022	\$ 695,614	Yes	Yes	Yes	Yes	Yes
Aspirus Ironwood Hospital	Yes	\$ 1,068,733	\$ 1,585,103	\$ 516,370	Yes	Yes	Yes	Yes	Yes
Aspirus Keweenaw Hospital	Yes	\$ 290,543	\$ 519,914	\$ 229,371	Yes	Yes	Yes	Yes	Yes
Aspirus Ontonagon Hospital	Yes	\$ 171,627	\$ 548,217	\$ 376,590	Yes	Yes	Yes	Yes	Yes
Barbara Ann Karmanos Cancer Hospital	Yes	\$ 474,774	\$ 2,097,200	\$ 1,622,426	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Dearborn	Yes	\$ 2,854,920	\$ 15,893,400	\$ 13,038,480	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Farmington Hills	Yes	\$ 1,061,849	\$ 4,140,059	\$ 3,078,210	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Grosse Pointe	Yes	\$ 1,528,847	\$ 4,132,673	\$ 2,603,826	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Royal Oak	Yes	\$ 5,602,060	\$ 20,766,105	\$ 15,164,045	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Taylor	Yes	\$ 1,723,104	\$ 4,396,439	\$ 2,673,335	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Trenton	Yes	\$ 445,638	\$ 2,141,380	\$ 1,695,742	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Troy	Yes	\$ 2,543,420	\$ 7,082,044	\$ 4,538,624	Yes	Yes	Yes	Yes	Yes
Beaumont Hospital - Wayne	Yes	\$ 1,817,158	\$ 19,150,772	\$ 17,333,614	Yes	Yes	Yes	Yes	Yes
Bell Memorial Hospital	Yes	\$ 250,541	\$ 450,385	\$ 199,844	Yes	Yes	Yes	Yes	Yes
Bronson Battle Creek Hospital	Yes	\$ 2,870,179	\$ 7,090,406	\$ 4,220,227	Yes	Yes	Yes	Yes	Yes
Bronson Lake View Hospital	Yes	\$ 1,148,793	\$ 218,606	\$ (930,187)	No	Yes	Yes	Yes	Yes
Bronson Methodist Hospital	Yes	\$ 6,898,356	\$ 3,574,705	\$ (3,323,651)	No	Yes	Yes	Yes	Yes
Caro Regional Mental Health Center	Yes	\$ 45,092,137	\$ 51,893,269	\$ 6,801,132	Yes	Yes	Yes	Yes	Yes
Center for Forensic Psychiatry	N/A	\$ -	\$ 98,433,404	\$ 98,433,404	N/A	Yes	Yes	Yes	Yes
Children's Hospital of Michigan	N/A	\$ -	\$ 5,430,925	\$ 5,430,925	N/A	Yes	Yes	Yes	Yes
Chippewa War Memorial Hospital	Yes	\$ 889,116	\$ (349,301)	\$ (889,116)	No	Yes	Yes	Yes	Yes
Clinton Memorial Hospital	Yes	\$ 401,283	\$ 667,297	\$ 266,014	Yes	Yes	Yes	Yes	Yes
Covenant Medical Center, Inc.	Yes	\$ 2,292,220	\$ (2,622,921)	\$ (2,292,220)	No	Yes	Yes	Yes	Yes
Deckerville Community Hospital	Yes	\$ 170,419	\$ 383,108	\$ 212,689	Yes	Yes	Yes	Yes	Yes
Detroit Receiving Hospital	Yes	\$ 8,774,061	\$ 2,596,301	\$ (6,177,760)	No	Yes	Yes	Yes	Yes
Dickinson County Memorial Hospital	N/A	\$ -	\$ 1,662,521	\$ 1,662,521	N/A	Yes	Yes	Yes	Yes
Eaton Rapids Medical Center	Yes	\$ 925,981	\$ 906,926	\$ (19,055)	No	Yes	Yes	Yes	Yes
Edward W. Sparrow Hospital	Yes	\$ 4,476,122	\$ 37,203,908	\$ 32,727,786	Yes	Yes	Yes	Yes	Yes
Garden City Hospital	N/A	\$ -	\$ (4,432,196)	\$ -	N/A	Yes	Yes	Yes	Yes
Genesys Regional Medical Center	Yes	\$ 1,731,087	\$ 11,867,131	\$ 10,136,044	Yes	Yes	Yes	Yes	Yes
Harper University Hospital	Yes	\$ 8,770,371	\$ 20,088,192	\$ 11,317,821	Yes	Yes	Yes	Yes	Yes
Hawthorn Center	N/A	\$ -	\$ 24,915,431	\$ 24,915,431	N/A	Yes	Yes	Yes	Yes
Hayes Green Beach Memorial Hospital	Yes	\$ 1,339,063	\$ 1,213,154	\$ (125,909)	No	Yes	Yes	Yes	Yes
Helen Newberry Joy Hospital	Yes	\$ 949,008	\$ 1,445,730	\$ 496,722	Yes	Yes	Yes	Yes	Yes
Henry Ford Allegiance Health	Yes	\$ 6,018,117	\$ 8,182,422	\$ 2,164,305	Yes	Yes	Yes	Yes	Yes
Henry Ford Hospital	Yes	\$ 8,730,986	\$ 104,192,484	\$ 95,461,498	Yes	Yes	Yes	Yes	Yes
Henry Ford Macomb Hospital	Yes	\$ 3,067,902	\$ 8,451,926	\$ 5,384,024	Yes	Yes	Yes	Yes	Yes

State of Michigan
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2020

Hospital	Verification #1	Verification #2			Verification #3	Verification #4	Verification #5	Verification #6	
	Was Hospital Allowed to Retain DSH Payment? ²¹	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 ¹	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?
Henry Ford West Bloomfield Hospital	Yes	\$ 1,396,100	\$ 9,933,640	\$ 8,537,540	Yes	Yes	Yes	Yes	Yes
Henry Ford Wyandotte Hospital	Yes	\$ 2,716,191	\$ 9,318,468	\$ 6,602,277	Yes	Yes	Yes	Yes	Yes
Hills & Dales General Hospital	Yes	\$ 328,460	\$ 855,151	\$ 526,691	Yes	Yes	Yes	Yes	Yes
Hillsdale Hospital	Yes	\$ 2,836,172	\$ (1,289,099)	\$ (2,836,172)	No	Yes	Yes	Yes	Yes
Holland Community Hospital	Yes	\$ 2,743,453	\$ 9,810,821	\$ 7,067,368	Yes	Yes	Yes	Yes	Yes
Hurley Medical Center	Yes	\$ 7,848,151	\$ (4,987,619)	\$ (7,848,151)	No	Yes	Yes	Yes	Yes
Huron Valley - Sinai Hospital	Yes	\$ 511,976	\$ 1,771,869	\$ 1,259,893	Yes	Yes	Yes	Yes	Yes
Ionia County Memorial Hospital	Yes	\$ 774,451	\$ 714,401	\$ (60,050)	No	Yes	Yes	Yes	Yes
Kalamazoo Regional Psychiatric Hospital	Yes	\$ 43,957,166	\$ 67,320,823	\$ 23,363,657	Yes	Yes	Yes	Yes	Yes
Kalkaska Memorial Health Center	Yes	\$ 1,558,694	\$ 232,415	\$ (1,326,279)	No	Yes	Yes	Yes	Yes
Kingswood Psychiatric Hospital	Yes	\$ 947,016	\$ 4,516,267	\$ 3,569,251	Yes	Yes	Yes	Yes	Yes
Lake Huron Medical Center	Yes	\$ 894,297	\$ (124,374)	\$ (894,297)	No	Yes	Yes	Yes	Yes
Lakeland Hospital St. Joseph	Yes	\$ 3,912,930	\$ 11,802,173	\$ 7,889,243	Yes	Yes	Yes	Yes	Yes
Lakeland Hospital Watervliet	Yes	\$ 590,555	\$ 1,032,076	\$ 441,521	Yes	Yes	Yes	Yes	Yes
Mackinac Straits Hospital	Yes	\$ 847,739	\$ 1,535,528	\$ 687,789	Yes	Yes	Yes	Yes	Yes
Marlette Regional Hospital	Yes	\$ 461,001	\$ 768,354	\$ 307,353	Yes	Yes	Yes	Yes	Yes
Marquette General Hospital	Yes	\$ 412,537	\$ (4,346,007)	\$ (412,537)	No	Yes	Yes	Yes	Yes
Mary Free Bed Rehabilitation Hospital	Yes	\$ 96,463	\$ 1,279,193	\$ 1,182,730	Yes	Yes	Yes	Yes	Yes
McLaren Bay Regional	Yes	\$ 1,313,119	\$ 2,380,116	\$ 1,066,997	Yes	Yes	Yes	Yes	Yes
McLaren Caro Region	Yes	\$ 231,302	\$ 1,320,370	\$ 1,089,068	Yes	Yes	Yes	Yes	Yes
McLaren Central Michigan	Yes	\$ 1,195,358	\$ 1,393,548	\$ 198,190	Yes	Yes	Yes	Yes	Yes
McLaren Flint	N/A	\$ -	\$ (224,967)	\$ -	N/A	Yes	Yes	Yes	Yes
McLaren Greater Lansing	Yes	\$ 4,793,259	\$ 13,288,603	\$ 8,495,344	Yes	Yes	Yes	Yes	Yes
McLaren Lapeer Region	N/A	\$ -	\$ (2,111,697)	\$ -	N/A	Yes	Yes	Yes	Yes
McLaren Macomb	Yes	\$ 3,733,934	\$ 2,479,918	\$ (1,254,016)	No	Yes	Yes	Yes	Yes
McLaren Northern Michigan	Yes	\$ 2,084,433	\$ 2,530,235	\$ 445,802	Yes	Yes	Yes	Yes	Yes
McLaren Oakland	Yes	\$ 1,926,419	\$ 6,405,007	\$ 4,478,588	Yes	Yes	Yes	Yes	Yes
McLaren Port Huron	Yes	\$ 2,692,688	\$ (1,189,070)	\$ (2,692,688)	No	Yes	Yes	Yes	Yes
McLaren Thumb Region	Yes	\$ 425,602	\$ 3,019,589	\$ 2,593,987	Yes	Yes	Yes	Yes	Yes
Memorial Healthcare	Yes	\$ 1,498,328	\$ 6,053,627	\$ 4,555,299	Yes	Yes	Yes	Yes	Yes
Mercy Health Muskegon	Yes	\$ 4,422,860	\$ 41,675,747	\$ 37,252,887	Yes	Yes	Yes	Yes	Yes
Mercy Health Partners - Lakeshore Campus	Yes	\$ 453,484	\$ 777,168	\$ 323,684	Yes	Yes	Yes	Yes	Yes
Metro Health Hospital	Yes	\$ 3,393,889	\$ 15,615,661	\$ 12,221,772	Yes	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Alpena	Yes	\$ 635,817	\$ 3,740,638	\$ 3,104,821	Yes	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Gladwin	Yes	\$ 435,498	\$ 208,256	\$ (227,242)	No	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Gratiot	Yes	\$ 1,364,930	\$ (341,572)	\$ (1,364,930)	No	Yes	Yes	Yes	Yes
MidMichigan Medical Center - Midland	Yes	\$ 1,685,611	\$ (3,059,209)	\$ (1,685,611)	No	Yes	Yes	Yes	Yes
Munson Healthcare Cadillac Hospital	Yes	\$ 1,015,406	\$ (820,031)	\$ (1,015,406)	No	Yes	Yes	Yes	Yes
Munson Healthcare Charlevoix Hospital	Yes	\$ 737,989	\$ 936,865	\$ 198,876	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Grayling Hospital	Yes	\$ 1,270,630	\$ (496,924)	\$ (1,270,630)	No	Yes	Yes	Yes	Yes
Munson Healthcare Manistee Hospital	Yes	\$ 979,561	\$ 2,419,691	\$ 1,440,130	Yes	Yes	Yes	Yes	Yes
Munson Healthcare Otsego Memorial Hospital	Yes	\$ 624,010	\$ 271,321	\$ (352,689)	No	Yes	Yes	Yes	Yes
Munson Medical Center	Yes	\$ 3,141,214	\$ 2,369,635	\$ (771,579)	No	Yes	Yes	Yes	Yes
North Ottawa Community Hospital	Yes	\$ 1,046,830	\$ 2,740,224	\$ 1,693,394	Yes	Yes	Yes	Yes	Yes
Oaklawn Hospital	Yes	\$ 1,137,066	\$ 4,921,111	\$ 3,784,045	Yes	Yes	Yes	Yes	Yes

State of Michigan
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2020

Hospital	Verification #1	Verification #2			Verification #3	Verification #4	Verification #5	Verification #6	
	Was Hospital Allowed to Retain DSH Payment? ²¹	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 ¹	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?
Pine Rest Christian Hospital	Yes	\$ 229,983	\$ (6,466,545)	\$ (229,983)	No	Yes	Yes	Yes	Yes
Pontiac General Hospital	N/A	\$ -	\$ (4,261,334)	\$ -	N/A	Yes	Yes	Yes	Yes
Promedica Bixby Hospital	Yes	\$ 1,020,174	\$ 2,599,352	\$ 1,579,178	Yes	Yes	Yes	Yes	Yes
ProMedica Coldwater Regional Hospital	Yes	\$ 1,740,110	\$ 1,600,582	\$ (139,528)	No	Yes	Yes	Yes	Yes
ProMedica Herrick Hospital ²	Yes	\$ 406,080	\$ 1,850,409	\$ 1,444,329	Yes	Yes	Yes	Yes	Yes
ProMedica Monroe Regional Hospital	Yes	\$ 959,010	\$ 6,726,290	\$ 5,767,280	Yes	Yes	Yes	Yes	Yes
Rehabilitation Institute	Yes	\$ 701,639	\$ 2,804,853	\$ 2,103,214	Yes	Yes	Yes	Yes	Yes
Saint Mary's Standish Community Hospital	Yes	\$ 426,291	\$ 181,287	\$ (245,004)	No	Yes	Yes	Yes	Yes
Scheurer Hospital	Yes	\$ 236,316	\$ 1,403,147	\$ 1,166,831	Yes	Yes	Yes	Yes	Yes
Sheridan Community Hospital	Yes	\$ 156,768	\$ 1,022,176	\$ 865,408	Yes	Yes	Yes	Yes	Yes
Sinai-Grace Hospital	Yes	\$ 8,525,042	\$ 1,866,278	\$ (6,658,764)	No	Yes	Yes	Yes	Yes
Sparrow Carson Hospital	Yes	\$ 477,058	\$ 1,011,406	\$ 534,348	Yes	Yes	Yes	Yes	Yes
Spectrum Health Big Rapids	Yes	\$ 1,341,455	\$ 1,106,344	\$ (235,111)	No	Yes	Yes	Yes	Yes
Spectrum Health Gerber Memorial	Yes	\$ 1,773,482	\$ 1,214,136	\$ (559,346)	No	Yes	Yes	Yes	Yes
Spectrum Health Ludington Hospital	Yes	\$ 1,224,633	\$ 1,684,634	\$ 460,001	Yes	Yes	Yes	Yes	Yes
Spectrum Health Pennox	Yes	\$ 1,523,688	\$ 687,019	\$ (836,669)	No	Yes	Yes	Yes	Yes
Spectrum Health Reed City Campus	Yes	\$ 1,210,881	\$ (903,282)	\$ (1,210,881)	No	Yes	Yes	Yes	Yes
Spectrum Health United Hospital	Yes	\$ 1,852,714	\$ (542,991)	\$ (1,852,714)	No	Yes	Yes	Yes	Yes
Spectrum Health United Memorial - Kelsey Campus	Yes	\$ 475,702	\$ 827,215	\$ 351,513	Yes	Yes	Yes	Yes	Yes
Spectrum Health Zeeland Community Hospital	Yes	\$ 966,720	\$ 1,472,623	\$ 505,903	Yes	Yes	Yes	Yes	Yes
St. Francis Hospital & Medical Group	Yes	\$ 1,181,661	\$ 3,876,003	\$ 2,694,342	Yes	Yes	Yes	Yes	Yes
St. John Hospital and Medical Center	Yes	\$ 9,043,574	\$ 11,526,791	\$ 2,483,217	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Chelsea	Yes	\$ 595,427	\$ 835,391	\$ 239,964	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Hospital - Ann Arbor	Yes	\$ 3,149,764	\$ 9,244,940	\$ 6,095,176	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Livingston Hospital	Yes	\$ 1,323,808	\$ 7,674,836	\$ 6,351,028	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Oakland	Yes	\$ 2,472,563	\$ 5,877,286	\$ 3,404,723	Yes	Yes	Yes	Yes	Yes
St. Mary Mercy Hospital	Yes	\$ 1,827,561	\$ 3,027,359	\$ 1,199,798	Yes	Yes	Yes	Yes	Yes
St. Mary's Health Care (Grand Rapids)	Yes	\$ 5,088,775	\$ 19,876,687	\$ 14,787,912	Yes	Yes	Yes	Yes	Yes
St. Mary's of Michigan Medical Center	Yes	\$ 1,919,797	\$ 5,304,627	\$ 3,384,830	Yes	Yes	Yes	Yes	Yes
Straith Memorial Hospital	Yes	\$ 21,364	\$ 455,982	\$ 434,618	Yes	Yes	Yes	Yes	Yes
Sturgis Memorial Hospital	Yes	\$ 1,231,194	\$ 2,810,806	\$ 1,579,612	Yes	Yes	Yes	Yes	Yes
Tawas St. Joseph Hospital	Yes	\$ 1,088,664	\$ (849,501)	\$ (1,088,664)	No	Yes	Yes	Yes	Yes
Three Rivers Health	Yes	\$ 381,444	\$ 388,598	\$ 7,154	Yes	Yes	Yes	Yes	Yes
University of Michigan Health System	Yes	\$ 75,202,443	\$ 130,749,963	\$ 55,547,520	Yes	Yes	Yes	Yes	Yes
UP Health System - Portage	Yes	\$ 431,755	\$ 1,031,370	\$ 599,615	Yes	Yes	Yes	Yes	Yes
Walter P. Reuther Psychiatric Hospital	Yes	\$ 55,324,249	\$ 68,615,346	\$ 13,291,097	Yes	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

Footnote²: Facility is closed as of the date of this report.

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, 2020

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 2020 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.

(2) **DSH Survey Not Submitted**

Pine Rest Christian Hospital (234006) did not submit all data requested for the 2020 DSH year. The uncompensated care cost was calculated using cost report data and supplemental payment data provided by the state. Uninsured and other Medicaid eligible data was not provided. The cost impact, if any, is unknown.

Schedule of Annual Reporting Requirements

State of Michigan
 Schedule of Annual Reporting Requirements (table)
 For the Medicaid State Plan Rate Year Ended September 30, 2020

Definition of Uncompensated Care: The definition of uncompensated care was based on guidance published by CMS in the 73 Fed. Reg. 77904 dated December 19, 2008, the 79 Fed. Reg. 71679 dated December 3, 2014, and the 82 Fed. Reg. 16114 dated April 3, 2017. The calculated uncompensated care costs (UCC) represent the net uncompensated costs of providing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The UCC for these patient groups was calculated using Medicare cost reporting methods, and utilized the most recent CMS 2552 cost report, Medicaid paid claims summaries, and hospital-provided data. Total uncompensated care costs represents the net uncompensated care costs of providing inpatient and outpatient hospital services to patients that fall into one of the following Medicaid in-state and out-of-state payment categories: Fee-for-Service Medicaid primary, Fee-for-Service cross-overs, Managed Care Medicaid primary, Managed Care Medicaid cross-overs, and uninsured individuals with no source of third party coverage for the inpatient and outpatient hospital services received. The cost of services for each of these payment categories was calculated using the appropriate per diems or cost-to-charge ratios from each hospital's most recent CMS 2552 cost report. These costs were then reduced by the total payments received for the services provided, including any supplemental Medicaid payments and Section 1011 payments where applicable.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
Hospital Name	State Estimated Hospital-Specific DSH Limit ¹	Medicaid I/P Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Statistic	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid MCO Payments	Supplemental / Enhanced IP/OP Medicaid Payments	Total Medicaid IP/OP Payments (F+G+H)	Total Cost of Care - Medicaid IP/OP Services (I-J)	Total Medicaid Uncompensated Care Costs (I-J)	Total IP/OP Indigent Care/Self-Pay Revenues	Total Applicable Section 1011 Payments	Total IP/OP Uninsured Cost of Care	Total Uninsured Care Costs (N-M-L)	Total Eligible Uncompensated Care Costs (K+O)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider Number	Medicare Provider Number	Total Hospital Cost
St. Mary Mercy Hospital	1,827,561	28.31%	11.75%	1% MIUR	37,266,723	25,415,440	1,738,496	64,420,659	65,563,480	1,142,821	705,815	0	2,590,353	1,884,538	3,027,359	1,827,561	0	1790706901	230002	280,212,426
St. Mary's Health Care (Grand Rapids)	5,088,775	42.64%	17.11%	1% MIUR	59,372,493	55,905,732	3,241,179	118,519,404	136,058,660	17,539,256	2,505,261	0	4,842,692	2,337,431	19,876,687	5,088,775	0	1639111057	230059	480,052,771
St. Mary's of Michigan Medical Center	1,919,797	28.91%	15.58%	1% MIUR	25,993,945	30,655,031	941,788	57,590,764	61,990,010	3,799,246	521,736	0	2,027,117	1,505,381	5,304,627	1,919,797	0	1871507509	230077	220,665,727
Strath Memorial Hospital	21,364	7.41%	5.95%	1% MIUR	580,428	634,798	(979)	1,214,247	1,674,910	460,663	9,682	0	5,001	(4,681)	455,982	21,364	0	1548268436	230071	12,733,260
Sturgis Memorial Hospital	1,231,194	19.94%	19.80%	1% MIUR	1,265,554	2,755,625	14,752	4,035,931	6,224,362	2,188,431	224,494	0	846,869	622,375	2,810,806	1,231,194	0	1598099699	230096	21,952,404
Tawas St. Joseph Hospital	1,088,664	33.40%	15.98%	1% MIUR	3,861,631	5,631,653	10,023	9,503,307	8,362,631	(1,140,676)	110,332	0	401,507	291,175	(849,501)	1,088,664	0	1194713461	230100	33,008,995
Three Rivers Health	381,444	35.49%	19.14%	1% MIUR	4,542,231	8,952,320	565,617	14,060,168	14,208,940	148,772	458,807	0	698,633	239,826	388,598	381,444	0	1568739423	230015	36,616,835
University of Michigan Health System	75,202,443	29.36%	13.41%	1% MIUR	232,879,507	350,988,001	46,037,646	629,905,154	752,212,921	122,307,767	5,627,168	0	14,069,364	8,442,196	130,749,963	75,202,443	0	1003878539	230046	3,723,846,742
UP Health System - Portage	431,755	33.03%	11.62%	1% MIUR	2,684,098	4,342,530	398,614	7,425,242	8,187,110	761,868	191,110	0	460,612	269,502	1,031,370	431,755	0	1245667229	230108	35,372,520
Institutes for Mental Disease																				
Caro Regional Mental Health Center	45,092,137	89.52%	6.71%	1% MIUR	5,178,349	0	0	5,178,349	53,152,060	47,973,711	17,362	0	3,936,920	3,919,558	51,893,269	45,092,137	0	1194767996	234025	57,119,369
Center for Forensic Psychiatry	0	92.72%	4.21%	1% MIUR	7,217,468	0	0	7,217,468	101,065,344	93,847,876	5,897	0	4,591,425	4,585,528	98,433,404	0	0	1003859380	234041	109,034,882
Hawthorn Center	0	97.95%	27.05%	1% MIUR	10,413,555	0	0	10,413,555	35,329,456	24,915,901	470	0	0	(470)	24,915,431	0	0	1005480905	230320	36,078,115
Kalamazoo Regional Psychiatric Hospital	43,957,166	88.09%	5.38%	1% MIUR	5,671,583	0	0	5,671,583	65,471,365	59,799,782	205,065	0	7,726,106	7,521,041	67,320,823	43,957,166	0	1194736587	234026	72,506,468
Kingswood Psychiatric Hospital	947,016	72.62%	75.03%	1% MIUR	2,281,140	12,400,976	135,652	14,817,768	19,324,524	4,506,756	746	0	10,257	9,511	4,516,267	947,016	0	1710918362	234011	25,717,744
Pine Rest Christian Hospital	229,983	0.00%	4.42%	1% MIUR	0	6,001,833	464,712	6,466,545	0	(6,466,545)	0	0	0	0	(6,466,545)	229,983	0	1982872762	234006	93,969,657
Walter P. Reuther Psychiatric Hospital	55,324,249	94.57%	5.26%	1% MIUR	5,021,273	0	0	5,021,273	71,134,549	66,113,276	16,557	0	2,518,627	2,502,070	68,615,346	55,324,249	0	1508883299	234035	70,253,384
Out-of-State DSH Hospitals																				
None																				

Footnote¹: Facilities with zero dollar DSH payments and DSH limits listed were included in the DSH examination at the request of the state in order to be eligible to receive any potential redistribution of DSH payer Footnote²: Facility is closed as of the date of this report.

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, 2020.

Myers and Stauffer LC

Myers and Stauffer LC
December 13, 2023