

**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, 2016

Prepared by:



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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, 2016. 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.

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.

Title 42 of the Code of Federal Regulations, section 447.299, requires that Medicaid uncompensated care cost be reported net of third-party payments, including those received from Medicare and private insurance. However, on December 31, 2018, CMS issued additional guidance indicating that the regulation and additional guidance related to including Medicare and private insurance payments does not apply to hospital services prior to June 2, 2017. As such, Medicare and private insurance payments are not included in the calculation of total uncompensated care costs presented in the Report on DSH Verifications.

In our opinion, except for 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, 2016.

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 10, 2019

State of Michigan Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended September 30, 2016

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.

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, 2016

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, 2016

Hospital	Verification #1		Verification #2		Verification #3		Verification #4		Verification #5		Verification #6	
	Was Hospital Allowed to Retain DSH Payment? ¹	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 J/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?			
Alpena Regional Medical Center	Yes	707,941	10,526,255	9,818,314	Yes	Yes	Yes	Yes	Yes			
Aspirus Grand View Hospital	Yes	241,995	6,171,525	5,929,530	Yes	Yes	Yes	Yes	Yes			
Aspirus Iron River Hospital & Clinic	Yes	166,132	5,430,360	5,264,228	Yes	Yes	Yes	Yes	Yes			
Aspirus Keweenaw Hospital	Yes	175,787	3,870,444	3,694,657	Yes	Yes	Yes	Yes	Yes			
Aspirus Ontonagon Hospital	Yes	16,864	969,056	952,192	Yes	Yes	Yes	Yes	Yes			
Beaumont Health - Wayne	Yes	1,404,243	19,233,275	17,829,032	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Dearborn	Yes	2,549,980	43,578,986	41,029,006	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Farmington Hills	Yes	1,076,216	33,559,770	32,483,554	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Grosse Pointe	Yes	1,186,741	22,553,460	21,366,719	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Royal Oak	Yes	5,199,284	119,824,764	114,625,480	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Taylor	Yes	1,251,628	20,114,922	18,863,294	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Troy	Yes	529,263	11,307,247	10,777,984	Yes	Yes	Yes	Yes	Yes			
Beaumont Hospital - Troy	Yes	2,269,843	36,835,614	34,565,771	Yes	Yes	Yes	Yes	Yes			
Bell Memorial Hospital	Yes	197,135	1,673,098	1,475,963	Yes	Yes	Yes	Yes	Yes			
Borgess Hospital	Yes	2,633,650	49,636,029	47,002,379	Yes	Yes	Yes	Yes	Yes			
Borgess Lee Memorial Hospital	Yes	975,496	3,021,593	2,046,097	Yes	Yes	Yes	Yes	Yes			
Borgess Pipp Hospital	Yes	312,282	1,546,122	1,233,840	Yes	Yes	Yes	Yes	Yes			
Bronson Battle Creek Hospital	Yes	3,134,187	33,947,781	30,813,594	Yes	Yes	Yes	Yes	Yes			
Bronson Lake View Hospital	Yes	1,356,966	3,915,961	2,558,995	Yes	Yes	Yes	Yes	Yes			
Bronson Methodist Hospital	Yes	5,102,488	67,079,896	61,977,408	Yes	Yes	Yes	Yes	Yes			
Caro Community Hospital	Yes	206,467	2,408,341	2,201,874	Yes	Yes	Yes	Yes	Yes			
Caro Regional Mental Health Center	Yes	20,201,060	43,224,019	23,022,959	Yes	Yes	Yes	Yes	Yes			
Center for Forensic Psychiatry	Yes	36,301,579	80,111,656	43,810,077	Yes	Yes	Yes	Yes	Yes			
Children's Hospital of Michigan	Yes	14,705,098	17,322,475	2,617,377	Yes	Yes	Yes	Yes	Yes			
Chippewa County War Memorial Hospital	Yes	493,262	9,796,420	9,303,158	Yes	Yes	Yes	Yes	Yes			
Clinton Memorial Hospital	Yes	340,349	2,671,312	2,330,963	Yes	Yes	Yes	Yes	Yes			
Community Health Center of Branch County	Yes	3,468,272	4,114,569	646,297	Yes	Yes	Yes	Yes	Yes			
Covenant Medical Center, Inc	Yes	1,268,794	30,293,625	29,024,831	Yes	Yes	Yes	Yes	Yes			
Crittendon Hospital Medical Center	Yes	431,012	11,795,663	11,364,651	Yes	Yes	Yes	Yes	Yes			
Deckerville Community Hospital	Yes	113,095	1,488,360	1,375,265	Yes	Yes	Yes	Yes	Yes			
Detroit Receiving Hospital	Yes	5,431,155	81,864,822	76,433,667	Yes	Yes	Yes	Yes	Yes			
Dickinson County Memorial Hospital	Yes	2,617,406	6,784,930	4,167,524	Yes	Yes	Yes	Yes	Yes			
Eaton Rapids Medical Center	Yes	604,594	1,911,594	1,307,000	Yes	Yes	Yes	Yes	Yes			
Edward W. Sparrow Hospital	Yes	6,154,765	70,989,096	64,834,331	Yes	Yes	Yes	Yes	Yes			
Garden City Hospital	Yes	1,097,646	3,205,739	2,108,093	Yes	Yes	Yes	Yes	Yes			
Genesys Regional Medical Center	Yes	1,066,936	42,815,772	41,748,836	Yes	Yes	Yes	Yes	Yes			
Hamper University Hospital	Yes	4,777,761	81,784,677	77,006,916	Yes	Yes	Yes	Yes	Yes			
Hawthorn Center	N/A	0	3,106,806	3,106,806	N/A	Yes	Yes	Yes	Yes			
Hayes Green Beach Memorial Hospital	Yes	1,096,767	2,753,801	1,657,034	Yes	Yes	Yes	Yes	Yes			
Healthsource Saginaw	Yes	117,627	(1,401,752)	(117,627)	No	Yes	Yes	Yes	Yes			
Helen Newberry Joy Hospital	Yes	1,701,016	2,805,458	1,104,442	Yes	Yes	Yes	Yes	Yes			
Henry Ford Allegiance Health	Yes	4,929,245	60,972,623	56,043,378	Yes	Yes	Yes	Yes	Yes			
Henry Ford Hospital	Yes	6,146,401	242,684,503	236,538,102	Yes	Yes	Yes	Yes	Yes			
Henry Ford Macomb Hospital	Yes	2,254,386	29,929,071	27,674,685	Yes	Yes	Yes	Yes	Yes			
Henry Ford West Bloomfield Hospital	Yes	774,685	28,558,738	27,784,053	Yes	Yes	Yes	Yes	Yes			
Henry Ford Wyandotte Hospital	Yes	2,002,122	33,684,735	31,682,613	Yes	Yes	Yes	Yes	Yes			
Hills & Dales General Hospital	Yes	270,653	2,492,721	2,222,068	Yes	Yes	Yes	Yes	Yes			
Hillsdale Hospital	Yes	2,525,564	4,051,353	1,525,789	Yes	Yes	Yes	Yes	Yes			
Holland Community Hospital	Yes	2,440,435	16,019,651	13,579,216	Yes	Yes	Yes	Yes	Yes			
Hurley Medical Center	Yes	16,515,118	50,164,740	33,649,622	Yes	Yes	Yes	Yes	Yes			

State of Michigan
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2016

Hospital	Verification #1		Verification #2		Verification #3		Verification #4		Verification #5		Verification #6	
	Was Hospital Allowed to Retain DSH Payment? ¹	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?			
Huron Medical Center	Yes	274,970	3,704,657	3,429,687	Yes	Yes	Yes	Yes	Yes			
Huron Valley - Sinai Hospital	Yes	379,193	11,884,952	11,505,759	Yes	Yes	Yes	Yes	Yes			
Ionia County Memorial Hospital	Yes	620,287	3,783,738	3,163,451	Yes	Yes	Yes	Yes	Yes			
Kalamazoo Psychiatric Hospital	Yes	37,474,095	60,982,321	23,508,226	Yes	Yes	Yes	Yes	Yes			
Kalkaska Memorial Health Center	Yes	668,532	2,187,299	1,518,767	Yes	Yes	Yes	Yes	Yes			
Karmanos Cancer Hospital	Yes	385,258	22,692,041	22,306,783	Yes	Yes	Yes	Yes	Yes			
Kingswood Psychiatric Hospital	Yes	245,774	6,950,925	6,705,151	Yes	Yes	Yes	Yes	Yes			
Lakeland Hospital - St. Joseph	Yes	1,954,978	47,199,874	45,244,896	Yes	Yes	Yes	Yes	Yes			
Lakeland Hospital - Watervliet	Yes	502,065	4,156,060	3,653,995	Yes	Yes	Yes	Yes	Yes			
Mackinac Straits Hospital	Yes	695,341	2,454,913	1,759,572	Yes	Yes	Yes	Yes	Yes			
Marquette Regional Hospital	Yes	228,174	1,733,197	1,505,023	Yes	Yes	Yes	Yes	Yes			
Marquette General Hospital	Yes	628,238	12,192,402	11,564,164	Yes	Yes	Yes	Yes	Yes			
Mary Free Bed Hospital & Rehabilitation Center	Yes	149,647	10,767,337	10,617,690	Yes	Yes	Yes	Yes	Yes			
McLaren Bay Region	Yes	1,174,353	28,031,464	26,857,111	Yes	Yes	Yes	Yes	Yes			
McLaren Central Michigan	Yes	993,909	7,363,811	6,369,902	Yes	Yes	Yes	Yes	Yes			
McLaren Greater Lansing	Yes	1,345,582	39,993,369	38,647,787	Yes	Yes	Yes	Yes	Yes			
McLaren Lapeer Region	Yes	754,237	8,534,876	7,780,639	Yes	Yes	Yes	Yes	Yes			
McLaren Macomb	Yes	1,204,909	26,270,920	25,066,011	Yes	Yes	Yes	Yes	Yes			
McLaren Northern Michigan	Yes	2,243,611	19,420,216	17,176,605	Yes	Yes	Yes	Yes	Yes			
McLaren Oakland	Yes	1,200,167	24,315,429	23,115,262	Yes	Yes	Yes	Yes	Yes			
McLaren Port Huron	Yes	1,825,695	21,403,271	19,577,576	Yes	Yes	Yes	Yes	Yes			
McLaren Regional Medical Center	Yes	1,845,459	43,237,675	41,392,216	Yes	Yes	Yes	Yes	Yes			
Memorial Healthcare	Yes	1,244,078	11,447,016	10,202,938	Yes	Yes	Yes	Yes	Yes			
Mercy Health Muskegon	Yes	2,808,264	62,365,795	59,557,531	Yes	Yes	Yes	Yes	Yes			
Mercy Health Partners Lakeshore Campus	Yes	464,395	1,715,014	1,250,619	Yes	Yes	Yes	Yes	Yes			
Metro Health Hospital	Yes	3,670,315	43,745,667	40,075,352	Yes	Yes	Yes	Yes	Yes			
MidMichigan Medical Center	Yes	2,494,137	21,625,853	19,131,716	Yes	Yes	Yes	Yes	Yes			
MidMichigan Medical Center Gladwin	Yes	622,294	2,279,983	1,657,689	Yes	Yes	Yes	Yes	Yes			
MidMichigan Medical Center Gratiot	Yes	1,141,602	8,711,637	7,570,035	Yes	Yes	Yes	Yes	Yes			
Monroe Regional Hospital	Yes	1,109,772	18,709,768	17,599,996	Yes	Yes	Yes	Yes	Yes			
Munson Healthcare Cadillac Hospital	Yes	654,416	9,358,937	8,704,521	Yes	Yes	Yes	Yes	Yes			
Munson Healthcare Charlevoix Hospital	Yes	269,367	3,834,265	3,564,898	Yes	Yes	Yes	Yes	Yes			
Munson Healthcare Grayling Hospital	N/A	0	3,697,773	3,697,773	N/A	Yes	Yes	Yes	Yes			
Munson Medical Center	Yes	1,629,404	49,190,755	47,561,351	Yes	Yes	Yes	Yes	Yes			
North Ottawa Community Hospital	Yes	1,025,770	1,907,851	882,081	Yes	Yes	Yes	Yes	Yes			
Oakdown Hospital	Yes	884,420	4,596,102	3,711,682	Yes	Yes	Yes	Yes	Yes			
Ossego County Memorial Hospital	Yes	457,410	4,291,121	3,833,711	Yes	Yes	Yes	Yes	Yes			
Pine Rest Christian Hospital	Yes	228,845	(2,338,883)	(228,845)	No	Yes	Yes	Yes	Yes			
Pontiac General Hospital	Yes	325,366	3,612,258	3,286,892	Yes	Yes	Yes	Yes	Yes			
Port Huron (Lake Huron Med Center)	Yes	847,655	953,668	106,013	Yes	Yes	Yes	Yes	Yes			
Promedica Bixby Hospital	Yes	833,891	9,636,767	8,802,876	Yes	Yes	Yes	Yes	Yes			
Promedica Herrick Hospital	Yes	460,063	2,827,614	2,367,551	Yes	Yes	Yes	Yes	Yes			
Providence-Providence Park Hospital	Yes	2,831,631	75,585,687	72,754,056	Yes	Yes	Yes	Yes	Yes			
Rehabilitation Institute	Yes	516,096	18,358,426	17,842,330	Yes	Yes	Yes	Yes	Yes			
Saint Mary's Standish Community Hospital	Yes	283,703	2,322,511	2,038,808	Yes	Yes	Yes	Yes	Yes			
Scheurer Hospital	Yes	261,268	1,969,766	1,708,498	Yes	Yes	Yes	Yes	Yes			
Sheridan Community Hospital	Yes	258,245	1,530,050	1,271,805	Yes	Yes	Yes	Yes	Yes			
Sinai-Grace Hospital	Yes	5,039,635	71,321,361	66,281,726	Yes	Yes	Yes	Yes	Yes			
Sparrow Carson Hospital	Yes	375,968	2,819,905	2,443,937	Yes	Yes	Yes	Yes	Yes			
Spectrum Health Big Rapids	Yes	1,215,776	8,038,035	6,822,259	Yes	Yes	Yes	Yes	Yes			

State of Michigan
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended September 30, 2016

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	Was Hospital Allowed to Retain DSH Payment? ¹	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 J/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 Gerber Memorial	Yes	1,076,823	9,118,286	8,041,463	Yes	Yes	Yes	Yes	Yes
Spectrum Health Grand Rapids	Yes	5,996,176	114,717,872	108,721,696	Yes	Yes	Yes	Yes	Yes
Spectrum Health Ludington	Yes	1,014,637	7,210,381	6,195,744	Yes	Yes	Yes	Yes	Yes
Spectrum Health Penook	Yes	935,862	3,839,515	2,403,653	Yes	Yes	Yes	Yes	Yes
Spectrum Health Reed City Campus	Yes	424,683	6,402,822	5,978,139	Yes	Yes	Yes	Yes	Yes
Spectrum Health United Memorial Kelsey Campus	Yes	355,698	2,104,106	1,748,408	Yes	Yes	Yes	Yes	Yes
Spectrum Health United Memorial United Campus	Yes	1,232,633	5,898,260	4,665,627	Yes	Yes	Yes	Yes	Yes
Spectrum Health Zeeland Community Hospital	Yes	730,037	5,524,224	4,794,187	Yes	Yes	Yes	Yes	Yes
St. Francis Hospital	Yes	625,915	3,940,898	3,314,983	Yes	Yes	Yes	Yes	Yes
St. John Hospital and Medical Center	Yes	6,081,166	37,634,118	31,552,952	Yes	Yes	Yes	Yes	Yes
St. John Macomb-Oakland Hospital Macomb Center	Yes	2,573,020	39,541,350	36,968,330	Yes	Yes	Yes	Yes	Yes
St. John River District Hospital	Yes	415,262	5,834,864	5,419,602	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Chelsea	Yes	754,591	3,961,649	3,207,058	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Hospital Ann Arbor	Yes	2,586,777	50,448,109	47,861,332	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Livestrong Hospital	Yes	1,617,917	5,856,683	4,238,766	Yes	Yes	Yes	Yes	Yes
St. Joseph Mercy Oakland	Yes	1,281,983	30,177,938	28,895,955	Yes	Yes	Yes	Yes	Yes
St. Mary Mercy Hospital	Yes	753,316	28,618,788	27,865,472	Yes	Yes	Yes	Yes	Yes
St. Mary's Health Care (Grand Rapids)	Yes	3,204,763	64,480,084	61,275,321	Yes	Yes	Yes	Yes	Yes
St. Mary's of Michigan Medical Center	Yes	1,615,423	32,953,083	31,337,660	Yes	Yes	Yes	Yes	Yes
Sturgis Memorial Hospital	Yes	668,255	1,716,700	1,048,445	Yes	Yes	Yes	Yes	Yes
Tawas St. Joseph Hospital	Yes	643,447	2,947,245	2,303,798	Yes	Yes	Yes	Yes	Yes
Three Rivers Health	Yes	757,342	3,458,523	2,701,181	Yes	Yes	Yes	Yes	Yes
University of Michigan Health System	Yes	74,584,878	179,642,406	105,057,528	Yes	Yes	Yes	Yes	Yes
UP Health System - Portage	Yes	97,527	3,949,128	3,851,601	Yes	Yes	Yes	Yes	Yes
Walker Reuther Psychiatric Hospital	Yes	45,570,589	45,392,187	(178,402)	No	No	Yes	Yes	Yes
Westshore Medical Center	Yes	245,655	7,016,833	6,771,178	Yes	Yes	Yes	Yes	Yes

Footnote 1: 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 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, 2016

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 2016 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**

The following hospitals did not submit all data requested for the 2016 DSH year. The uncompensated care cost was calculated using cost report data and Medicaid data received from the state MMIS. The hospital's uncompensated care cost may be misstated as a result. The impact is unknown.

- Healthsource Saginaw (230275)
- Pine Rest Christian Hospital (234006)
- Pontiac General Hospital (230013)
- Port Huron (Lake Huron Medical Center) (230031)

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, 2016

Myers and Stauffer LC

Myers and Stauffer LC

December 10, 2019