

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

**State of Nevada
Department of Health and Human Services
1100 East William Street, Suite 101
Carson City, Nevada 89701**

DSH Year Ended June 30, 2015

Prepared by:



**MYERS AND
STAUFFER_{L.C.}**
CERTIFIED PUBLIC ACCOUNTANTS

Table of Contents

■ I. Independent Accountant's Report.....	1
■ II. Report on DSH Verifications	2
■ III. Report on DSH Verifications (table).....	4
■ IV. Schedule of Data Caveats Relating to the DSH Verifications.....	5
■ V. Schedule of Annual Reporting Requirements (table).....	6
■ VI. Independence Declaration	7

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



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

Division of Health Care Financing and Policy
Department of Health and Human Services
1100 East William Street, Suite 101
Carson City, Nevada 89701

Independent Accountant's Report

We have examined the state of Nevada'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 June 30, 2015. The state of Nevada is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of Nevada's compliance with federal Medicaid DSH program requirements based on our examination.

Except as discussed 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 Nevada complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the state of Nevada 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 Nevada's compliance with federal Medicaid DSH requirements.

Our examination was conducted for the purpose of forming an opinion on the state of Nevada'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 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 Nevada's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending June 30, 2015.

This report is intended solely for the information and use of the Nevada Division of Health Care Financing and Policy, 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
July 20, 2018
Glen Allen, Virginia

State of Nevada Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended June 30, 2015

As required by 42 CFR §455.304(d) the state of Nevada 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 Nevada Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended June 30, 2015

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 Nevada 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 Nevada
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended June 30, 2015

Hospital	Verification #1	Verification #2 (Reducing UCC by Medicare and Private Insurance Payments)				Verification #2 (Not Reducing UCC by Medicare and Private Insurance Payments)				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	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?
Desert View Regional Medical Center	Yes	494,785	463,361	(31,424)	No	494,785	2,988,345	2,493,560	Yes	Yes	Yes	Yes	Yes
South Lyon Medical Center	Yes	166,077	402,002	235,925	Yes	166,077	572,312	406,235	Yes	Yes	Yes	Yes	Yes
University Medical Center	Yes	68,631,833	54,179,185	(14,452,648)	No	68,631,833	88,670,190	20,038,357	Yes	Yes	Yes	Yes	Yes
William Bee Ririe Hospital	Yes	416,926	1,126,898	709,972	Yes	416,926	1,983,923	1,566,997	Yes	Yes	Yes	Yes	Yes
Banner Churchill Community Hospital	Yes	663,449	4,024,283	3,360,834	Yes	663,449	7,602,233	6,938,784	Yes	Yes	Yes	Yes	Yes
Boulder City Hospital	Yes	38,585	676,040	637,455	Yes	38,585	2,065,701	2,027,116	Yes	Yes	Yes	Yes	Yes
Carson Tahoe Regional Healthcare	Yes	1,034,026	11,599,206	10,565,180	Yes	1,034,026	21,692,687	20,658,661	Yes	Yes	Yes	Yes	Yes
Centennial Hills Medical Center	Yes	85,164	12,596,604	12,511,440	Yes	85,164	24,065,032	23,979,868	Yes	Yes	Yes	Yes	Yes
Humboldt General Hospital	Yes	359,504	673,261	313,757	Yes	359,504	1,597,657	1,238,153	Yes	Yes	Yes	Yes	Yes
Mountain View Hospital	Yes	118,899	20,607,202	20,488,303	Yes	118,899	45,240,865	45,121,966	Yes	Yes	Yes	Yes	Yes
Mt Grant General Hospital	Yes	102,926	389,949	287,023	Yes	102,926	713,543	610,617	Yes	Yes	Yes	Yes	Yes
North Vista Hospital	Yes	93,786	8,342,807	8,249,021	Yes	93,786	25,576,185	25,482,399	Yes	Yes	Yes	Yes	Yes
Northeastern Nevada Regional Hospital	Yes	257,485	3,528,341	3,270,856	Yes	257,485	7,024,984	6,767,499	Yes	Yes	Yes	Yes	Yes
Renown Regional Medical Center	Yes	4,571,815	40,553,191	35,981,376	Yes	4,571,815	90,706,100	86,134,285	Yes	Yes	Yes	Yes	Yes
Southern Hills Hospital	Yes	78,061	8,711,265	8,633,204	Yes	78,061	16,211,184	16,133,123	Yes	Yes	Yes	Yes	Yes
Spring Valley Medical Center	Yes	83,531	12,669,166	12,585,635	Yes	83,531	29,272,756	29,189,225	Yes	Yes	Yes	Yes	Yes
St Rose De Lima	Yes	122,637	16,992,633	16,869,996	Yes	122,637	23,054,770	22,932,133	Yes	Yes	Yes	Yes	Yes
St Rose San Martin	Yes	99,654	18,542,291	18,442,637	Yes	99,654	25,131,386	25,031,732	Yes	Yes	Yes	Yes	Yes
St Rose Siena Campus	Yes	120,434	32,471,790	32,351,356	Yes	120,434	41,987,405	41,866,971	Yes	Yes	Yes	Yes	Yes
Summerlin Hospital	Yes	78,579	12,033,246	11,954,667	Yes	78,579	40,408,273	40,329,694	Yes	Yes	Yes	Yes	Yes
Sunrise Hospital	Yes	259,971	52,519,594	52,259,623	Yes	259,971	109,414,175	109,154,204	Yes	Yes	Yes	Yes	Yes
Valley Hospital Medical Center	Yes	139,192	16,114,143	15,974,951	Yes	139,192	57,773,579	57,634,387	Yes	Yes	Yes	Yes	Yes

This report is intended solely for the information and use of the Nevada Division of Health Care Financing and Policy, 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 Nevada Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended June 30, 2015

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) **Recent DSH Litigation**

On February 9, 2018, the U.S. District Court for the Western District of Missouri issued an order enjoining CMS from enforcing CMS FAQ 33 and FAQ 34 and the April 3, 2017 DSH Final Rule. On March 2, 2018, in a separate case, the U.S. District Court for the District of Columbia issued an order vacating the April 3, 2017 Final Rule. Government appeals were filed in both cases and are ongoing.

Our DSH examination report reflects both the existing CMS guidance (FAQs 33 and 34 and the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017), and separate, alternative calculations made based on the orders in the above-noted trial court rulings. Our report presents total uncompensated care cost using the current CMS DSH examination guidance (reducing uncompensated care cost by Medicare and private insurance payments), and, separately, for the agency's administrative convenience at its request, consistent with the above-noted court rulings (not reducing uncompensated care costs by Medicare and private insurance payments).

Schedule of Annual Reporting Requirements

State of Nevada
 Schedule of Annual Reporting Requirements (table)
 For the Medicaid State Plan Rate Year Ended June 30, 2015

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. Due to uncertainty surrounding the U.S. District Court for the Western District of Missouri ordering that CMS is enjoined from enforcement of CMS FAQ 33 and FAQ 34 and the April 3, 2017 DSH final rule on February 9, 2018 and the U.S. District Court for the District of Columbia ordering that the April 3, 2017 Final Rule to be vacated on March 2, 2018, the annual reporting requirements below are presented reflecting both the existing CMS guidance (FAQs 33 and 34 and the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017) in column P, as well as separate, alternative calculations made based on the orders in the above-noted trial court rulings in column R. 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 Crossovers, Managed Care Medicaid primary, Managed Care Medicaid Crossover, 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 (column P) and reduced by of all payments other than Medicare and private insurance payments (column R), 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	V	W	
Hospital Name	State Estimated Hospital-Specific DSH Limit	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 - IP/OP Services	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 Uncompensated Care Costs (N-M-L)	Total Eligible Uncompensated Care Costs Reduced by Medicare and Medicaid		Total Eligible Uncompensated Care Costs Not Reduced by Medicare and Medicaid		Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider Number	Medicare Provider Number	Total Hospital Cost
															Private Insurance Payments (K+O)	Private Insurance Payments	Private Insurance Payments (P+Q)	Private Insurance Payments					
University Medical Center	142,219,135	60.51%	47.03%	Note 1	84,131,801	85,244,740	86,858,630	256,235,171	273,708,569	17,473,398	8,867,039	0	45,572,826	36,705,787	54,179,185	34,491,005	88,670,190	68,631,833	0	001102877	290007	530,604,743	
Boulder City Hospital	1,088,894	19.67%	5.10%	Note 2	2,075,426	302,012	0	2,377,438	3,053,478	676,040	0	0	0	0	676,040	1,389,661	2,065,701	38,585	0	001102839	291309	16,374,476	
Centennial Hills Medical Center	14,629,201	31.52%	9.96%	Note 2	17,743,092	10,451,118	448,598	28,642,808	38,528,377	9,885,569	1,011,335	0	3,722,370	2,711,035	12,596,604	11,468,428	24,065,032	85,164	0	100515068	290054	143,215,263	
Mountain View Hospital	25,078,015	27.66%	10.36%	Note 2	39,444,203	15,775,102	1,415,794	56,635,099	71,162,174	14,527,075	881,586	0	6,961,713	6,080,127	20,607,202	24,633,663	45,240,865	118,899	0	001102006	290039	285,452,727	
North Vista Hospital	13,684,483	47.32%	18.49%	Note 2	30,053,054	5,717,018	1,483,669	37,253,741	43,007,563	5,753,822	806,574	0	3,395,559	2,588,985	8,342,807	17,233,378	25,576,185	93,786	0	100502299	290005	96,583,474	
Southern Hills Hospital	10,462,679	22.80%	7.42%	Note 2	11,576,423	5,333,654	447,167	17,357,244	23,500,625	6,143,381	569,935	0	3,137,819	2,567,884	8,711,265	7,499,919	16,211,184	78,061	0	100502481	290047	119,015,698	
Spring Valley Medical Center	18,420,884	32.53%	10.86%	Note 2	28,575,903	15,193,024	1,288,198	45,057,125	53,940,883	8,883,758	2,437,873	0	6,223,281	3,785,408	12,669,166	16,603,590	29,272,756	83,531	0	100501835	290046	197,975,505	
St Rose De Lima	16,646,039	19.91%	9.21%	Note 2	10,795,208	4,095,718	542,358	15,433,284	29,054,546	13,621,262	416,501	0	3,787,872	3,371,371	16,992,633	6,062,137	23,054,770	122,637	0	001102873	290012	124,772,561	
St Rose San Martin	15,367,517	22.23%	6.21%	Note 2	10,943,359	3,424,542	395,127	14,763,028	29,969,596	15,206,568	513,829	0	3,849,552	3,335,723	18,542,291	6,589,095	25,131,386	99,654	0	100511423	290053	163,304,900	
St Rose Siena Campus	28,462,858	20.25%	6.61%	Note 2	16,502,224	9,754,638	1,207,799	27,464,661	53,582,302	26,117,641	1,035,048	0	7,389,197	6,354,149	32,471,790	9,515,615	41,987,405	120,434	0	001102300	290045	325,280,649	
Summerlin Hospital	18,627,634	31.71%	11.86%	Note 2	41,302,129	20,737,949	1,405,492	63,445,570	72,318,461	8,872,891	1,549,790	0	4,710,145	3,160,355	12,033,246	28,375,027	40,408,273	78,579	0	001102008	290041	271,275,082	
Sunrise Hospital	71,591,795	47.12%	21.40%	Note 2	108,823,192	59,601,120	6,101,093	174,525,405	211,355,300	36,829,895	3,261,072	0	18,950,771	15,689,699	52,519,594	56,894,581	109,414,175	259,971	0	001102878	290003	509,424,564	
Valley Hospital Medical Center	31,637,629	58.45%	19.13%	Note 2	72,173,821	13,477,730	2,645,893	88,297,444	99,787,395	11,489,951	1,482,932	0	6,107,124	4,624,192	16,114,143	41,659,436	57,773,579	139,192	0	001102881	290021	208,967,584	
Renown Regional Medical Center	27,292,159	37.32%	11.87%	Note 3	84,153,347	23,322,516	3,689,715	111,165,578	139,643,432	28,477,854	2,851,350	0	14,926,687	12,075,337	40,553,191	50,152,909	90,706,100	4,571,815	0	001116885	290001	473,826,958	
Humboldt General Hospital	2,611,663	23.98%	12.21%	Note 1	3,064,127	3,168	1,414,249	4,481,544	4,515,337	33,793	338,059	0	977,527	639,468	673,261	924,396	1,597,657	359,504	0	100510385	291308	20,353,383	
Mt Grant General Hospital	304,359	20.98%	11.15%	Note 1	805,551	8,621	321,324	1,135,496	1,240,137	104,641	42,024	0	327,332	285,308	389,949	323,594	713,543	102,926	0	001111865	291300	5,538,077	
South Lyon Medical Center	390,261	17.61%	9.30%	Note 1	417,759	1,509	159,090	578,358	861,265	282,907	74,880	0	193,975	119,095	402,002	170,310	572,312	166,077	0	001110863	290002	4,241,882	
William Bee Ririe Hospital	2,299,132	23.17%	11.54%	Note 1	2,095,846	1,260	1,235,066	3,332,172	3,711,440	379,268	76,798	0	824,428	747,630	1,126,898	857,025	1,983,923	416,926	0	001117887	291302	16,061,579	
Banner Churchill Community Hospital	5,249,311	31.08%	12.53%	Note 3	6,864,171	35,992	122,210	7,022,373	10,173,702	3,151,329	299,496	0	1,172,450	872,954	4,024,283	3,577,950	7,602,233	663,449	0	001101845	290006	30,267,127	
Carson Tahoe Regional Healthcare	18,152,415	23.61%	8.37%	Note 3	24,772,759	71,795	700,952	25,545,506	33,621,377	8,075,871	1,290,567	0	4,813,902	3,523,335	11,599,206	10,093,481	21,692,687	1,034,026	0	001113843	290019	188,443,104	
Desert View Regional	3,549,152	15.78%	11.14%	Note 3	5,500,161	26,908	453,191	5,980,260	5,953,036	(27,224)	251,512	0	742,097	490,585	463,361	2,524,984	2,988,345	494,785	0	100511518	291311	23,119,012	
Northeastern Nevada Regional Hospital	3,356,035	21.43%	4.60%	Note 3	6,272,178	25,143	108,583	6,405,904	8,136,343	1,730,439	554,552	0	2,352,454	1,797,902	3,528,341	3,496,643	7,024,984	257,485	0	001104851	290008	41,445,942	

Note 1: Public Hospital with a Medicaid Inpatient Utilization Rate (MIUR) of at least one percent.
 Note 2: Private Hospital in a county with a public hospital that has a MIUR above the State average.
 Note 3: Private Hospital that has the highest number of Medicaid days in a county with no public hospital.

Institutes for Mental Disease
 NONE

Out-of-State DSH Hospitals
 NONE

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 Nevada and its DSH hospitals for the Medicaid State plan rate year ending June 30, 2015.

July 20, 2018
Glen Allen, VA