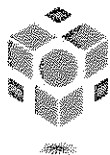


**Report on Disproportionate Share Hospital Verifications
(With Independent Accountant's Report Thereon)**

**State of New Jersey
Department of Human Services
Division of Medical Assistance and Health Services
7 Quakerbridge Plaza
Trenton, New Jersey 08619**

DSH Year Ended June 30, 2010



Prepared by:

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

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



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

New Jersey Department of Human Services
Trenton, New Jersey

Independent Accountant's Report

We have examined the state of New Jersey'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 ending June 30, 2010. The state of New Jersey is responsible for compliance with federal Medicaid DSH program requirements. Our responsibility is to express an opinion on the state of New Jersey'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 Report Protocol as required by 42 CFR §455.301 and §455.304(d). Based on these standards, our examination included examining, on a test basis, evidence about the state of New Jersey's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the state of New Jersey's compliance with federal Medicaid DSH requirements.

Our examination was conducted for the purpose of forming an opinion on the state of New Jersey'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 the state of New Jersey's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending June 30, 2010.

Myers and Stauffer LC

Myers and Stauffer LC

December 2, 2013

State of New Jersey Disproportionate Share Hospital (DSH)

Report on DSH Verifications

For the Year Ended June 30, 2010

As required by 42 CFR §455.304(d) the state of New Jersey 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: 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.

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 reflects the uncompensated care costs of furnishing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no third party coverage.

State of New Jersey Disproportionate Share Hospital (DSH)

Report on DSH Verifications

For the Year Ended June 30, 2010

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, 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 New Jersey 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 New Jersey
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended June 30, 2010

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)	Were only JP 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?
Ancora Psychiatric Hospital	Yes	104,310,378	124,749,460	20,439,082	Yes	Yes	Yes	Yes
Atlantic City Medical Center	Yes	25,535,686	52,685,693	27,150,007	Yes	Yes	Yes	Yes
Bayonne Hospital	Yes	2,775,584	12,617,840	9,842,256	Yes	Yes	Yes	Yes
Bayside Community Hospital	Yes	169,179	3,635,566	3,466,387	Yes	Yes	Yes	Yes
Bergen Regional Medical Center	Yes	54,420,074	28,273,403	(26,146,671)	Yes	Yes	Yes	Yes
Betty Bacharach Rehabilitation Hospital	Yes	42,198	888,395	846,197	Yes	Yes	Yes	Yes
Buttwood Burlington County	Yes	2,932,589	5,686,265	2,753,676	Yes	Yes	Yes	Yes
Camden County Health Services Center	Yes	24,406,291	25,127,152	720,861	Yes	Yes	Yes	Yes
Cape Regional Medical Center	Yes	1,038,552	8,511,721	7,473,169	Yes	Yes	Yes	Yes
Capital Health System at Fuld	Yes	21,470,549	35,510,766	14,040,217	Yes	Yes	Yes	Yes
Capital Health System at Mercer	Yes	8,286,567	27,914,779	19,628,212	Yes	Yes	Yes	Yes
Carrier Foundation	Yes	2,473,984	(400,178)	(2,473,984)	Yes	Yes	Yes	Yes
CentraState Medical Center	Yes	3,104,781	13,813,443	10,708,662	Yes	Yes	Yes	Yes
Children's Specialized Hospital	Yes	710,672	(4,061,755)	(710,672)	Yes	Yes	Yes	Yes
Chilton Memorial Hospital	Yes	360,668	8,069,292	7,708,624	Yes	Yes	Yes	Yes
Christ Hospital	Yes	20,493,687	19,933,790	(539,897)	Yes	Yes	Yes	Yes
Clara Maass Medical Center	Yes	3,252,764	7,166,335	3,913,571	Yes	Yes	Yes	Yes
Community Medical Center	Yes	2,922,216	18,458,626	15,536,410	Yes	Yes	Yes	Yes
Cooper Hospital / University Medical Center	Yes	59,113,696	78,068,828	18,955,132	Yes	Yes	Yes	Yes
Deborah Heart and Lung Center	Yes	5,575,716	12,868,947	7,293,231	Yes	Yes	Yes	Yes
East Mountain Hospital	Yes	46,095	(160,316)	(46,095)	Yes	Yes	Yes	Yes
East Orange Medical Center	Yes	15,688,732	14,808,222	(880,510)	Yes	Yes	Yes	Yes
Englewood Hospital and Medical Center	Yes	724,280	15,001,338	14,277,058	Yes	Yes	Yes	Yes
Essex County Hospital Center	Yes	33,002,151	41,513,656	8,511,505	Yes	Yes	Yes	Yes
Greystone Psychiatric Hospital	Yes	63,217,512	114,584,704	51,367,192	Yes	Yes	Yes	Yes
Hackensack University Medical Center	Yes	19,058,939	73,177,690	54,118,751	Yes	Yes	Yes	Yes
Hackettstown Community Hospital	Yes	150,833	5,585,689	5,434,856	Yes	Yes	Yes	Yes
Hagedorn Psychiatric Hospital	Yes	30,937,745	33,092,642	2,154,897	Yes	Yes	Yes	Yes
Hampton Hospital	Yes	47,648	(291,022)	(47,648)	Yes	Yes	Yes	Yes
HealthSouth Garden State	Yes	2,183	25,591	23,408	Yes	Yes	Yes	Yes
Hoboken University Medical Center	Yes	40,675,984	22,279,915	(18,396,069)	Yes	Yes	Yes	Yes
Holy Name Medical Center	Yes	278,028	13,398,132	13,120,104	Yes	Yes	Yes	Yes
Hudson County Psychiatric Hospital	Yes	10,910,074	19,836,480	8,926,406	Yes	Yes	Yes	Yes
Hunterdon Medical Center	Yes	3,705,827	9,981,486	6,275,659	Yes	Yes	Yes	Yes
Jersey City Medical Center	Yes	63,233,556	73,341,959	10,108,403	Yes	Yes	Yes	Yes
Jersey Shore University Medical Center	Yes	6,544,491	29,830,185	23,285,694	Yes	Yes	Yes	Yes
JFK at Edison / Anthony Yelenesics	Yes	5,706,259	28,434,337	22,728,078	Yes	Yes	Yes	Yes
Kennedy University Hospital	Yes	8,458,655	29,258,249	20,799,594	Yes	Yes	Yes	Yes
Kessler Institute for Rehabilitation	Yes	57,922	487,722	429,800	Yes	Yes	Yes	Yes
Kimball Medical Center	Yes	11,780,023	15,452,424	3,672,401	Yes	Yes	Yes	Yes
Louder Medical Center at Burlington County	Yes	2,765,715	8,885,594	6,119,879	Yes	Yes	Yes	Yes
Matherly School & Hospital	Yes	29,283	(1,194,179)	(29,283)	Yes	Yes	Yes	Yes
Meadowlands Hospital	Yes	586,526	8,555,602	7,969,076	Yes	Yes	Yes	Yes
Memorial Hospital of Salem	Yes	291,877	5,521,380	5,229,503	Yes	Yes	Yes	Yes
Monmouth Medical Center	Yes	10,697,669	19,221,042	8,523,373	Yes	Yes	Yes	Yes
Morrisown Memorial Hospital	Yes	3,533,605	34,421,083	30,887,478	Yes	Yes	Yes	Yes
Mount Carmel Guild	Yes	7,216,917	484,939	(6,731,978)	Yes	Yes	Yes	Yes
Mountainside Hospital	Yes	849,394	6,498,539	5,649,145	Yes	Yes	Yes	Yes

State of New Jersey
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended June 30, 2010

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)	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?				
Muhlenberg Regional Medical Center	Yes	1,023,410	-	(1,023,410)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	*
Newark Beth Israel Medical Center	Yes	43,662,176	40,391,676	(3,270,500)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Newton Memorial Hospital	Yes	4,069,072	12,043,631	7,974,559	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ocean Medical Center	Yes	986,826	7,762,158	6,775,332	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Our Lady of Lourdes Medical Center	Yes	3,296,537	22,584,754	19,288,217	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Overlook Hospital	Yes	742,164	24,727,947	23,985,783	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Palisades General Hospital	Yes	6,509,849	16,300,640	9,790,791	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ramapo Ridge Psychiatric Hospital (Short Term)	Yes	259,178	657,769	398,591	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Raritan Bay Medical Center	Yes	14,109,143	25,347,097	11,237,954	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rehab Hospital of South Jersey	Yes	622	17,948	17,326	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rehab Hospital of Tinton Falls (HealthSouth)	Yes	2,503	28,651	26,148	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Riverview Medical Center	Yes	2,053,419	11,671,202	9,617,783	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rumrills Specialized Hospital	Yes	4,763,846	10,262,797	5,498,951	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWJ at Hamilton	Yes	460,718	10,891,917	10,431,200	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWJ at Rahway	Yes	1,311,307	9,643,138	8,331,831	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWJ University Hospital	Yes	25,272,656	49,493,957	24,221,301	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Barnabas Behavioral Health Center	Yes	2,463	(63,294)	(2,463)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Barnabas Medical Center	Yes	2,460,580	23,832,742	21,372,162	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Clare's Hospital - Denville	Yes	20,796,025	31,499,738	10,703,713	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Clare's - Sussex	Yes	179,092	1,792,496	1,613,404	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Francis Medical Center	Yes	12,665,991	(123,720)	(12,665,991)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Joseph's Hospital	Yes	70,598,660	74,920,185	4,321,525	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Joseph's Wayne	Yes	163,488	2,216,250	2,052,762	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Lawrence Rehabilitation Hospital	Yes	23,380	(3,502)	(23,380)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Mary's Hospital	Yes	24,284,468	19,508,724	(4,775,744)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Michael's Medical Center	Yes	28,679,094	33,551,740	4,872,646	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saint Peter's Medical Center	Yes	3,588,411	39,618,773	36,030,362	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shore Memorial Hospital	Yes	1,230,036	16,208,973	14,938,937	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Somerset Medical Center	Yes	2,188,847	9,245,565	7,056,718	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
South Jersey - Elmer	Yes	58,520	2,588,625	2,530,105	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
South Jersey Hospital System	Yes	5,834,866	25,302,688	19,467,822	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Southern Ocean Medical Center	Yes	124,980	5,051,774	4,926,794	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Summit Hospital	Yes	180,234	(661,927)	(180,234)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Trenton Psychiatric Hospital	Yes	56,736,852	84,868,034	28,131,182	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Trinitas Hospital	Yes	50,408,010	41,027,765	(9,380,245)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UMDNJ - CMH @ Piscataway	Yes	12,589,673	25,424,283	12,834,610	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Underwood Memorial Hospital	Yes	2,574,417	13,843,376	11,268,959	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
University (UMDNJ)	Yes	185,738,586	175,869,992	(9,868,594)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
University Medical Center at Princeton	Yes	2,564,619	20,759,509	18,194,890	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Valley Hospital	Yes	357,218	16,484,114	16,126,896	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Virtua - Memorial Hospital of Burlington County	Yes	1,813,439	15,143,091	13,329,652	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Virtua - West Jersey Hospital	Yes	3,172,042	30,895,750	27,723,708	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Warren Hospital	Yes	1,767,098	12,755,987	10,988,889	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Weisman Children's Rehabilitation Hospital	Yes	300,745	50,085	(250,660)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
William B. Kessler Memorial Hospital	Yes	874	-	(874)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* See Schedule of Data Caveats Relating to the DSH Verification (14)

State of New Jersey Disproportionate Share Hospital (DSH)
 Schedule of Data Caveats Relating to the DSH Verifications
 For the Year Ended June 30, 2010

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) **Uncompensated Care Cost Definitions**

Uncompensated care costs for patients with no third party coverage were calculated based on the definitions from the Federal Register / Vol. 77, No. 11, Wednesday, January 18, 2012 / Proposed Rules.

(2) **Uninsured Patient Payments**

The following hospitals were unable to satisfactorily document uninsured patient payments received during the DSH year. In many cases the hospitals could not provide the date of collection and/or reported the payments on an accrual basis instead of the required cash basis. Other hospitals were unable to provide any payments or only provided a partial year of payments. These payment issues may result in a misstated uncompensated care cost calculation. These difficulties were most often related to the time period between the patient service dates and/or cash receipt dates (DSH year 2010) and the timing of the DSH examination (calendar year 2013) and not necessarily due to inaction or lack of cooperation by the hospitals listed.

Camden County Health Services Center	Monmouth Medical Center
Clara Maass Medical Center	Mount Carmel Guild
Community Medical Center	Newark Beth Israel Medical Center
Essex County Hospital Center	Runnells Specialized Hospital
Healthsouth Garden State	Saint Michael's Medical Center
Hudson County Psychiatric Hospital	South Jersey - Elmer
Kimball Medical Center	South Jersey Hospital System

(3) **Uninsured Patient Cost**

The following hospitals were unable to satisfactorily document all of the services they provided to uninsured patients and, in most cases, the uninsured payments received during the DSH year. We were unable to fully test the reasonableness of the hospitals' data and the impact of any potential misstatement on their uncompensated care cost calculations. These difficulties were most often related to the time period between the patient service dates and/or cash receipt dates (DSH year 2010) and the timing of the DSH examination (calendar year 2013) and not necessarily due to inaction or lack of cooperation by the hospitals listed.

Children's Specialized Hospital	Hoboken University Medical Center
Cooper Hospital / University Medical Center	Ramapo Ridge Psychiatric Hospital (Short term)

(4) **Dual Eligible (patients with both Medicare and Medicaid)**

Dual-eligible patient data (patients with both Medicare and Medicaid eligibility) provided by the State's fiscal agent did not include all Medicare payments. We were able to estimate total Medicare payments for the dual-eligible services using cost report data or based on hospital internal records for crossover patients.

State of New Jersey Disproportionate Share Hospital (DSH)
 Schedule of Data Caveats Relating to the DSH Verifications
 For the Year Ended June 30, 2010

(5) **New Jersey Medicaid Paid Claims Data**

New Jersey Medicaid fee-for-service, Medicaid managed care and fee-for-service crossover services are included in the uncompensated care cost calculations. The State of New Jersey experienced difficulties accumulating the claims data we requested for these services provided by the DSH hospitals. Therefore, several hospitals used their own internal data for the reporting of charges and payments. As a result, we were unable to document to our complete satisfaction the New Jersey Medicaid fee-for-service, Medicaid managed care and fee-for-service crossover services provided and payments received.

(6) **Out-of-State (non-New Jersey) Medicaid**

The majority of hospitals were unable to obtain Medicaid out-of-state paid claims reports to satisfactorily document the out-of-state services provided and payments received. Out-of-state (non-New Jersey) Medicaid services are included in the uncompensated care cost calculation for hospitals that were able to provide their own internal data. Several hospitals did not report any out-of-state Medicaid services. These difficulties were predominately due to hospital requests to out-of-state Medicaid agencies not being responded to timely, and are not due to inaction or a lack of cooperation by the hospitals.

(7) **Court-Ordered Patients**

In accordance with CMS guidance, prisoners were excluded from the uncompensated care cost as presented in this report. However, the following state-owned and operated psychiatric hospitals included court-ordered patients in the uncompensated care cost calculation. Federal guidance with respect to a patient's insurance status is unclear when patients have been involuntarily hospitalized under a 72-hour hold; found not-guilty by reason of insanity; admitted to determine their mental competency to stand trial; or previously served a court-ordered sentence but have not been discharged. These individuals were left in the uncompensated care cost calculations presented in this report.

Ancora Psychiatric Hospital	Hagedorn Psychiatric Hospital
Buttonwood Burlington County	Hudson County Psychiatric Hospital
Camden County Health Services Center	Runnells Specialized Hospital
Essex County Hospital Center	Trenton Psychiatric Hospital
Greystone Psychiatric Hospital	

(8) **New Jersey DSH State Plan**

New Jersey hospitals were not required to report uncompensated care cost (UCC) for DSH payment purposes in 2010 under the same requirements as required by the DSH examination in accordance with the Federal Register/Vol. 73, No. 245, December 19, 2008. The hospitals were paid DSH under a Centers for Medicare and Medicaid Services (CMS) approved state plan that did not include the same calculations for UCC as required under the DSH examination. The State of New Jersey and several DSH hospitals believe their UCC would have been significantly higher had they been allowed to report them in accordance with the CMS approved New Jersey state plan for the 2010 DSH year.

State of New Jersey Disproportionate Share Hospital (DSH)

Schedule of Data Caveats Relating to the DSH Verifications

For the Year Ended June 30, 2010

(9) **Medicaid Cost Report Settlements**

New Jersey calculates cost report settlements for most hospitals in the state. As of the date of this report, the final cost report settlements overlapping the 2010 DSH year had not been fully completed for the hospitals. The state was able to provide preliminary settlement amounts based on as-filed data. When completed in future years, the final cost report settlements may result in additional Medicaid payments or recoupments.

(10) **Physician Costs**

New Jersey reimburses physician costs as part of its Medicaid hospital inpatient and outpatient reimbursement based on historical physician data. The state retroactively determines physicians qualifying for all-inclusive rate reimbursement. For cost report years overlapping state fiscal year 2010, the Medicaid cost report settlements have not been completed; therefore, it could not be determined which physician costs to include in the uncompensated care cost calculations. All hospital Medicaid interim payments and estimated settlements less estimated physician interim payments and settlements have been included in the uncompensated care cost calculations. Physician costs, with the exception of dental and outpatient psychiatric, have not been included. The uncompensated care costs may be understated based on this data issue.

(11) **Attestation Statements**

Hospitals were requested to sign attestation statements related to the data they provided to us during our examination. The following hospitals did not sign the requested attestation statements.

Essex County Hospital Center	Somerset Medical Center
Hoboken University Medical Center	Summit Hospital
Kessler Institute For Rehabilitation	Weisman Children's Rehabilitation Hospital

(12) **Fraud Investigation**

The following hospital was requested to sign attestation statements related to the data they provided to us during our examination. Based on the submitted addendum to the Attestation Statement, the paid claims data, hospital logs and cost report used to calculate the UCC limit could be misstated because of fraud. The impact is unknown.

Jersey City Medical Center	
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(13) **Delinquent Hospitals**

The following hospitals have a DSH payment in excess of their Medicaid shortfall and did not submit uninsured data for at least one cost report period overlapping the DSH year. The impact is unknown but may result in an understated UCC limit.

Saint Barnabas Behavioral Health Center	Saint Lawrence Rehabilitation Hospital
Saint Francis Medical Center	

State of New Jersey Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended June 30, 2010

- (14) **Closed Hospitals**
The following hospitals closed prior to the 2010 DSH year.

Muhlenberg Regional Medical Center	William B. Kessler Memorial Hospital
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Schedule of Annual Reporting Requirements

Independence Declaration



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

To Whom it May Concern:

Myers and Stauffer declares it is independent of the state of New Jersey and its DSH hospitals for the state plan rate year June 30, 2010.

Myers and Stauffer LC

December 2, 2013