

**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, 2017



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.....	6
■ V. Schedule of Annual Reporting Requirements (table).....	8
■ VI. Independence Declaration	10
■ VII. DSH Survey and Expanded Testing Clarification.....	11

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



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 ended June 30, 2017. 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.

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 New Jersey complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the state of New Jersey 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 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.

Our examination does not provide a legal determination on the state of New Jersey'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, the Centers for Medicare and Medicaid Services (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 for services prior to June 2, 2017 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 New Jersey's compliance with federal Medicaid DSH program requirements addressed by the DSH verifications for the year ending June 30, 2017.

This report is intended solely for the information and use of the New Jersey Department of Human Services, the State Legislature, hospitals participating in the State DSH program, and CMS as required under 42 CFR §455.304 and is not intended to be, and should not be, used by anyone other than these specified parties and for the specified purpose contained in 42 CFR §455.304.

Myers and Stauffer LC
December 17, 2020

DEDICATED TO GOVERNMENT HEALTH PROGRAMS

700 W 47th Street, Suite 1100 | Kansas City, MO 64112
PH 816.945.5300 | PH 800.374.6858 | FX 816.945.5301
www.myersandstauffer.com

State of New Jersey Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended June 30, 2017

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: 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 New Jersey Disproportionate Share Hospital (DSH)
Report on DSH Verifications
For the Year Ended June 30, 2017

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 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, 2017

Hospital	Verification #1	Verification #2			Verification #3	Verification #4	Verification #5	Verification #6	
	Was Hospital Allowed to Retain DSH Payment?	DSH Payment for Medicaid State Plan Rate Year (In-State and Out-of-State)	Total Uncompensated Care Costs for Medicaid State Plan Rate Year	DSH Payment Under or <Over> Total Uncompensated Care Costs (UCC)	DSH Payment Complies with the Hospital-Specific DSH Limit	Were only I/P and O/P Hospital Costs to Medicaid eligible and Uninsured Included in UCC?	If Medicaid Payments were in excess of Medicaid cost was the Total UCC reduced by this amount?	Have all claimed expenditures and payments for Medicaid and Uninsured been documented and retained?	Does the retained documentation include a description of the methodology used to calculate the UCC?
Ancora Psychiatric Hospital	Yes	\$ 114,474,223	\$ 134,379,492	\$ 19,905,269	Yes	Yes	Yes	Yes	Yes
Atlanticare Regional Medical Center	Yes	\$ 15,151,139	\$ 85,663,254	\$ 70,512,115	Yes	Yes	Yes	Yes	Yes
Bacharach Institute For Rehabilitation	Yes	\$ 1,860	\$ 2,007,721	\$ 2,005,861	Yes	Yes	Yes	Yes	Yes
Bayonne Medical Center	Yes	\$ 580,108	\$ 31,947,532	\$ 31,367,424	Yes	Yes	Yes	Yes	Yes
Bayside Community Hospital	Yes	\$ 8,975	\$ 18,267,637	\$ 18,258,662	Yes	Yes	Yes	Yes	Yes
Bergen Regional Medical Center	Yes	\$ 31,744,125	\$ 39,226,654	\$ 7,482,529	Yes	Yes	Yes	Yes	Yes
Cape Regional Medical Center	Yes	\$ 247,308	\$ 12,154,111	\$ 11,906,803	Yes	Yes	Yes	Yes	Yes
Capital Health Medical Center - Hopewell	Yes	\$ 1,205,897	\$ 18,251,096	\$ 17,045,199	Yes	Yes	Yes	Yes	Yes
Capital Health System Regional Medical Center	Yes	\$ 20,706,548	\$ 53,883,896	\$ 33,177,348	Yes	Yes	Yes	Yes	Yes
Carrier Clinic Foundation	Yes	\$ 691,436	\$ 691,436	\$ -	Yes	Yes	Yes	Yes	Yes
Centrastate Medical Center	Yes	\$ 1,035,132	\$ 19,188,558	\$ 18,153,426	Yes	Yes	Yes	Yes	Yes
Children's Specialized Hospital ¹	Yes	\$ -	\$ (13,358,411)	\$ -	N/A	Yes	Yes	Yes	Yes
Chilton Medical Center	Yes	\$ 55,230	\$ 12,382,167	\$ 12,326,937	Yes	Yes	Yes	Yes	Yes
Christ Hospital	Yes	\$ 8,614,276	\$ 55,458,186	\$ 46,843,910	Yes	Yes	Yes	Yes	Yes
Clara Maass Medical Center	Yes	\$ 2,299,267	\$ 26,135,309	\$ 23,836,042	Yes	Yes	Yes	Yes	Yes
Community Medical Center	Yes	\$ 62,620	\$ 12,500,750	\$ 12,438,130	Yes	Yes	Yes	Yes	Yes
Cooper University Hospital	Yes	\$ 22,144,470	\$ 81,070,487	\$ 58,926,017	Yes	Yes	Yes	Yes	Yes
Cornerstone Behavior Health Hospital	Yes	\$ 8,558,036	\$ 13,148,809	\$ 4,590,774	Yes	Yes	Yes	Yes	Yes
Deborah Heart and Lung Center	Yes	\$ 375,395	\$ 8,491,422	\$ 8,116,027	Yes	Yes	Yes	Yes	Yes
East Orange General Hospital	Yes	\$ 7,618,513	\$ 14,930,640	\$ 7,312,127	Yes	Yes	Yes	Yes	Yes
Englewood Hospital and Medical Center	Yes	\$ 683,966	\$ 33,463,002	\$ 32,779,036	Yes	Yes	Yes	Yes	Yes
Essex County Hospital Center	Yes	\$ 34,743,660	\$ 46,961,772	\$ 12,218,112	Yes	Yes	Yes	Yes	Yes
Greystone Psychiatric Hospital	Yes	\$ 109,419,844	\$ 141,017,445	\$ 31,597,601	Yes	Yes	Yes	Yes	Yes
Hackensack UMC - Moutainside	Yes	\$ 290,418	\$ 24,307,655	\$ 24,017,236	Yes	Yes	Yes	Yes	Yes
Hackensack UMC - Palisades	Yes	\$ 2,828,015	\$ 56,410,116	\$ 53,582,101	Yes	Yes	Yes	Yes	Yes
Hackensack Umc At Pascack	Yes	\$ 2,892	\$ 8,996,267	\$ 8,993,375	Yes	Yes	Yes	Yes	Yes
Hackensack University Medical Center	Yes	\$ 4,936,775	\$ 68,898,127	\$ 63,961,352	Yes	Yes	Yes	Yes	Yes
Hackettstown Regional Medical Center	Yes	\$ 16,180	\$ 8,113,044	\$ 8,096,864	Yes	Yes	Yes	Yes	Yes
Hampton Behavioral Health Center	Yes	\$ 48,292	\$ 4,406,577	\$ 4,358,285	Yes	Yes	Yes	Yes	Yes
Hoboken University Medical Center	Yes	\$ 4,138,196	\$ 46,625,503	\$ 42,487,307	Yes	Yes	Yes	Yes	Yes
Holy Name Medical Center	Yes	\$ 291,914	\$ 32,138,669	\$ 31,846,755	Yes	Yes	Yes	Yes	Yes
Hudson County Meadowview Psychiatric Hospital	Yes	\$ 16,670,910	\$ 23,458,281	\$ 6,787,372	Yes	Yes	Yes	Yes	Yes
Hunterdon Medical Center	Yes	\$ 2,189,912	\$ 10,441,451	\$ 8,251,539	Yes	Yes	Yes	Yes	Yes
Inspira Medical Center - Elmer	Yes	\$ 248,171	\$ 2,115,457	\$ 1,867,286	Yes	Yes	Yes	Yes	Yes
Inspira Medical Center - Vineland	Yes	\$ 4,959,296	\$ 22,316,687	\$ 17,357,391	Yes	Yes	Yes	Yes	Yes
Inspira Medical Center - Woodbury	Yes	\$ 771,739	\$ 18,530,048	\$ 17,758,309	Yes	Yes	Yes	Yes	Yes
Jersey City Medical Center	Yes	\$ 36,703,865	\$ 58,357,919	\$ 21,654,054	Yes	Yes	Yes	Yes	Yes
Jersey Shore University Medical Center	Yes	\$ 5,015,942	\$ 77,472,781	\$ 72,456,839	Yes	Yes	Yes	Yes	Yes
JFK Medical Center/Anthony Velencis	Yes	\$ 1,568,819	\$ 56,006,747	\$ 54,437,928	Yes	Yes	Yes	Yes	Yes
Kennedy University Hospital	Yes	\$ 4,558,555	\$ 35,907,092	\$ 31,348,537	Yes	Yes	Yes	Yes	Yes
Lourdes Medical Center of Burlington County	Yes	\$ 1,183,909	\$ 16,535,662	\$ 15,351,753	Yes	Yes	Yes	Yes	Yes
Matheny Medical & Educational Center ¹	Yes	\$ -	\$ (1,645,028)	\$ -	N/A	Yes	Yes	Yes	Yes
Hudson Regional Hospital	Yes	\$ 3,885	\$ 5,572,944	\$ 5,569,059	Yes	Yes	Yes	Yes	Yes
Memorial Hospital of Salem County	Yes	\$ 4,115	\$ 8,191,621	\$ 8,187,506	Yes	Yes	Yes	Yes	Yes
Monmouth Medical Center	Yes	\$ 5,484,864	\$ 14,514,179	\$ 9,029,315	Yes	Yes	Yes	Yes	Yes
Monmouth Medical Center Southern Campus	Yes	\$ 4,684,319	\$ 14,182,065	\$ 9,497,746	Yes	Yes	Yes	Yes	Yes
Morristown Memorial Hospital	Yes	\$ 1,671,726	\$ 48,623,789	\$ 46,952,063	Yes	Yes	Yes	Yes	Yes
Newark Beth Israel Medical Center	Yes	\$ 9,434,082	\$ 40,441,080	\$ 31,006,998	Yes	Yes	Yes	Yes	Yes
Newton Medical Center	Yes	\$ 1,508,026	\$ 11,250,708	\$ 9,742,682	Yes	Yes	Yes	Yes	Yes
Ocean Medical Center	Yes	\$ 36,543	\$ 17,739,243	\$ 17,702,700	Yes	Yes	Yes	Yes	Yes

State of New Jersey
Report on DSH Verifications (table)
For the Medicaid State Plan Rate Year Ended June 30, 2017

Hospital	Verification #1	Verification #2			Verification #3	Verification #4	Verification #5	Verification #6	
	Was Hospital Allowed to Retain DSH Payment?	DSH Payment for Medicaid State Plan Rate Year (In-State and Out-of-State)	Total Uncompensated Care Costs for Medicaid State Plan Rate Year	DSH Payment Under or <Over> Total Uncompensated Care Costs (UCC)	DSH Payment Complies with the Hospital-Specific DSH Limit	Were only I/P and O/P Hospital Costs to Medicaid eligible and Uninsured Included in UCC?	If Medicaid Payments were in excess of Medicaid cost was the Total UCC reduced by this amount?	Have all claimed expenditures and payments for Medicaid and Uninsured been documented and retained?	Does the retained documentation include a description of the methodology used to calculate the UCC?
Our Lady of Lourdes Medical Center	Yes	\$ 379,288	\$ 22,212,213	\$ 21,832,925	Yes	Yes	Yes	Yes	Yes
Overlook Medical Center	Yes	\$ 137,921	\$ 29,710,144	\$ 29,572,223	Yes	Yes	Yes	Yes	Yes
Ramapo Ridge Psychiatric Hospital (Short Term)	Yes	\$ 142,032	\$ 1,341,068	\$ 1,199,036	Yes	Yes	Yes	Yes	Yes
Raritan Bay Medical Center	Yes	\$ 9,813,611	\$ 42,862,722	\$ 33,049,111	Yes	Yes	Yes	Yes	Yes
Riverview Medical Center	Yes	\$ 877,692	\$ 21,030,426	\$ 20,152,734	Yes	Yes	Yes	Yes	Yes
Rutgers University Behavioral Healthcare	Yes	\$ 22,693,628	\$ 25,575,780	\$ 2,882,152	Yes	Yes	Yes	Yes	Yes
RWJ University Hospital	Yes	\$ 2,551,259	\$ 122,336,724	\$ 119,785,465	Yes	Yes	Yes	Yes	Yes
RWJ University Hospital - Somerset	Yes	\$ 699,714	\$ 27,753,658	\$ 27,053,944	Yes	Yes	Yes	Yes	Yes
RWJ University Hospital - Hamilton	Yes	\$ 741,954	\$ 18,515,623	\$ 17,773,669	Yes	Yes	Yes	Yes	Yes
RWJ University Hospital - Rahway	Yes	\$ 356,599	\$ 15,167,165	\$ 14,810,566	Yes	Yes	Yes	Yes	Yes
Saint Barnabas Medical Center	Yes	\$ 229,783	\$ 24,177,232	\$ 23,947,449	Yes	Yes	Yes	Yes	Yes
Saint Clare's Hospital - Denville	Yes	\$ 9,202,566	\$ 18,386,997	\$ 9,184,431	Yes	Yes	Yes	Yes	Yes
Saint Francis Medical Center	Yes	\$ 2,918,084	\$ 18,305,652	\$ 15,387,568	Yes	Yes	Yes	Yes	Yes
Saint Joseph's Hospital and Medical Center	Yes	\$ 47,241,697	\$ 106,270,646	\$ 59,028,949	Yes	Yes	Yes	Yes	Yes
Saint Mary's Hospital - Passaic	Yes	\$ 6,960,713	\$ 23,710,341	\$ 16,749,628	Yes	Yes	Yes	Yes	Yes
Saint Michael's Medical Center	Yes	\$ 4,334,817	\$ 28,032,710	\$ 23,697,893	Yes	Yes	Yes	Yes	Yes
Saint Peter's University Hospital	Yes	\$ 5,880,590	\$ 31,210,187	\$ 25,329,597	Yes	Yes	Yes	Yes	Yes
Shore Memorial Hospital	Yes	\$ 428,368	\$ 15,889,596	\$ 15,461,228	Yes	Yes	Yes	Yes	Yes
Southern Ocean County Medical Center	Yes	\$ 11,097	\$ 9,122,060	\$ 9,110,963	Yes	Yes	Yes	Yes	Yes
St. Luke's Warren Hospital	Yes	\$ 212,404	\$ 13,002,288	\$ 12,789,884	Yes	Yes	Yes	Yes	Yes
Summit Oaks Hospital	Yes	\$ 3,838	\$ 2,227,632	\$ 2,223,794	Yes	Yes	Yes	Yes	Yes
The Valley Hospital	Yes	\$ 30,711	\$ 22,101,016	\$ 22,070,305	Yes	Yes	Yes	Yes	Yes
Trenton Psychiatric Hospital	Yes	\$ 86,750,266	\$ 112,757,411	\$ 26,007,145	Yes	Yes	Yes	Yes	Yes
Trinitas Regional Medical Center	Yes	\$ 39,457,746	\$ 39,457,746	\$ -	Yes	Yes	Yes	Yes	Yes
University Hospital (UMDNJ)	Yes	\$ 115,539,909	\$ 253,086,554	\$ 137,546,645	Yes	Yes	Yes	Yes	Yes
University Medical Center at Princeton	Yes	\$ 1,517,506	\$ 24,331,518	\$ 22,814,012	Yes	Yes	Yes	Yes	Yes
Virtua Memorial Hospital of Burlington County	Yes	\$ 613,271	\$ 20,586,496	\$ 19,973,225	Yes	Yes	Yes	Yes	Yes
Virtua West Jersey Health System	Yes	\$ 554,037	\$ 38,962,296	\$ 38,408,259	Yes	Yes	Yes	Yes	Yes
Weisman Children's Hospital	Yes	\$ 17,626	\$ 400,411	\$ 382,785	Yes	Yes	Yes	Yes	Yes

Footnote¹: Facilities marked "N/A" did not have a DSH payment to retain or compare against the hospital-specific DSH limit, but were included in the DSH examination at the request of the State.

This report is intended solely for the information and use of the New Jersey Department of 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 New Jersey Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended June 30, 2017

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) **Treatment of Third Party Payers (TPP) in Calculating Uncompensated Care Costs (UCC)**

On April 3, 2017, CMS published a final rule clarifying that the total cost of uncompensated care is the cost remaining for all uninsured and Medicaid eligible individuals after accounting for payments made to hospitals by or on behalf of uninsured and Medicaid eligible individuals, including Medicare and other third party payments. This rule became effective June 2, 2017.

Per the CMS bulletin released on August 18, 2020, the DSH examination has been completed based on recommended Method #2 in combination with the CMS *"Additional Information of the DSH Reporting and Audit Requirements – Part 2"*, #21 methodology for pro-rating cost report periods to the state fiscal year. Each hospital's applicable TPP payments have been determined by pro-rating the TPP payments for the entire cost report period overlapping the state plan rate year (SPRY) to reflect the partial cost report period on or after June 2, 2017. This percentage of the cost report period occurring on or after June 2, 2017 was computed based on the number of days within the cost report period that occur on or after June 2, 2017, divided by the total number of days within the entire cost report year. The resulting fraction was then applied to the total cost report period TPP payments. The cost report period UCC was then prorated to the SPRY. The hospital's Medicaid and uninsured costs for the entire SPRY have only been offset by the portion of the TPP payments attributed to the percentage of the overlapping cost report period on or after June 2, 2017.

(2) **Physician Costs**

New Jersey includes physician costs as part of its Medicaid hospital inpatient (non-DRG) and outpatient reimbursement (all-inclusive rates) based on historical physician data. The state retroactively determines physician cost qualifying for all-inclusive rate reimbursement. The physician cost estimates, based on the most recently audited Medicaid version of the CMS 2552 Medicare cost report, were included in the UCC calculation. Physician costs for dental and outpatient psychiatric services, paid as hospital services, have also been included in the UCC calculation.

State of New Jersey Disproportionate Share Hospital (DSH)
Schedule of Data Caveats Relating to the DSH Verifications
For the Year Ended June 30, 2017

(3) **DSH Survey Not Submitted**

Ramapo Ridge Psychiatric Hospital - 314019 did not submit any data that was requested for the 2017 DSH year. The uncompensated care cost was calculated using the hospital's most recently audited Medicaid version of the CMS 2552 Medicare cost report and Medicaid claims data received from the state MMIS. The hospital's uncompensated care costs may be misstated as a result. The impact is unknown.

Schedule of Annual Reporting Requirements

State of New Jersey
 Schedule of Annual Reporting Requirements (table)
 For the Medicaid State Plan Rate Year Ended June 30, 2017

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, the 82 Fed. Reg. 16114 dated April 3, 2017, and the withdrawal of FAQs 33 and 34 by CMS on December 31, 2018. 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. Hospital services includes physician where an all-inclusive Medicaid rate is paid. 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 UCC 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, uninsured and self-pay with no source of third party coverage for the inpatient and outpatient hospital services received. The appropriate payment category was used for each hospital's most recent CMS 2552 cost report. These costs were then reduced by the total payments received for the services provided, except for Medicare and private insurance categories for services prior to June 2, 2017, 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	Medicaid I/P Utilization Rate	Low-Income Utilization Rate	State-Defined Eligibility Statistic	Regular IP/OP Medicaid FFS Rate Payments	IP/OP Medicaid Payments	Supplemental / Enhanced IP/OP Payments	Total Medicaid IP/OP Payments (F+G+H)	Total Cost of Care - Medicaid IP/OP Services	Total Medicaid Uncompensated Care Costs (J-K)	Total 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 (K-O)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider Number	Medicare Provider Number	Total Hospital Cost
Atlanticare Regional Medical Center	32,526,767	40.49%	20.33%	0	59,044,149	58,633,799	2,268,423	119,946,371	179,850,001	59,903,630	887,976	0	26,647,600	25,759,624	85,663,254	15,151,139	0	4139402	310064	522,628,114
Bacharach Institute For Rehabilitation	883,770	7.96%	8.93%	0	4,957,667	2,778,794	0	3,274,361	5,242,993	1,968,632	936	0	40,025	39,089	2,007,721	1,860	0	4143701	310310	37,852,411
Bayonne Medical Center	14,449,458	46.49%	13.89%	0	10,381,164	10,287,472	45,175,628	66,274,272	45,377,988	28,824,226	107,475	0	6,627,791	6,247,532	21,947,781	580,108	0	4167611	310225	121,022,867
Bayshore Community Hospital	1,751,698	25.26%	11.69%	0	4,539,866	10,574,254	0	16,194,120	31,912,016	15,717,896	136,680	0	2,686,421	2,549,741	16,267,637	8,975	0	4141105	310320	153,934,517
Bergen Regional Medical Center	34,947,553	60.15%	29.88%	0	41,503,954	6,955,704	40,560	48,500,218	64,921,469	16,421,251	1,194,436	0	23,999,839	22,805,403	39,226,654	31,744,125	0	4139003	310058	131,513,412
Cape Regional Medical Center	4,137,090	25.66%	15.35%	0	4,569,312	13,167,516	0	17,736,828	28,569,929	10,833,101	486,028	0	1,807,038	1,321,010	12,154,111	247,308	0	4135709	310011	118,647,046
Carle Regional Medical Center - Hopewell	3,750,149	37.45%	13.72%	0	4,681,919	49,951,191	46,891	54,833,709	65,367,006	26,232,697	602,433	0	12,331,272	11,205,575	42,557,682	2,102,233	0	4139241	310044	580,107,682
Capital Health System Regional Medical Center	34,766,785	49.96%	29.43%	0	20,597,592	36,631,298	2,138,978	59,367,868	93,696,426	34,328,558	1,925,938	0	21,481,276	19,552,338	53,883,896	20,706,548	0	3676609	310092	203,209,585
CentraState Medical Center	10,086,772	17.94%	10.21%	0	7,036,687	14,103,995	205,332	21,346,011	32,841,736	11,495,722	703,077	0	8,395,913	7,699,836	19,188,558	1,035,132	0	4141008	310111	247,150,855
Children's Specialized Hospital ¹	(4,368,416)	56.95%	53.48%	0	14,502,955	43,627,443	0	58,130,398	44,949,258	(13,181,140)	934,504	0	757,233	(177,271)	(13,358,411)	0	0	4136004	313300	99,168,889
Chilton Medical Center	6,125,222	14.12%	7.06%	0	3,980,736	8,959,458	0	12,940,194	22,715,998	9,775,804	290,863	0	2,897,226	2,676,233	12,382,167	55,230	0	3069530	310017	168,006,894
Christ Hospital	19,052,141	56.70%	30.12%	0	18,008,018	23,120,860	972,144	42,101,022	78,993,396	36,892,374	172,534	0	18,738,346	18,565,812	55,458,166	8,614,276	0	4029655	310016	158,165,910
Clara Mass Medical Center	11,454,893	38.73%	28.37%	0	12,228,529	54,958,729	0	66,287,257	74,637,941	13,250,683	411,549	0	13,296,175	12,884,627	26,135,309	2,299,667	0	4135504	310009	224,077,298
Community Medical Center	3,530,677	16.12%	11.81%	0	8,001,783	34,979,675	0	42,981,458	48,253,208	5,271,750	319,894	0	7,548,894	6,220,500	12,500,750	66,220	0	3674606	310041	367,466,800
Cooper University Hospital	108,128,607	41.64%	26.92%	0	42,079,204	149,223,811	24,930,997	216,234,012	274,368,656	58,134,644	331,128	0	23,266,971	22,935,843	81,070,487	22,144,470	0	4136004	310014	770,162,600
Deborah Heart and Lung Center	6,736,029	10.68%	9.57%	0	2,406,100	7,774,798	589,860	10,770,758	14,970,892	4,200,134	25,645	0	4,316,933	4,291,288	8,491,422	37,395	0	4137205	310031	153,342,811
East Orange General Hospital	12,479,021	49.20%	32.02%	0	14,763,683	15,921,140	0	30,692,823	39,902,408	9,209,585	116,227	0	5,837,282	5,721,055	14,930,640	7,618,153	0	4140001	310083	82,399,004
Englewood Hospital and Medical Center	6,242,325	16.04%	7.61%	0	9,293,314	21,414,211	695,308	31,402,833	53,455,824	22,052,991	1,850,972	0	13,260,983	11,410,011	33,463,002	683,966	0	4138309	310045	388,965,032
Hackensack UMC - Montclair	1,271,027	26.71%	6.68%	0	11,654,193	6,786,384	982,660	19,422,637	39,765,122	20,342,485	308,300	0	4,273,470	3,965,170	24,307,655	290,418	0	4139564	310054	189,428,492
Hackensack UMC - Palisades	7,123,554	51.95%	27.94%	0	16,679,009	11,940,292	2,743,258	31,362,559	75,751,403	44,208,834	388,231	0	12,589,503	12,201,272	56,410,116	2,828,015	0	4135105	310033	149,914,680
Hackensack UMC At Passaic	3,198	20.76%	5.08%	0	870,430	3,762,514	0	4,632,944	12,342,873	7,099,329	480,982	0	17,667,320	16,926,388	8,996,267	2,892	0	4135119	310130	89,338,436
Hackensack University Medical Center	26,620,209	24.77%	14.23%	0	43,666,854	131,630,104	8,019,616	183,316,580	221,179,981	37,901,401	470,136	0	21,317,894	21,317,894	68,988,127	4,936,775	0	3674100	310046	1,204,978,856
Hackettstown Regional Medical Center	4,416,512	19.23%	8.39%	0	2,489,155	4,002,700	0	6,491,225	13,217,897	6,726,672	142,906	0	1,529,278	1,386,372	8,113,044	16,180	0	4141300	310015	72,012,163
Hoboken Hospital	19,220,640	57.20%	25.68%	0	20,948,168	15,154,362	1,091,733	38,194,263	67,595,350	29,401,887	1,914,734	0	17,416,330	17,224,416	46,625,503	4,138,196	0	4102643	310010	143,551,531
Holy Name Medical Center	3,535,673	23.02%	14.35%	0	7,777,537	33,198,773	0	40,976,310	66,178,812	25,202,502	1,373,754	0	8,309,921	6,936,167	32,138,669	29,914	0	4135407	310008	296,560,142
Hudson Regional Hospital	5,940,146	25.91%	9.55%	0	1,666,794	3,778,259	1,438,887	6,885,540	10,275,516	3,389,976	136,010	0	2,318,978	2,182,968	5,572,944	3,885	0	4141504	310118	55,248,715
Hunterdon Medical Center	4,619,270	18.35%	7.85%	0	7,601,992	11,689,489	249,114	19,540,595	27,047,659	7,507,064	449,035	0	3,383,422	2,934,387	10,441,451	218,912	0	4135202	310005	172,585,298
Inspira Medical Center - Elmer	1,264,088	16.01%	12.97%	0	1,798,996	6,350,108	0	8,149,104	8,886,680	737,576	100,119	0	1,478,000	1,377,881	2,115,457	248,171	0	3675602	310069	52,035,987
Inspira Medical Center - Vineland	13,069,619	41.12%	25.71%	0	28,826,407	56,469,206	7,123,172	92,418,785	103,141,346	10,722,561	910,830	0	12,504,156	11,594,126	22,316,687	4,959,296	0	3674509	310032	309,229,540
Inspira Medical Center - Woodbury	4,661,999	26.63%	16.03%	0	11,229,918	19,343,690	454,925	31,028,533	44,679,939	13,651,464	306,159	0	5,184,743	4,878,584	18,530,048	771,739	0	3676102	310081	174,143,927
Jersey City Medical Center	39,170,303	47.45%	31.76%	0	27,508,208	69,951,419	7,038,016	104,497,643	137,590,502	33,092,859	708,319	0	25,973,379	25,265,060	58,357,919	367,805	0	4139801	310074	325,551,033
Jersey Shore University Medical Center	20,376,998	29.11%	13.24%	0	31,148,727	49,970,441	5,214,470	86,331,638	147,153,292	60,803,654	576,051	0	17,245,178	16,669,127	77,472,781	5,015,942	0	3675700	310073	596,497,176
JFK Medical Center/Anthony Venetecis	22,709,938	23.43%	11.56%	0	19,376,682	34,639,234	687,376	54,703,292	98,711,361	44,008,669	992,374	0	12,991,052	11,998,678	56,006,747	1,568,819	0	3676803	310018	430,742,823
Kennedy University Hospital	4,406,908	32.00%	21.26%	0	14,184,727	14,448,766	0	28,633,493	36,995,861	8,362,368	91,496	0	5,911,193	5,199,697	14,182,065	4,684,319	0	3676200	310084	95,574,391
Lourdes Medical Center of Burlington County	2,820,681	36.15%	21.61%	0	6,458,597	14,298,927	263,450	21,020,974	33,199,650	12,178,676	235,670	0	4,592,656	4,356,986	16,335,662	1,183,909	0	3675203	310061	111,510,819
Matthey Medical & Educational Center ¹	1,145,022	99.21%	82.05%	0	33,510,412	1,7746	0	33,528,158	31,897,932	(1,630,226)	246,231	0	231,429	(14,802)	(1,645,028)	0	0	4143001	312014	33,251,719
Memorial Hospital of Salem County	4,497,886	29.18%	20.47%	0	1,682,971	7,107,400	0	8,790,371	15,619,933	6,829,562	196,940	0	1,558,999	1,362,059	8,919,621	4,115	0	4031308	310019	48,474,649
Monmouth Medical Center	18,531,137	38.41%	20.73%	0	20,796,802	47,644,178	9,338,981	77,779,961	80,798,564	3,018,603	320,387	0	11,815,963	11,495,576	14,514,179	5,484,864	0	3675807	310075	315,718,737
Monmouth Medical Center Southern Campus	2,734,924	49.07%	29.27%	0	14,184,727	14,448,766	0	28,633,493	36,995,861	8,362,368	91,496	0	5,911,193	5,199,697	14,182,065	4,684,319	0	3676200	310084	95,574,391
MorrisWest Memorial Hospital	10,955,497	14.05%	6.85%	0	23,440,220	47,933,914	2,932,021	74,306,155	108,272,117	33,665,962	3,196,846	0	17,854,673	16,652,827	48,623,789	1,671,726	0	4136101	310015	889,544,134
Newark Beth Israel Medical Center	16,269,721	55.01%	38.9%	0	37,059,062	146,163,695	21,186,719	204,409,476	215,740,235	11										

State of New Jersey
 Schedule of Annual Reporting Requirements (table)
 For the Medicaid State Plan Rate Year Ended June 30, 2017

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, the 82 Fed. Reg. 16114 dated April 3, 2017, and the withdrawal of FAQs 33 and 34 by CMS on December 31, 2018. 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. Hospital services includes physician where an all-inclusive Medicaid rate is paid. 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 UCC 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 diem 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, except for Medicare and private insurance payments for services prior to June 2, 2017, 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	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 (K+L)	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 (K+O)	Total In-State DSH Payments Received	Total Out-of-State DSH Payments Received	Medicaid Provider Number	Medicare Provider Number	Total Hospital Cost
Institutes for Mental Disease																				
Ancora Psychiatric Hospital	142,862,746	6.19%	93.19%	0	7,451,588	41,809	0	7,493,397	9,816,955	2,323,558	543,985	0	132,599,919	132,055,934	134,379,492	114,474,223	0	4508106	314,005	158,737,502
Carrier Clinic Foundation	447,872	9.14%	5.68%	0	3,214,495	116,630	0	3,331,125	3,790,485	459,360	44,628	0	276,704	232,076	691,436	691,436	0	4144104	314,012	39,345,213
Cornerstone Behavior Health Hospital	10,680,348	8.76%	78.39%	0	544,732	25,100	0	569,832	1,551,410	981,578	15	0	12,167,246	12,167,231	13,148,809	8,558,036	0	3682307	314,027	17,031,620
Essex County Hospital Center	43,359,759	39.74%	93.84%	0	585,061	0	0	585,061	19,913,175	19,328,114	152,913	0	27,786,571	27,633,658	46,961,772	34,743,660	0	4508602	314,020	50,525,315
Greystone Psychiatric Hospital	136,554,928	4.05%	101.75%	0	4,563,292	0	0	4,563,292	6,395,377	1,832,085	633,739	0	139,819,099	139,185,360	141,017,445	109,419,844	0	4507703	314,016	161,996,121
Hampton Behavioral Health Center	3,229,173	12.46%	8.43%	0	2,970,550	15,420	0	2,985,970	3,092,359	106,389	15,252	0	4,315,440	4,300,188	4,406,577	46,292	0	5446406	314,021	21,190,459
Hudson County Meadowview Psychiatric Hospital	20,805,137	4.51%	0.78%	0	149,264	19,165	0	168,429	1,170,956	1,002,527	352,165	0	22,807,919	22,455,754	23,450,281	16,670,910	0	7197004	314,024	27,424,410
Ramapo Ridge Psychiatric Hospital (Short Term)	738,135	7.48%	1.92%	0	1,026,977	21,473	0	1,048,450	2,389,309	1,340,859	62	0	271	209	1,341,068	142,032	0	4144414	314,019	24,853,066
Rutgers University Behavioral Healthcare	32,669,644	23.80%	66.98%	0	24,276,814	227,866	0	24,504,680	42,197,554	17,692,874	104,314	0	7,987,220	7,882,906	25,575,780	22,693,628	0	4144007	314,011	68,602,681
Summit Oaks Hospital	1,038,517	19.92%	13.18%	0	3,764,663	24,312	0	3,788,975	4,876,793	1,087,818	92,378	0	1,232,192	1,139,814	2,227,632	3,838	0	4143906	314,001	21,458,599
Trenton Psychiatric Hospital	108,263,510	2.27%	98.08%	0	2,425,089	0	0	2,425,089	2,791,174	366,085	157,658	0	112,548,984	112,391,326	112,757,411	86,750,266	0	4507988	314,013	126,975,224
Out-of-State DSH Hospitals																				
None																				

Footnote1: Facilities showing zero did not receive a DSH payment during the period under review, but were included in the DSH examination at the request of the State.

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 New Jersey and its DSH hospitals for the Medicaid State plan rate year ending June 30, 2017.

Myers and Stauffer LC
December 17, 2020

**DSH Survey
and
Expanded Testing Clarification**



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

To Whom it May Concern:

Myers and Stauffer LC distributes a survey tool to hospitals requiring specific data elements related to Medicaid and uninsured patients. Data included on the survey must be supported by patient detail, financial statements, and accounting records which is reviewed. The Medicaid version of the CMS 2552-10 cost report is utilized to calculate cost-to-charge ratios and per diems in order to calculate uncompensated care costs for the Medicaid and uninsured populations.

Based on risk thresholds, results of the survey, and documentation review, identified hospitals are selected for expanded testing. Certain hospitals not selected may still receive additional testing of individual patient files. Expanded testing procedures include reconciling data elements to sources, completion of a questionnaire by the hospital detailing the internal control structure, claims sampling, and obtaining all sourced documents for the survey tool.

Myers and Stauffer LC