



December 15, 2022

Mr. Jimmy Witcosky
Oklahoma Health Care Authority
4345 N. Lincoln Blvd.
Oklahoma City, Oklahoma 73105

To the Oklahoma Health Care Authority (OHCA):

We have completed our examination of the Oklahoma State Disproportionate Share Hospital (DSH) Program operation as related to the DSH Payments Final Rule (DSH Rule) and have issued our report dated December 15, 2022. In connection with our examination engagement, we noted the following matters which we would like to bring to your attention.

HOSPITAL-SPECIFIC DSH PAYMENT LIMIT

The following providers received DSH payments that exceeded their hospital-specific DSH limit calculated under the DSH Rule in MSP rate year 2019:

Hospital	DSH Payments Received	Calculated Hospital-Specific Limit
Comanche County Memorial Hospital	\$904,570	\$(365,200)
Drumright Regional Hospital	\$110,686	\$4,814
Duncan Regional Hospital	\$485,662	\$152,938
Fairfax Community Hospital	\$24,937	\$(169,854)
Haskell County Community Hospital	\$50,276	\$(50,280)
Henryetta Medical Center	\$136,347	\$(122,743)
Memorial Hospital (Stillwell)	\$179,429	\$(598,240)
Prague Community Hospital	\$42,536	\$(150,854)
St Anthony Shawnee Hospital	\$681,354	\$(746,087)

RECORD RETENTION

Several hospitals provided some, but not all, of the requested documents. The following four hospitals did not provide any documents to complete analysis:

- Prague Memorial – Hospital parent company in bankruptcy.
- Fairfax Community Hospital – Hospital parent company in bankruptcy.
- Drumright Regional Hospital – Hospital parent company in bankruptcy.
- Haskell County Community Hospital – Hospital parent company in bankruptcy.

The following hospital did not provide documentation for 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 the DSH Rule; or other payments made on behalf of the uninsured from payment adjustments under the DSH Rule.

- Memorial Hospital (Stilwell).

RECOMMENDATION

To ensure compliance with the DSH Rule in the future, the OHCA should require DSH hospitals to retain adequate, accurate, and detailed information to support data reported on their DSH applications for audit and regulatory purposes. This information and record of data should include, at minimum, information listed on the attached Schedule of Information and Records of Data Needed for DSH Audit. The OHCA should also make hospitals aware that Centers for Medicaid & Medicare Services (CMS) suggests that providers would need to modify their accounting system to ensure documents, such as those needed to segregate uncompensated costs, are available for future audits.

In addition, the OHCA should consider revising its record retention policy to specify the types of records, such as DSH application packages, that should be retained for DSH programs and the length of such retention.

This letter is intended solely for the information and use of management and others within the OHCA and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Myers and Stauffer LC
Austin, TX