

**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, 2015

Prepared by:



**MYERS AND
STAUFFER^{LC}**
CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2015. 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.

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, 2015.

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.

Myers and Stauffer LC
December 19, 2018

State of New Jersey 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 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, 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 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, 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?
Ancora Psychiatric Hospital	Yes	107,671,854	132,744,341	25,072,487	Yes	107,671,854	132,744,341	25,072,487	Yes	Yes	Yes	Yes	Yes
Atlanticare Regional Medical Center	Yes	28,596,200	51,549,226	22,953,026	Yes	28,596,200	85,320,858	56,724,658	Yes	Yes	Yes	Yes	Yes
Bacharach Institute for Rehabilitation	Yes	6,609	1,324,265	1,317,656	Yes	6,609	1,687,260	1,680,651	Yes	Yes	Yes	Yes	Yes
Bayonne Medical Center	Yes	2,875,767	16,211,991	13,336,224	Yes	2,875,767	33,804,347	30,928,580	Yes	Yes	Yes	Yes	Yes
Bayshore Community Hospital	Yes	829,771	2,689,204	1,859,433	Yes	829,771	18,362,524	17,532,753	Yes	Yes	Yes	Yes	Yes
Bergen Regional Medical Center	Yes	36,886,669	36,886,669	0	Yes	36,886,669	45,390,901	8,504,232	Yes	Yes	Yes	Yes	Yes
Cape Regional Medical Center	Yes	1,250,751	3,854,132	2,603,381	Yes	1,250,751	9,265,973	8,015,222	Yes	Yes	Yes	Yes	Yes
Capital Health Medical Center - Hopewell	Yes	7,292,668	11,774,219	4,481,551	Yes	7,292,668	22,939,232	15,646,564	Yes	Yes	Yes	Yes	Yes
Capital Health System Regional Medical Center	Yes	26,921,937	26,922,010	73	Yes	26,921,937	56,752,262	29,830,325	Yes	Yes	Yes	Yes	Yes
Carrier Clinic Foundation	Yes	221,467	413,396	191,929	Yes	221,467	933,825	712,358	Yes	Yes	Yes	Yes	Yes
Centrastate Medical Center	Yes	2,844,702	11,559,926	8,715,224	Yes	2,844,702	17,180,609	14,335,907	Yes	Yes	Yes	Yes	Yes
Children's Specialized Hospital'	N/A	0	(10,214,535)	0	N/A	0	(10,020,794)	0	N/A	Yes	Yes	Yes	Yes
Chilton Medical Center	Yes	721,986	5,840,070	5,118,084	Yes	721,986	10,481,672	9,759,686	Yes	Yes	Yes	Yes	Yes
Christ Hospital	Yes	14,929,373	44,237,383	29,308,010	Yes	14,929,373	72,308,925	57,379,552	Yes	Yes	Yes	Yes	Yes
Clara Maass Medical Center	Yes	6,072,614	7,032,574	959,960	Yes	6,072,614	17,254,457	11,181,843	Yes	Yes	Yes	Yes	Yes
Community Medical Center	Yes	2,772,928	6,661,361	3,888,433	Yes	2,772,928	15,642,934	12,870,006	Yes	Yes	Yes	Yes	Yes
Cooper University Hospital	Yes	40,028,705	51,286,994	11,258,289	Yes	40,028,705	77,358,233	37,329,528	Yes	Yes	Yes	Yes	Yes
Deborah Heart and Lung Center	Yes	6,319,535	6,319,539	4	Yes	6,319,535	8,321,606	2,002,071	Yes	Yes	Yes	Yes	Yes
East Orange General Hospital	Yes	14,590,134	15,805,360	1,215,226	Yes	14,590,134	33,345,220	18,755,086	Yes	Yes	Yes	Yes	Yes
Englewood Hospital and Medical Center	Yes	2,117,320	12,040,411	9,923,091	Yes	2,117,320	23,501,176	21,383,856	Yes	Yes	Yes	Yes	Yes
Essex County Hospital Center	Yes	33,872,691	47,847,790	13,975,099	Yes	33,872,691	47,847,790	13,975,099	Yes	Yes	Yes	Yes	Yes
Greystone Psychiatric Hospital	Yes	100,395,575	127,334,048	26,938,473	Yes	100,395,575	127,399,055	27,003,480	Yes	Yes	Yes	Yes	Yes
Hackensack University Medical Center	Yes	11,473,959	55,286,529	43,812,570	Yes	11,473,959	75,909,498	64,435,539	Yes	Yes	Yes	Yes	Yes
Hackettstown Regional Medical Center	Yes	350,929	4,757,635	4,406,706	Yes	350,929	7,277,586	6,926,657	Yes	Yes	Yes	Yes	Yes
Hampton Behavioral Health Center	Yes	18,612	2,671,863	2,653,251	Yes	18,612	3,396,949	3,378,337	Yes	Yes	Yes	Yes	Yes
Hoboken University Medical Center	Yes	15,502,030	34,462,204	18,960,174	Yes	15,502,030	59,315,713	43,813,683	Yes	Yes	Yes	Yes	Yes
Holy Name Medical Center	Yes	1,144,316	11,742,219	10,597,903	Yes	1,144,316	27,129,900	25,985,584	Yes	Yes	Yes	Yes	Yes
Hudson County Meadowview Psychiatric Hospital	Yes	15,884,870	21,421,688	5,536,818	Yes	15,884,870	21,421,688	5,536,818	Yes	Yes	Yes	Yes	Yes
Hunterdon Medical Center	Yes	4,222,582	6,107,110	1,884,528	Yes	4,222,582	10,464,681	6,242,099	Yes	Yes	Yes	Yes	Yes
Inspira Medical Center - Elmer	Yes	736,704	829,947	93,243	Yes	736,704	1,973,882	1,237,178	Yes	Yes	Yes	Yes	Yes
Inspira Medical Center - Vineland	Yes	7,330,146	14,392,679	7,062,533	Yes	7,330,146	29,409,872	22,079,726	Yes	Yes	Yes	Yes	Yes
Inspira Medical Center - Woodbury	Yes	2,846,962	11,909,906	9,062,944	Yes	2,846,962	17,386,729	14,539,767	Yes	Yes	Yes	Yes	Yes
Jersey City Medical Center	Yes	47,243,359	47,243,761	402	Yes	47,243,359	60,511,696	13,268,337	Yes	Yes	Yes	Yes	Yes
Jersey Shore University Medical Center	Yes	6,672,661	16,739,020	10,066,359	Yes	6,672,661	83,666,093	76,993,432	Yes	Yes	Yes	Yes	Yes
JFK Medical Center/Anthony Velencis	Yes	5,001,069	25,859,057	20,857,988	Yes	5,001,069	42,487,207	37,486,138	Yes	Yes	Yes	Yes	Yes
Kennedy University Hospital	Yes	12,010,566	12,010,574	8	Yes	12,010,566	36,804,091	24,793,525	Yes	Yes	Yes	Yes	Yes
Kimball Medical Center	Yes	10,594,811	10,594,953	142	Yes	10,594,811	13,329,772	2,734,961	Yes	Yes	Yes	Yes	Yes
Lourdes Medical Center of Burlington County	Yes	4,024,403	6,366,843	2,342,440	Yes	4,024,403	11,825,171	7,800,768	Yes	Yes	Yes	Yes	Yes
Matheny Medical and Educational Center	Yes	569,405	1,794,188	1,224,783	Yes	569,405	2,105,585	1,536,180	Yes	Yes	Yes	Yes	Yes
Meadowlands Hospital Medical Center	Yes	712,801	10,373,912	9,661,111	Yes	712,801	13,899,400	13,186,599	Yes	Yes	Yes	Yes	Yes
Memorial Hospital of Salem County	Yes	434,460	4,209,313	3,774,853	Yes	434,460	6,959,786	6,525,326	Yes	Yes	Yes	Yes	Yes
Monmouth Medical Center	Yes	12,966,241	17,562,878	4,596,637	Yes	12,966,241	27,074,498	14,108,257	Yes	Yes	Yes	Yes	Yes
Morristown Memorial Hospital	Yes	4,346,881	25,837,490	21,490,609	Yes	4,346,881	51,805,492	47,458,611	Yes	Yes	Yes	Yes	Yes
Mountainside Hospital	Yes	1,240,357	6,669,480	5,429,123	Yes	1,240,357	19,393,915	18,153,558	Yes	Yes	Yes	Yes	Yes
Newark Beth Israel Medical Center	Yes	32,314,014	32,314,407	393	Yes	32,314,014	53,503,729	21,189,715	Yes	Yes	Yes	Yes	Yes

State of New Jersey
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?
Newton Medical Center	Yes	2,162,193	6,114,593	3,952,400	Yes	2,162,193	11,536,556	9,374,363	Yes	Yes	Yes	Yes	
Ocean Medical Center	Yes	1,222,025	4,536,414	3,314,389	Yes	1,222,025	18,122,488	16,900,463	Yes	Yes	Yes	Yes	
Our Lady of Lourdes Medical Center	Yes	3,502,100	9,202,287	5,700,187	Yes	3,502,100	20,128,219	16,626,119	Yes	Yes	Yes	Yes	
Overlook Medical Center	Yes	2,360,104	20,671,598	18,311,494	Yes	2,360,104	30,536,711	28,176,607	Yes	Yes	Yes	Yes	
Palisades Medical Center	Yes	8,045,964	19,094,546	11,048,582	Yes	8,045,964	56,274,521	48,228,557	Yes	Yes	Yes	Yes	
Ramapo Ridge Psychiatric Hospital (Short Term)	Yes	230,915	1,726,204	1,495,289	Yes	230,915	2,752,137	2,521,222	Yes	Yes	Yes	Yes	
Raritan Bay Medical Center	Yes	14,124,486	18,906,533	4,782,047	Yes	14,124,486	46,888,695	32,764,209	Yes	Yes	Yes	Yes	
Riverview Medical Center	Yes	3,729,549	9,728,982	5,999,433	Yes	3,729,549	25,722,008	21,992,459	Yes	Yes	Yes	Yes	
Runnells Specialized Hospital	Yes	6,615,235	11,512,423	4,897,188	Yes	6,615,235	11,575,369	4,960,134	Yes	Yes	Yes	Yes	
Rutgers University Behavioral Healthcare	Yes	24,318,437	24,318,437	0	Yes	24,318,437	25,277,540	959,103	Yes	Yes	Yes	Yes	
RWJ University Hospital	Yes	8,629,402	65,727,905	57,098,503	Yes	8,629,402	118,355,017	109,725,615	Yes	Yes	Yes	Yes	
RWJ University Hospital - Somerset	Yes	3,181,895	17,624,767	14,442,872	Yes	3,181,895	28,435,632	25,253,737	Yes	Yes	Yes	Yes	
RWJ University Hospital - Hamilton	Yes	2,944,074	13,624,773	10,680,699	Yes	2,944,074	22,838,996	19,894,922	Yes	Yes	Yes	Yes	
RWJ University Hospital - Rahway	Yes	1,852,000	6,641,881	4,789,881	Yes	1,852,000	11,120,088	9,268,088	Yes	Yes	Yes	Yes	
Saint Barnabas Medical Center	Yes	1,241,609	12,939,881	11,698,272	Yes	1,241,609	31,888,959	30,647,350	Yes	Yes	Yes	Yes	
Saint Clare's Hospital - Denville	Yes	16,042,933	16,043,100	167	Yes	16,042,933	25,263,052	9,220,119	Yes	Yes	Yes	Yes	
Saint Francis Medical Center	Yes	14,760,466	14,760,478	12	Yes	14,760,466	18,797,692	4,037,226	Yes	Yes	Yes	Yes	
Saint Joseph's Hospital and Medical Center	Yes	78,508,495	78,508,516	21	Yes	78,508,495	117,135,805	38,627,310	Yes	Yes	Yes	Yes	
Saint Mary's Hospital - Passaic	Yes	12,306,591	16,983,159	4,676,568	Yes	12,306,591	33,275,509	20,968,918	Yes	Yes	Yes	Yes	
Saint Michael's Medical Center	Yes	22,563,113	23,569,731	1,006,618	Yes	22,563,113	37,773,468	15,210,355	Yes	Yes	Yes	Yes	
Saint Peter's University Hospital	Yes	8,099,445	24,519,963	16,420,518	Yes	8,099,445	37,491,964	29,392,519	Yes	Yes	Yes	Yes	
Shore Memorial Hospital	Yes	1,160,374	8,360,802	7,200,428	Yes	1,160,374	15,505,112	14,344,738	Yes	Yes	Yes	Yes	
Southern Ocean County Medical Center	Yes	727,333	2,185,903	1,458,570	Yes	727,333	10,454,087	9,726,754	Yes	Yes	Yes	Yes	
St. Luke's Warren Hospital	Yes	1,307,892	6,640,582	5,332,690	Yes	1,307,892	9,273,293	7,965,401	Yes	Yes	Yes	Yes	
Summit Oaks Hospital	Yes	16,962	774,507	757,545	Yes	16,962	2,007,170	1,990,208	Yes	Yes	Yes	Yes	
The Valley Hospital	Yes	1,012,285	14,234,456	13,222,171	Yes	1,012,285	23,681,175	22,668,890	Yes	Yes	Yes	Yes	
Trenton Psychiatric Hospital	Yes	74,138,727	104,597,904	30,459,177	Yes	74,138,727	104,597,904	30,459,177	Yes	Yes	Yes	Yes	
Trinitas Regional Medical Center	Yes	27,528,626	27,529,711	1,085	Yes	27,528,626	43,383,291	15,854,665	Yes	Yes	Yes	Yes	
University Hospital (UMDNJ)	Yes	176,692,223	176,692,223	0	Yes	176,692,223	226,709,630	50,017,407	Yes	Yes	Yes	Yes	
University Medical Center at Princeton	Yes	2,986,708	19,159,356	16,172,648	Yes	2,986,708	23,031,509	20,044,801	Yes	Yes	Yes	Yes	
Virtua Memorial Hospital of Burlington County	Yes	2,450,843	11,361,823	8,910,980	Yes	2,450,843	22,319,793	19,868,950	Yes	Yes	Yes	Yes	
Virtua West Jersey Health System	Yes	5,983,781	30,446,169	24,462,388	Yes	5,983,781	46,117,756	40,133,975	Yes	Yes	Yes	Yes	
Weisman Children's Rehabilitation Hospital	Yes	375	1,092,998	1,092,623	Yes	375	1,199,806	1,199,431	Yes	Yes	Yes	Yes	

Footnote¹: The facility 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, 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) **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.

(2) **Medicaid Uncompensated Care Cost**

Existing CMS guidance (FAQs 33 and 34 and the DSH Final Rule in Federal Register/Vol. 82, No. 62, April 3, 2017) require that all Medicaid eligible inpatient and outpatient hospital services be included in the hospitals' uncompensated care calculation. The completeness of the Medicaid eligible services reported by the following hospital cannot be further verified due to the limited scope of the current "General DSH Audit and Reporting Protocol" from CMS. The impact, if any, is unknown.

Trinitas Regional Medical Center did not report any private insurance/Medicaid dual eligible claims for the DSH uncompensated care cost calculation. The hospital did sign an attestation that all Medicaid eligible claims had been submitted.

(3) **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 New Jersey
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 F, as well as separate, alternative calculations made based on the orders in the above-noted trial court rulings in column R. The calculated uncompensated costs (UCC) represent the net uncompensated costs of providing both 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 include physician where an all-inclusive bill for the patient 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 with no source of third party coverage for the inpatient and outpatient hospital services received. The costs of services for each of these patients 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 (column P) and reduced by 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 Payments	IP/OP Medicaid MCD Payments	Supplemental / Enhanced IP/OP Medicaid Payments	Total Medicaid FFS Payments (F+G+H)	Total Cost of Care - Total 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 Care Costs (N+O)	Total Eligible Uncompensated Care Costs Reduced by Medicare and Private Insurance Payments	Total IP/OP Medicare and Private Insurance Payments	Total Eligible Uncompensated Care Costs Not Reduced by Medicare and Private Insurance Payments	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	6,088,277	35.03%	18.97%	0	59,172,026	68,452,742	1,429,532	129,054,300	149,661,037	20,606,737	1,085,271	0	32,027,760	30,942,489	51,549,226	33,771,632	85,320,858	28,596,200	0	4139402	310064	521,792,607
Barachar Institute for Rehabilitation	335,938	9.33%	9.20%	0	948,755	2,598,158	0	3,546,913	4,772,108	1,225,195	0	0	99,070	99,070	1,324,265	362,995	1,687,260	6,609	0	4143701	313300	35,923,623
Bayonne Medical Center	19,293,643	38.01%	12.70%	0	22,338,200	6,007,067	0	28,345,267	38,592,512	10,247,245	132,120	0	6,096,866	5,964,746	16,211,991	17,592,356	33,804,347	2,875,577	0	0167101	310025	11,667,530
Berkshire Community Hospital	5,148,436	24.00%	11.59%	0	12,835,389	11,412,074	0	24,247,463	24,279,900	31,927	182,113	0	2,839,300	2,657,277	2,609,204	18,362,524	829,771	0	0411105	310112	11,585,669	
Bergen Regional Medical Center	5,281,531	50.76%	32.12%	0	36,306,256	2,382,857	223,087	38,912,200	48,890,833	9,978,635	1,253,369	0	28,161,405	26,908,036	36,886,669	8,504,232	45,390,901	36,886,669	0	4139003	310058	118,951,574
Cape Regional Hospital Center	6,068,309	25.38%	16.68%	0	9,497,459	11,449,779	0	20,947,238	23,631,990	2,684,752	460,862	0	1,630,242	1,169,380	1,451,841	1,630,242	9,265,973	1,250,751	0	4135709	310011	105,540,246
Capital Health Center - Hopewell	15,643,313	27.41%	15.87%	0	18,076,183	31,421,436	48,564	49,540,183	51,214,519	1,674,336	55,826	0	10,652,739	10,099,883	11,774,219	11,165,013	22,939,232	2,922,668	0	4138201	310044	250,620,746
Capital Health System Regional Medical Center	37,696,787	47.10%	28.74%	0	46,666,619	33,919,335	1,066,127	81,652,081	87,748,442	6,116,361	1,909,864	0	22,774,695	20,885,649	26,822,810	29,830,252	56,755,262	26,792,937	0	3676609	310092	286,796,313
CentraState Medical Center	13,428,864	14.05%	8.87%	0	8,608,537	10,589,542	0	19,242,234	23,894,782	4,652,549	97,406	0	7,879,784	6,907,378	11,559,926	5,602,683	17,180,609	2,844,702	0	4141008	310044	127,574,471
Children's Specialized Hospital ¹	996,452	62.90%	49.45%	0	17,402,877	32,997,488	0	50,400,365	40,066,983	(10,333,382)	256,307	0	375,354	118,847	(10,214,535)	193,741	(10,020,794)	0	0	3684504	313300	95,163,043
Chilton Medical Center	8,450,549	12.2%	7.40%	0	6,314,877	8,707,641	0	15,022,518	17,591,917	2,569,399	490,620	0	3,766,691	3,270,671	5,840,870	4,641,602	10,481,672	721,986	0	4099330	310017	164,445,520
Christ Hospital	39,176,465	53.69%	29.82%	0	39,187,886	18,319,048	395,139	57,502,073	84,582,977	26,680,904	253,322	0	17,809,801	17,555,479	44,237,383	29,071,542	72,308,925	14,929,373	0	0295655	310016	165,462,214
Clara Maass Medical Center	7,186,359	30.81%	23.69%	0	18,996,619	46,368,522	0	65,365,141	62,000,962	(5,164,179)	628,624	0	12,825,377	12,196,753	7,032,574	10,221,883	17,254,457	6,072,614	0	4135504	310009	220,596,649
Community Medical Center	12,564,438	14.59%	11.23%	0	16,040,366	29,143,216	0	45,183,582	43,089,795	(2,093,787)	726,417	0	9,481,565	8,755,148	6,661,361	8,981,573	15,642,934	2,727,298	0	3674606	310041	306,802,911
Cooper University Hospital	6,663,139	38.8%	24.09%	0	53,788,329	113,272,708	12,325,577	179,383,614	209,390,140	30,006,526	195,829	0	21,776,297	21,280,468	51,286,994	26,071,239	77,358,233	40,028,705	0	4136004	310014	648,755,186
Deborah Heart and Lung Center	9,070,216	10.61%	9.95%	0	2,410,290	7,052,493	192,592	10,664,375	12,294,750	1,630,375	672	0	4,689,656	4,689,164	6,319,539	2,002,067	8,321,666	6,319,535	0	4137205	310031	135,612,226
East Orange General Hospital	20,130,370	59.97%	33.55%	0	28,992,526	16,625,829	0	41,618,355	50,393,962	8,685,607	158,737	0	7,278,490	7,119,753	17,539,860	33,345,220	14,590,134	0	4140001	310053	887,669,660	
Englewood Hospital and Medical Center	12,466,330	13.25%	8.06%	0	15,316,627	17,072,569	385,040	32,773,276	33,808,516	1,035,240	723,420	0	11,728,591	11,005,171	12,040,411	11,460,765	23,501,176	2,117,320	0	4138309	310045	334,055,065
Hackensack University Medical Center	6,625,906	20.57%	15.47%	0	40,746,271	108,060,833	4,099,857	152,893,361	173,857,796	20,964,435	9,266,213	0	38,618,307	34,322,094	55,286,529	20,622,969	75,909,498	11,473,950	0	3674100	310001	119,335,609
Hackettstown Regional Medical Center	5,332,119	2.99%	2.99%	0	5,611,236	4,354,630	0	7,965,866	11,007,398	3,042,572	181,535	0	1,876,898	1,715,563	2,539,051	2,277,586	4,812,636	359,827	0	4141300	310015	87,828,737
Hoboken University Medical Center	31,429,843	58.82%	26.58%	0	40,456,474	14,936,519	734,607	56,127,600	74,268,616	18,114,016	228,520	0	16,549,708	16,321,188	34,622,904	24,853,550	59,315,713	15,502,203	0	0267431	310040	148,787,073
Holy Name Medical Center	19,293,209	20.01%	12.34%	0	16,314,914	27,860,624	0	41,177,538	49,309,871	5,132,333	1,467,813	0	8,077,699	6,609,886	11,742,219	15,387,681	27,129,900	1,144,316	0	4135407	310008	264,651,758
Hunterdon Medical Center	10,110,887	17.93%	8.35%	0	10,389,447	9,673,878	112,642	20,175,967	22,577,488	2,403,521	843,122	0	4,548,711	3,705,589	6,107,110	4,357,571	10,464,481	4,232,582	0	4135202	310005	158,069,538
Inspira Medical Center - Elmer	2,931,137	13.88%	8.98%	0	2,931,137	1,961,367	0	4,892,504	6,485,481	1,592,977	174,683	0	1,726,683	1,482,545	1,843,299	1,482,545	3,327,844	736,704	0	3678402	310008	79,084,028
Inspira Medical Center - Vineland	26,302,808	40.83%	25.46%	0	37,617,683	54,887,721	884,052	93,930,356	95,340,482	1,902,126	827,328	0	13,269,881	12,422,553	14,392,679	15,021,193	29,409,872	7,330,146	0	3674500	310002	290,791,236
Inspira Medical Center - Woodbury	13,399,319	24.36%	17.53%	0	12,591,673	17,580,892	233,372	30,405,937	36,031,188	5,625,251	365,639	0	6,650,294	6,284,655	11,909,906	5,647,623	17,386,729	2,846,962	0	3676102	310081	161,373,964
Jersey City Medical Center	60,161,078	42.16%	36.12%	0	38,497,154	72,700,902	4,414,476	115,612,532	134,022,597	18,410,065	532,429	0	29,366,325	28,833,696	47,243,761	13,267,935	60,511,696	47,243,761	0	4139801	310074	307,981,161
Jersey Shore University Medical Center	29,410,887	28.96%	13.88%	0	68,527,575	55,258,427	3,246,807	125,032,899	152,023,883	(19,016)	468,337	0	17,216,373	16,748,036	16,739,020	69,676,073	83,666,093	6,672,661	0	3675700	310073	513,056,954
JFK Medical Center/Anthony Venecias	27,500,434	16.38%	12.49%	0	21,557,762	31,464,520	344,390	53,366,672	64,646,311	13,079,639	1,090,993	0	14,168,676	16,628,510	25,859,057	16,278,517	42,487,207	5,001,609	0	3678801	310108	399,080,001
Kennedy University Hospital	20,556,013	30.70%	18.40%	0	39,360,562	58,949,784	3,213,851	101,224,197	110,614,290	9,099,093	1,354,629	0	4,275,110	2,920,481	12,010,574	24,793,517	36,804,091	12,010,566	0	4140206	310086	431,667,348
Kimball Medical Center	18,081,300	34.9%	26.43%	0	12,880,463	11,152,190	0	24,032,653	26,945,985	2,913,332	222,657	0	7,983,978	7,761,621	10,594,953	7,274,819	13,322,772	10,594,911	0	3676200	310084	92,507,184
Louises Medical Center of Burlington County	11,021,763	37.09%	23.05%	0	10,572,947	17,354,279	143,327	28,070,553	31,218,826	3,148,273	322,660	0	3,540,630	3,218,570	6,366,943	5,458,328	11,825,171	10,244,403	0	3675203	310061	108,115,478
Matherly Medical and Educational Center	988,272	98.55%	69.61%	0	29,039,848	125,696	0	29,165,544	30,959,599	1,794,055	75	0	208	133	1,794,188	311,397	2,105,585	560,405	0	4143001	310014	32,418,916
Meadowlands Hospital Medical Center	10,322,460	29.91%	8.52%	0	4,712,875	4,804,351	31,444	9,548,670	16,312,026	6,763,356	174,337	0	3,784,893	3,610,556	10,373,912	3,525,488	13,899,400	712,801	0	4141504	310118	65,458,201
Memorial Hospital of Salem County	5,496,503	26.70%	17.52%	0	9,946,550	6,519,694	0	10,466,244	13,554,561	3,188,317	160,202	0	1,181,698	1,029,996	4,209,313	2,750,473	4,959,786	434,660	0	3678100	310091	445,454,414
Monmouth Medical Center	18,424,216	37.91%	21.02%	0	28,071,124	45,980,274	4,477,861	78,529,259	83,068,899	4,539,640	638,437	0	13,661,675	13,022,238	17,562,878	15,627,408	27,074,498	12,966,241	0	4145004	310075	308,536,481
Morristown Memorial Hospital	31,022,136	12.68%	6.23%	0	39,343,028	30,621,459	1,301,600	71,266,087	79,519,668	8,253,581	2,217,883	0	19,801,792	17,583,909	25,837,490	25,968,002	51,805,492	4,348,881	0	4136101	310015	811,510,557
Mountainside Hospital	8,045,751	25.29%	9.20%	0	17,918,383	10,307,812	53,570	28,761,965	31,984,520	3,225,555	75,757	0	4,222,682	3,446,925	6,669,480	12,724,435	19,393,915	1,240,357	0	4139564	310054	182,411,885
Newark Beth Israel Medical Center	43,543,854	47.41%																				

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

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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 MCD Payments	Supplemental / Enhanced IP/OP Medicaid Payments	Total Medicaid IP/OP Payments (F+G+H)	Total Cost of Care - Medicaid 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 Private Insurance Payments (K+O)	Total IP/OP Medicare and Private Insurance Payments	Total Eligible Uncompensated Care Costs Not Reduced by Medicare and Private Insurance Payments (P+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	135,972,467	7.08%	90.96%	0	7,110,086	0	0	7,110,086	10,876,385	3,766,299	749,668	0	129,727,710	128,978,042	132,744,341	0	132,744,341	107,671,854	0	4508106	314005	153,530,746
Carrier Clinic Foundation	743,861	9.83%	5.96%	0	3,424,196	53,913	0	3,478,109	3,682,331	204,222	120,710	0	329,884	209,174	413,396	520,429	933,825	221,467	0	4144104	314012	35,085,851
Essex County Hospital Center	42,775,835	34.93%	92.45%	0	469,127	0	0	469,127	18,620,782	18,151,655	147,769	0	29,843,904	29,696,135	47,847,790	0	47,847,790	33,872,691	0	4508602	314020	52,665,953
Grevstone Psychiatric Hospital	126,783,662	4.17%	98.45%	0	6,292,049	60,200	0	6,352,249	6,380,886	28,637	799,831	0	128,015,242	127,305,411	127,334,048	65,007	127,399,055	100,395,575	0	4507703	314016	156,797,217
Hampton Behavioral Health Center	220,068	11.84%	8.01%	0	3,057,017	25,823	0	3,082,840	2,491,537	(591,303)	25,386	0	3,288,552	3,263,166	2,671,863	725,086	3,396,949	18,612	0	5440406	314021	19,362,509
Hudson County Meadowview Psychiatric Hospital	20,060,071	4.19%	90.86%	0	97,573	0	0	97,573	938,043	840,470	147,143	0	20,728,361	20,581,218	21,421,688	0	21,421,688	15,884,870	0	7197004	314024	23,424,252
Ramapo Ridge Psychiatric Hospital (Short Term)	482,656	6.68%	5.27%	0	1,757,337	138,830	0	1,896,167	2,884,050	987,883	399	0	738,720	738,321	1,726,204	1,025,933	2,752,137	230,915	0	4144414	314019	23,967,799
Rumrills Specialized Hospital	8,353,992	2.96%	77.97%	0	324,231	14,781	0	339,012	444,625	105,613	578	0	11,407,308	11,406,810	11,512,423	62,946	11,575,369	6,615,235	0	3682307	314027	15,164,631
Rutgers University Behavioral Healthcare	31,206,312	25.57%	63.71%	0	21,282,330	118,373	0	21,400,703	36,724,233	15,323,530	183,651	0	9,178,558	8,994,907	24,318,437	959,103	25,277,540	24,318,437	0	4144007	314011	61,267,898
Summit Oaks Hospital	192,968	15.68%	11.70%	0	3,699,243	89,322	0	3,788,565	3,530,842	(257,723)	119,658	0	1,151,888	1,032,230	774,507	1,232,663	2,007,170	16,962	0	4143906	314001	20,635,772
Trenton Psychiatric Hospital	93,625,449	2.76%	83.45%	0	2,267,396	0	0	2,267,396	3,228,952	961,556	231,412	0	103,867,760	103,636,348	104,597,904	0	104,597,904	74,138,727	0	4507908	314013	120,539,761
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 New Jersey and its DSH hospitals for the Medicaid State plan rate year ending June 30, 2015.

Myers and Stauffer LC
December 19, 2018