

**Questions and Answers for  
RFP 2014-DSHA-01 - Independent DSH Audit**

1. Who will the auditor address data questions to throughout the audit process – the contracted agent or the individual hospitals?

The contracted agent serves as the data repository for the Alabama Medicaid Agency for data used to calculate the hospital specific DSH limit for each hospital during a given fiscal year. A protocol will be established with the awarded firm between the Alabama Medicaid Agency, the contracted agent and the Alabama Hospital Association regarding the best method for questions to be answered in a timely manner for the independent auditor.

2. Who is the contracted agent that is responsible for accumulating the documentation necessary for the State's compliance?

Myers & Stauffer PLLC is the contracted agent responsible for the preparation of the DSH reporting form and maintaining the documentation to support the reporting form.

3. What level of testing / assurance is expected in regard to third-party insurance coverage?

The level of testing/assurance needed to certify the verifications within the independent DSH audit is the responsibility of the independent auditor. CMS has stated that the following:

[I]n order to certify to the verifications, the auditors should follow generally accepted auditing practices and requirements to assure a thorough and complete audit has been conducted. The auditor must develop sufficient confidence in the data to certify the results for the State plan rate year subject to the audit. The final rule does not eliminate any flexibility that independent auditors might have in using accepted professional methodologies to conduct the audit and to certify to the verifications. However, the independent certified audits required to be submitted must be performed in compliance with section 1923(j) and implementing regulations as a condition for receiving Federal payments under section 1903(a)(1) and 1923 of the Act. [[Additional Information on the DSH Reporting and Audit Requirements published by CMS](#)]

4. Describe the appeal process for any audit findings, including whether the contracted agent or the independent auditor will communicate directly with the provider.

A protocol will be established with the awarded firm between the Alabama Medicaid Agency, the contracted agent and the Alabama Hospital Association regarding the communication of audit findings to specific hospitals and the time frame that will be established to allow the hospitals to respond to the findings.

5. How many Alabama DSH hospitals received payments in 2011 and 2012, and also the number of hospitals with September 30 year ends versus other fiscal years?

The Alabama Medicaid Agency pays privately owned and operated hospitals a DSH payment, as well as State Mental Hospitals that provide services for adolescent care. For State owned and operated hospitals and non-State government owned and operated hospitals, the Alabama Medicaid Agency claims certified public expenditures representing the amount of DSH payments to these hospitals. The number of hospitals for which the Alabama Medicaid Agency claimed federal funds is as follows: 2012 96 facilities were paid DSH with 98 in 2012. 37 of the facilities had a September 30 Year ends.

6. Will the independent auditor be able to rely on the accuracy of the cost reports submitted in connection with supporting documents?

The level of testing/assurance needed to certify the verifications within the independent DSH audit is the responsibility of the independent auditor. Throughout the Final Rule published on December 19, 2008, CMS stated "[w]e expect that reports and audits will be based on the best available information. If audited Medicare cost reports are not available, the DSH report and audit may need to be based on Medicare cost reports as filed." The contracting agent for the Alabama Medicaid Agency has developed data collection procedures which place the Agency in compliance with the General DSH Audit and Reporting Protocol developed by CMS.

7. Please confirm Medicaid paid claims data is readily available and will be provided to the contractor immediately following award. If not, how much time should the contractor allow in its project timeline for receiving the data?

The contracting agent for the Alabama Medicaid Agency has developed data collection procedures which place the Agency in compliance with the General DSH Audit and Reporting Protocol developed by CMS. One key component of this data collection is the Medicaid paid claims data. All data that has been gathered in determining the hospital specific DSH limit for each hospital will be made available to the awarded independent auditor.

8. Do hospitals currently provide the Department claims level details to support the uninsured services they provide each year, or will the contractor be responsible for collection of uninsured service data directly from the hospitals as part of the DSH audit?

The contracting agent for the Alabama Medicaid Agency has developed data collection procedures which place the Agency in compliance with the General DSH Audit and Reporting Protocol developed by CMS. All data that has been gathered in determining the hospital specific DSH limit for each hospital will be made available to the awarded independent auditor. A protocol will be established with the awarded independent auditor between the Alabama Medicaid Agency, the contracted agent and the Alabama Hospital Association regarding the best method for additional data requests to hospitals in order for

the independent auditor to receive the information in a timely manner to complete the audit.

9. Please provide the DSH audit fee and / or similar information the Department paid for completion of the 2010 Medicaid DSH audit.

The previous DSH Audit RFP Price was \$87,750 plus expenses not to exceed \$4,500.

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