



December 10, 2021

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 Disproportionate Share Hospital Payments Final Rule (DSH Rule) and have issued our report dated December 10, 2021. 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 2018:

Hospital	DSH Payments Received	Calculated Hospital Specific Limit
COMANCHE COUNTY MEMORIAL HOSPITAL	\$904,514	\$(4,286,989)
DRUMRIGHT REGIONAL HOSPITAL	\$86,508	\$40,085
DUNCAN REGIONAL HOSPITAL	\$414,962	\$(92,120)
FAIRFAX COMMUNITY HOSPITAL	\$48,062	\$(46,186)
J D MCCARTY C P CTR	\$404,812	\$68,059
MCALESTER REGIONAL	\$226,117	\$(3,060,595)
MEMORIAL HOSPITAL (STILLWELL)	\$166,979	\$(148,241)
UNITY HEALTH CENTER	\$683,329	\$(1,980,166)

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.

RECOMMENDATION

To ensure compliance with the DSH Rule in the future, 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. OHCA should also make hospitals aware that 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, 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 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