



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Hospital Authority of Bainbridge,
Decatur County, Georgia
Bainbridge, Georgia

We have performed the procedures enumerated below, which were agreed to by the Hospital Authority of Bainbridge, Decatur County, Georgia, solely to assist you with respect to any deficiency in the Authority Indigent Care Fund as established at the direction of Decatur County, Georgia for the fiscal year ended March 31, 2019. The Hospital Authority of Bainbridge, Decatur County, Georgia's management is responsible for the calculation of any deficiency in the Authority Indigent Care Fund. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

Procedures

We calculated any deficiency in the Authority Indigent Care Fund as established at the direction of Decatur County, Georgia for the fiscal year ended March 31, 2019 using available Authority general ledger information with the following steps:

1. An overall Authority cost to charge ratio was calculated by dividing total operating expenses into gross patient charges.
2. Hospital-Only Medicaid patient charges and deductions were calculated by removing Medicaid Nursing Home and Medicaid Physician Office patient charges and deductions from total Medicaid patient charges and deductions.
3. Accrual-based payments were calculated for Medicaid and Indigent Care services by removing net Indigent Care Trust Fund revenue from Hospital-Only Medicaid deductions and subtracting the resulting Medicaid and Indigent Care deductions from Medicaid and Indigent gross patient charges.

Continued

Let's Think Together.

4. The cost of Medicaid and Indigent Care services was calculated by multiplying the gross patient charges of Hospital-Only Medicaid and Indigent Care services by the overall Authority cost to charge ratio.
5. The unreimbursed cost of Medicaid and Indigent Care services was calculated by subtracting accrual-based payments from the calculated cost of Medicaid and Indigent Care services.
6. The net Indigent Care Trust Fund revenue was allocated pro rata over the unreimbursed cost of Hospital-Only Medicaid services and Indigent Care services because the Georgia Indigent Care Trust Fund regulations require the receipts of the Indigent Care Trust Fund program to be used to provide Medicaid and Indigent Care services. Hospital-Only Medicaid services are used because the Federal Medicaid regulations define the Georgia Indigent Care Trust Fund (Medicaid DSH Program) as a Hospital-Only program.
7. Any deficiency of the Authority Indigent Care Fund was determined by subtracting the allocated Georgia Indigent Care Trust Fund revenue from the cost of Indigent Care services provided in the fiscal year ended March 31, 2019.

Findings

1. The attached calculation of the above procedures shows a deficiency in the Authority Indigent Care Fund for the fiscal year ended March 31, 2019 of \$1,839,354.

We were not engaged to, and did not, conduct an audit or review of financial statements or any part thereof, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial statements or any part thereof, on any deficiency in the Authority Indigent Care Fund. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Hospital Authority of Bainbridge, Decatur County, Georgia and Decatur County, Georgia and is not intended to be and should not be used by anyone other than those specified parties.

Draffin & Secker, LLP
Albany, Georgia
July 31, 2019

Hospital Authority of Bainbridge, Decatur County, Georgia
 Calculation of Any Deficiency in Indigent Care Fund
 3/31/2019

Description	Reference	All Payors	Total Medicaid	Nursing Home Medicaid	Physician Office Medicaid	Hospital Only Medicaid	Indigent Care Fund	Hospital MD & Indigent
Gross Patient Charges	A	124,761,334						
Total Operating Expenses	B	48,567,599						
Total Cost to Charge Ratio	B/A = C	<u>38.93%</u>						
Gross Charges by Financial Class	D		33,642,773	5,608,192	6,922,799	21,111,782	5,570,014	
Deductions from Revenue	E		19,949,623	(1,559,816)	4,848,154	16,661,285	5,570,014	
Net Indigent Care Trust Fund Revenue	F		1,062,052	-	-	1,062,052	-	
Accrual based Payments	D-E-F = G		<u>12,631,098</u>	<u>7,168,008</u>	<u>2,074,645</u>	<u>3,388,445</u>	-	
Cost of Services Provided	D*C = H					8,218,817	2,168,406	
Unreimbursed Cost of Patient Services	H-G = I					4,830,372	2,168,406	6,998,778
Allocation of ICTF Revenue	% of I*F = J					733,000	329,052	1,062,052
Deficiency in Indigent Care Fund	I*J =						<u>1,839,354</u>	