



**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES TO INDIGENT CARE
REIMBURSEMENT SUBMISSIONS**

To the Trustees of North Lake County Hospital District (the “District”):

We have performed the procedures enumerated below, which were agreed to by the District, solely to assist it with respect to the compliance of submissions received under HB 1299 (the “Bill”) for the period January 1, 2018 through March 31, 2018.

The Board of Trustees (the “Trustees”) of the District is responsible for the approval and disbursement of funds under the Bill.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Trustees. 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.

Purpose of the Procedures

Any provider receiving funds from the District is subject to a verification of its records related to the patients for whom payment is sought to ensure compliance with the Bill. The District must conduct verification procedures of providers receiving payments in excess of 10% of the District’s tax revenue in each year and may perform verifications of any other provider submissions under the Bill to ensure compliance and accountability to the taxpayers. If, upon completion of the verification procedures, it is determined that payments were made by the District that are not in compliance, the District is entitled to a recoupment of the amounts in question. We were retained by the District to perform certain agreed-upon procedures designed to meet these verification requirements of the Bill.

Agreed-Upon Procedures

It was agreed that our engagement would be limited to the following procedures:

- 1) Determine a statistically valid sample size (producing results that could be extrapolated with a 95% confidence level) for each healthcare provider.

- 2) Interview the provider personnel responsible for the preparation of the indigent care report and update our understanding of the sources of information used to prepare the report and the controls used by the provider to ensure that each eligible indigent encounter is recorded and that each recorded indigent encounter is eligible, properly valued, and medically necessary.
- 3) Obtain the quarterly report submitted by each provider, identifying their indigent care encounters. Verify the accuracy of any mathematical calculations in the reports and, on a test basis, agree the report information to the provider's source documents.
- 4) For each sample encounter, agree the encounter information to its source in the provider's system. Additionally, obtain the patient file and review it for:
 - a) Documentation supporting patient eligibility - that is, qualification pursuant to the provisions of the Florida Health Care Responsibility Act, Section 154.304(9), Florida Statutes, and the Florida Health Care Indigency Eligibility Certification Standards, Florida Administrative Code, Rule 59H-1.0035(30).
 - b) Documentation that the recipient of the indigent care for which payment is sought is a resident of the District.
 - c) Documentation supporting medical eligibility - that is, the presence in the file of an appropriately authorized script or order from an appropriately licensed healthcare practitioner.
- 5) For each sample encounter, look up the procedure code on the Medicare fee screen. Using the cost-to-charge ratio from the provider's most recently filed cost report, determine the lower of the Medicare reimbursement rate for identical or substantially similar care in the territory of the District or the cost incurred by the provider in the delivery of such care.
- 6) Communicate with the provider's compliance officer regarding the results and findings of the provider's most recently completed accreditation, peer reviews, and audits by government agencies or others that may indicate that unnecessary procedures may have been performed and report such findings, if any, to the District's management.
- 7) Obtain a written representation letter from the provider's management stating that they have reviewed the quarterly indigent care report, accept responsibility for it, and certify, under penalty of perjury, that the eligibility verification procedures adopted by the District have been complied with and that they, in good faith, believe that the persons for which they are claiming indigent care reimbursement from the District are qualified under the Bill.
- 8) Report to the District the results from performing these agreed-upon procedures.
- 9) Annually, report to the District summarizing the results of the agreed-upon procedures.

Findings

The following providers submitted funding requests under the Bill for the period January 1, 2018 through March 31, 2018:

- Florida Hospital Waterman
- Central Florida Health Alliance d/b/a Leesburg Regional Medical Center
- St. Luke's Medical Clinic
- Central Florida Health Alliance d/b/a Community Medical Care Center
- Community Health Center
- Florida Hospital Waterman d/b/a FHW Community Primary Health Clinic
- LifeStream Behavioral Center
- LifeStream Primary Care Clinic

Based on the results of our testing procedures, the reimbursable amounts by provider are as follows:

<u>Provider</u>	<u>Amount</u>
Leesburg Regional Medical Center	\$ 985,324
Florida Hospital Waterman	1,171,068
LifeStream Behavioral Center	280,506
St. Luke's Medical Clinic	15,151
Community Medical Care Center	124,068
FHW Community Primary Health Clinic	78,792
Community Health Center	70,335
LifeStream Primary Care Clinic	32,928
Total	<u>\$ 2,758,162</u>

Other Comments

Our work consisted of the performance of agreed-upon procedures. We were not engaged to, and did not, conduct an audit or examination, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

To the Trustees of North Lake County Hospital District

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Pursuant to Florida law, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the District's Board of Trustees and is not intended to be, and should not be, used by anyone other than the District's Board of Trustees.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida

May 25, 2018

North Lake County Hospital District
Schedule A
Quarter Ended March 31, 2018

Provider	Fiscal Year July 1, 2017 - June 30, 2018				Quarter Ended March 31, 2018			% of Total Encounters	% of Total Dollars
	Annual Budgeted Amounts	Amount Submitted to Date	Amount Remaining in Budget	Amount over Budget	Submissions	Number of Encounters/ Days	Reimburse per Encounter		
Acute Care									
Central Florida Health Alliance - Inpatient		\$ 1,631,164			\$ 558,499	84	\$ 6,649	2%	20%
Central Florida Health Alliance - Outpatient		\$ 1,100,953			\$ 426,825	709	\$ 602	17%	15%
Central Florida Healthcare Alliance	\$ 3,905,376	\$ 2,732,117	\$ 1,173,259	\$ -	\$ 985,324	793	\$ 1,243	19%	35%
Florida Hospital Waterman - Inpatient		\$ 1,945,567			\$ 779,914	106	\$ 7,358	3%	28%
Florida Hospital Waterman - Outpatient		\$ 1,205,936			\$ 391,154	1,010	\$ 387	24%	14%
Florida Hospital Waterman	\$ 3,905,376	\$ 3,151,503	\$ 753,873	\$ -	\$ 1,171,068	1,116	\$ 1,049	27%	42%
Mental Health Hospital									
LifeStream Behavioral Center	\$ 700,000	\$ 683,946	\$ 16,054	\$ -	\$ 280,506	103	\$ 2,723	2%	10%
Clinics									
St. Luke's Medical Clinic	\$ 88,080	\$ 40,572	\$ 47,508	\$ -	\$ 15,141	103	\$ 147	2%	1%
Community Medical Care Center (Leesburg)	\$ 547,810	\$ 355,308	\$ 192,502	\$ -	\$ 124,068	844	\$ 147	20%	5%
FHW Community Primary Health Clinic	\$ 300,353	\$ 213,150	\$ 87,203	\$ -	\$ 78,792	536	\$ 147	13%	3%
Community Health Center	\$ 220,000	\$ 179,997	\$ 40,003	\$ -	\$ 70,335	478	\$ 147	12%	3%
LifeStream Primary Care Clinic	\$ 190,000	\$ 125,244	\$ 64,756	\$ -	\$ 32,928	224	\$ 147	5%	1%
Totals	\$ 9,856,995	\$ 7,481,837	\$ 2,375,158	\$ -	\$ 2,758,162	4,197	\$ 657	100%	100%