

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO
SOUTHERN DIVISION

_____)	
UNITED STATES OF AMERICA,)	
)	
<i>Plaintiff,</i>)	
)	
v.)	Civ. Action No. 1:22-cv-329
)	
THE STATE OF IDAHO,)	
)	
<i>Defendant.</i>)	
_____)	

DECLARATION OF BARBARA SHADLE

I, Barbara Shadle, declare as follows:

1. I am an Auditor within the Division of Provider Audit Operations (“DPAO”) in the Centers for Medicare and Medicaid Services (“CMS”) within the United States Department of Health and Human Services (“HHS”). DPAO is an office within the Financial Services Group of CMS Office of Financial Management. DPAO oversees and coordinates the Medicare cost report audit and reimbursement process, in order to ensure that payments made to institutional providers are accurate. I have held this position since 2018. In my role, I regularly communicate with Medicare Administrative Contractors (“MACs”), which are private insurance companies acting on behalf of CMS that process Medicare claims and cost reports and determine payment amounts to providers. I also review Medicare cost report reimbursement issues. The statements made in this declaration are based on my personal knowledge, information I obtained from DPAO support contractors, and information contained in cost reports submitted by Medicare providers.

2. Institutional providers include hospitals, critical care facilities, and skilled nursing centers. Institutional providers participating in the Medicare program are required to submit a Medicare cost report following the completion of their fiscal years. This Medicare cost report contains the provider's costs, charges, and financial information used to establish the provider's Prospective Payment rates and final Medicare reimbursement.

3. The first page of each provider's submitted cost report requires the Chief Financial Officer or hospital Administrator to certify that he or she is "familiar with the laws and regulations regarding the provision of health care services, and that the services identified in this cost report were provided in compliance with such laws and regulations." A copy of the certification form that must be completed and certified by participating providers is included as Exhibit 1.

4. The laws and regulations to which the certification refers include the Emergency Medical Treatment and Labor Act ("EMTALA"), 42 U.S.C. § 1395dd, as well as other portions of the Social Security Act and accompanying regulations.

5. This certification carries legal consequences. In highlighted capital letters, the form warns: "Misrepresentation or falsification of any information contained in this cost report may be punishable by criminal, civil, and administrative action, fine, and/or imprisonment under federal law. Furthermore, if services identified in this report were provided or procured through the payment directly or indirectly of a kickback or were otherwise illegal, criminal, civil, and administrative fines and/or imprisonment may result."

6. I was asked to identify the amount of Medicare funds provided to hospital emergency departments in Idaho. Based on the data available and supplied by a DPAO support services contractor, I have determined that the total rough estimate of emergency department

payments in Idaho during fiscal years 2018-2020 was approximately \$74,739,853 out of the providers' total payments of \$3,413,768,066. This total rough estimate was calculated for 39 hospitals as to which costs were able to be identified for emergency department services via data in the Healthcare Cost Report Information System ("HCRIS").

7. The DPAO support services contractor identified this data regarding Medicare payments in Idaho based on finalized cost report information that is loaded to HCRIS where it is housed and can be accessed by CMS for Medicare rate-setting purposes.

8. In institutional providers' cost reports, providers identify their total hospital costs and costs attributable to their emergency departments. *See* Ex. 1, Worksheet A. To determine a rough estimate of emergency department payments, the emergency department costs were divided by total hospital costs to determine a percentage related specifically to the emergency department. I then multiplied this percentage by the hospital's total payments to reach the rough estimate of payments related to emergency department services identified above in paragraph 6.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 8th day of August, 2022 in Baltimore, Maryland.

Barbara Shadle Digitally signed by Barbara Shadle
Date: 2022.08.08 17:27:15 -04'00'

Barbara Shadle