

CRI

Helping You Shine
by Illuminating Solutions

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professional services
PROPOSAL FOR

West Virginia Bureau of Medical Services

January 7, 2020

PROPOSER

Carr, Riggs & Ingram, LLC
PO Box 311070
Enterprise, AL 36331
(334) 347-0088



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

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SUBMITTED BY

Bryan Hall
Partner
bhall@cricpa.com

Dear Ms. Ingraham:

Carr, Riggs & Ingram, LLC (CRI) appreciates the opportunity to propose on providing annual attestation services to the West Virginia Bureau of Medical Services ("BMS" or "Medicaid"), to comply with the "independent certified audit" requirement of 42 CFR 455.304 for the disproportionate share hospital ("DSH") payment program. We are genuinely excited about the prospect of establishing a long-term relationship with you. We pride ourselves on getting to know our clients and illuminating solutions by providing innovative **IDEAS** to move them from compliance to providing them with a competitive advantage.

I **vestment in You.** We believe in developing long-term, mutually beneficial relationships and quickly demonstrating value with a fee structure and service solutions that provide immediate and continued savings. Our investment starts on "Day 1" as your assigned team begins with our proven, streamlined process that minimizes your time and disruption during the service provider change and continues throughout the relationship.

D **edicated Team.** CRI's team consists of more than 1,800 professionals, which allows us to tailor your service team by aligning their industry, service, and specialty skills with your needs. Our dedicated teams deliver the highest level of business acumen and knowledge to your organization; our commitment to consistent staffing allows you to maximize savings and remain focused on your needs.

E **quilibrium.** CRI delivers big firm expertise with small firm service. Of approximately 45,000 public accounting firms in the United States, CRI currently ranks among the top 20. Additionally, as a part of PrimeGlobal, an association of independent accounting firms, we have access to international resources as – and when – needed. Leveraging these resources while maintaining local decision-making authority means that simplified solutions are only a phone call away. And we believe that's the best of both worlds for our clients.


A **ctive Partner Participation.** Collectively, our partners deliver expertise derived from more than 7,500 years of business experience. With this level of talent, we thoughtfully choose a partner that aligns with your business' needs and industry. Our hands-on, working partners "show up" to convey our genuine commitment to your success. They strive to earn trusted advisor roles by digging in, proactively learning your business, and producing long-term value for you.

S **implified Solutions.** While our 500+ different cumulative partner certifications is an impressive statistic, success is measured by translating complex concepts into client solutions. While accounting is the language of business, we're here to decipher the jargon and help you make educated decisions. CRInnovate embraces agility and invention. The **CRI vSTAR™ process**, our inaugural initiative delivering a virtual audit, is designed to provide you with maximized efficiencies, reduced workload, and an improved experience.



We welcome the opportunity to demonstrate to you the same teamwork, expertise, innovation, and responsiveness that have made us one of the fastest growing public accounting firms in the United States. Again, we appreciate your consideration.

Sincerely,



Bryan Hall, CPA

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UNDERSTANDING & MEETING YOUR NEEDS

From our conversations with you, we understood your team to express the following needs, requests, and/or issues. We've detailed our proposed solutions below and are pleased to discuss other related projects as they arise and upon request.

NEEDS & ISSUES		SOLUTIONS & SERVICES
Technical	<p>Management is requesting proposals for an "independent certified audit" of BMS' DSH payments for Medicaid State Plan ("MSP") years 2017 - 2020.</p>	<p>Perform an examination of management's assertion that the operation of the DSH program in the State of West Virginia for MSP rate years 2017 - 2020 meets the requirements of each of the six verifications set forth in 42 CFR 455, relating to the DSH Final Rule.</p> <p>Our examination will be conducted in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in <i>Government Auditing Standards</i>, issued by the Comptroller General of the United States.</p> <p>Such examination will be acceptable for filing with CMS and meeting the "independent certified audit" requirements pursuant to 42 CFR 455.304(a)(1)</p>
Relational	<p>BMS's Management expects open, free and continuous communication with their CPA firm, in order to avoid any 'surprises.'</p> <p>Management expects to consult with their CPA firm on items arising during the year, such as proper application of new accounting guidance, significant new CMS regulations, etc.</p> <p>Management also expects its DSH CPA firm to attend various educational events throughout the MSP rate year focusing on the "independent certified audit", to meet and directly correspond with participating DSH hospitals, and perform various other procedures to increase the overall response and effectiveness of the DSH examination.</p>	<ul style="list-style-type: none"> • Communicate directly with Management regarding the results of our procedures. • Anticipate and respond to concerns of Management. • Proactively communicate any potential concerns directly to Management in 'real time'. • Proactively communicate with participating DSH hospitals to increase response rates and overall effectiveness of the DSH examination.

YOUR SERVICES & FEES

We value creating *and sustaining* mutually-rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services.

SERVICE	Fees
<p>For the following MSP rate years, perform examination services in accordance with attestation standards established by the AICPA and the standards contained in <i>Government Auditing Standards</i> on management's assertion that the operation of the DSH program in the State of West Virginia meets the requirements of the six verifications set forth in 42 CFR 455</p> <p><i>As stated in Appendix B:</i></p> <ul style="list-style-type: none"> • MSP rate year 2017 • MSP rate year 2018 • MSP rate year 2019 • MSP rate year 2020 	<p style="text-align: right;">\$ 125,000</p> <p style="text-align: right;">\$ 130,000</p> <p style="text-align: right;">\$ 132,000</p> <p style="text-align: right;">\$ 135,000</p>
<p>Communicate directly with Management regarding the results of our procedures and proactively communicate any findings or other matters of note.</p>	No charge
<p>Discuss with Management items that arise during the year related to areas such as proper application of new accounting guidance, significant new CMS regulations, etc.</p>	No charge

CLASSIFICATION	ESTIMATED HOURS
Partners	120-200
Managers	100-200
Seniors / Staff	100-200
IT Services	Upon your request

If BMS requests additional services outside of this proposal, professional fee hourly rates are as follows, but may be negotiated depending on the project request.

CLASSIFICATION	HOURLY RATE
Partner	\$175-\$300
Manager	\$150-\$240
Senior	\$135-\$200
IT & Fraud Specialists	\$200

FIRM PROFILE

FOUNDED IN 1997

10 STATES 

25+ MARKETS



1900+
PROFESSIONALS



300+
PARTNERS



TOP 20 CPA FIRM

(as ranked by Accounting Today)

100,000+
CLIENTS



20+ YEARS
OF CONSISTENT GROWTH
SINCE FORMATION

CRI FIRM VALUES:
CLIENT SERVICE.
RESPECT.
INTEGRITY.



SERVICES

Accounting & Auditing
Advisory
Business Support & Transactions
Business Tax
Employee Benefit Plans
Governance, Risk & Assurance
Individual Tax & Planning
IT Audits & Assurance

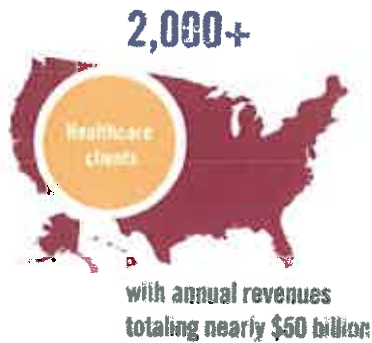
INDUSTRY EXPERTISE

Captive Insurance
Construction
Financial Institutions
Governments
Healthcare
Institutional Real Estate
Insurance
Manufacturing & Distribution
Nonprofits

CRI FAMILY OF COMPANIES

-  Auditwerk
-  CRI Advanced Analytics
-  CRI Capital Advisors
-  CRI Solutions Group
-  CRI TPA Services
-  Level Four Advisory Services
-  Paywerk

CRI'S HEALTHCARE EXPERTISE



Healthcare Partner Designations

- CPA
- CGMA
- CMPE
- ABV
- CVA
- CFE
- CFF
- CITP
- CISA
- CGEIT
- CTGA
- CISSP

CLIENTS WITH ANNUAL REVENUES UP TO:



Payer/Medicaid Agency
\$20 Billion



Medical Practice
\$200 Million



Hospital
\$3 Billion



Long-Term Care Facility
\$50 Million

SCOPE OF SERVICES

CRI proposes to perform the following services for BMS:

Mandatory Services

CRI will perform examination procedures to serve as an “independent certified audit” of the Disproportionate Share Hospital (DSH) payment program for the Medicaid State Plan (MSP) rate years ended September 30, 2017 – 2020, as required under **42 CFR 455.304**.

We will complete the “independent certified audits” of the MSP rate years and present our independent accountants’ report to BMS no later than September 30th, in order for BMS to comply with the reporting requirements of **42 CFR 455.304(b)**.

Term of Contract

The initial contract covers the state fiscal (and Medicaid plan) years ending June 30, 2017, 2018, 2019 and 2020.

CRI acknowledges and understands that this contract is not effective until it has received all requisite state government approvals and CRI shall not begin performing work under this contract until notified to do so by BMS.

Mandatory Work Scope – Independent Certified Audit of State Medicaid DSH Program

Prior to the deadline established by the final federal regulation published in **70 Federal Register 50262** (August 26, 2005) (codified at **42 CFR. pt. 455**, subpart C), we will perform examination procedures over the State Medicaid Disproportionate Share Hospital (DSH) Program for MSP rate years 2017 - 2020. The results of our procedures will serve as an “independent certified audit” of the State Medicaid DSH Program.

Our procedures will be completed pursuant to the reporting and auditing requirements for State DSH payments under State Medicaid programs, as enumerated in the final rule published in the Federal Register (**Volume 73, Number 245, pages 77903 - 77952**), which was issued on December 19, 2008 and effective January 19, 2009.

As requested by the RFP, we will examine DSH years 2017 – 2020 and will, barring any unforeseen circumstances, issue our opinion(s) in advance of September 30th.

We are keenly aware of the importance of meeting all statutory reporting deadlines, and, as such, we will communicate frequently with BMS management, in order to ensure that BMS remains fully and constantly apprised of the status of our examination and accompanying procedures. Further, should any unforeseen complications occur, we will immediately contact management in order to determine an appropriate course of action to ensure that all statutory reporting deadlines may be met.

The DSH Program audit will be completed in the form of an examination, in accordance with the requirements promulgated by the AICPA and *Government Auditing Standards*. We will obtain BMS approval prior to executing the Program Audit (an audit to determine the extent to which the desired results established by 70 Federal Register 50262 and 73 Federal Register 77951 is achieved, the effectiveness of the DSH program, and whether BMS has complied with laws and regulations applicable to the program), and, further, we will consult with BMS before we begin our procedures and throughout the examination process to ensure that all applicable and desired procedures are properly encompassed in our audit plan.

SCOPE OF SERVICES

Mandatory Work Scope – Independent Certified Audit of State Medicaid DSH Program (continued)

As required for a compliant “independent certified audit” of a State Medicaid DSH Program, the following verifications of the data will be taken, in order to carry out this audit (taken from 42 CFR 455.304(d)):

- Verification 1 – Each hospital that qualifies for a DSH payment in the State is allowed to retain that payment so that the payment is available to offset its uncompensated care costs for furnishing inpatient hospital and outpatient hospital services during the MSP rate year to Medicaid eligible individuals and individuals with no source of third party coverage for the services in order to reflect the total amount of claimed DSH expenditures.
- Verification 2 – DSH payments made to each qualifying hospital comply with the hospital specific DSH payment limit. For each audited MSP rate year, the DSH payments made in that audited MSP rate year must be measured against the actual uncompensated care cost in that same audited MSP year.
- Verification 3 – Only uncompensated care costs of furnishing inpatient and outpatient hospital services to Medicaid eligible individuals and individuals with no third party coverage for the inpatient and outpatient hospital services they received as described in Section 1923(g)(1)(A) of the Act are eligible for inclusion in the calculation of the hospital specific DSH limit payment limit, as described in Section 1923(g)(1)(A) of the Act.
- Verification 4 – For purposes of this hospital specific limit calculation, any Medicaid payments (including regular Medicaid fee-for-service rate payments, supplemental/enhanced Medicaid payments, and Medicaid managed care organization payments) made to a DSH hospital for furnishing inpatient hospital and outpatient hospital services to Medicaid eligible individuals, which are in excess of the Medicaid incurred costs of such services, are applied against the uncompensated care costs of furnishing inpatient hospital and outpatient hospital services to individuals with no source of third party coverage for such services.
- Verification 5 – Any information and records of all of its inpatient and outpatient hospital service costs under the Medicaid program; claimed expenditures under the Medicaid program; uninsured inpatient and outpatient hospital service costs in determining payment adjustments; and any payments made on behalf of the uninsured from payment adjustments has been separately documented and retained by the State.
- Verification 6 – The information specified by the State includes a description of the methodology for calculating each hospital’s payment limit under Section 1923(g)(1) of the Act. Included in the description of the methodology, the audit report must specify how the State defines incurred inpatient hospital and outpatient hospital costs for furnishing inpatient hospital and outpatient hospital services to Medicaid eligible individuals and individuals with no source of third party coverage for the inpatient hospital and outpatient hospital services they received.

SCOPE OF SERVICES

AUDIT PLAN

In order to provide an opinion on management's assertions related to the six verifications listed above, CRI proposes the following audit plan. We have summarized our audit plan by specific areas and general procedural steps, in order to illustrate our understanding of the full scope of work required by the RFP, as follows:

1. **Planning** – the planning phase of our audit includes various steps to properly prepare for the audit and meet the requirements placed on us by our professional standards. These procedures will include the following, among others:
 - a. Meeting, discussion and planning with BMS management
 - b. Accumulation, review and consideration of applicable regulations and other information, including, but not limited to:
 - i. Social Security Act section 1923
 - ii. 42 Code of Federal Regulations Part 455
 - iii. Final DSH Rule issued on December 19, 2008 and effective January 19, 2009
 - iv. Independent certified audits of the MSP rate years ended September 30, 2009 and 2010
 - v. CMS-approved 2009 BMS MSP (as well as later amendments and updates, as applicable)
 - vi. Provider agreements with individual DSH hospitals (as deemed necessary)
 - vii. Data accumulated by contracted firm, including cost reports, MMIS claims data, information from hospital financial accounting records, etc.
2. **Substantive Procedures** – based on our understanding of the scope of work required by the RFP, we propose the following general procedures to address the verification requirements:
 - a. Request and receive information for MSP years ended September 30, 2017 - 2020 to be gathered by BMS's designated agent, to include the draft of the "Disproportionate Share Hospital Data Reporting Form", for reporting to CMS
 - b. Identify each DSH facility that received a DSH payment for the applicable MSP year (should be included in (a) above)
 - c. Of the DSH hospitals included on the list in (a) above, conduct auditor sampling procedures to select a representative sample of DSH hospitals. From this sample, or for the full population of hospitals in certain instances, as deemed necessary:
 - i. Request applicable information to verify that the selected hospitals comply with the requirements to qualify as a DSH hospital, per Social Security Act section 1923 [Verification 1]
 - ii. Confirm with selected hospitals that the hospital was allowed to retain its DSH payment, in order to offset its uncompensated care costs for the MSP year [Verification 1]
 - iii. Inquire of BMS management and gain an understanding of the methodology used in compiling the form for reporting to CMS, including the calculation of the hospital-specific DSH payment limits, total Medicaid uncompensated care costs, total uninsured care costs, DSH payments, etc. [Verifications 2 - 6]
 - iv. Recalculate and test the mathematical accuracy of the spreadsheet obtained in step (a) above. Recalculate the hospital-specific DSH payment limits. Using sampling procedures, gather information to support the validity and calculation of the hospital-specific DSH payment limits, as deemed necessary. [Verification 2]
 - v. Inquire of BMS management and gain an understanding of how it defines and measures uncompensated care costs. Ensure such methodology complies with the final DSH rule. [Verification 3]

SCOPE OF SERVICES

Audit Plan – Independent Certified Audit of State Medicaid DSH Program (continued)

- vi. Select a representative sample of hospitals and obtain uninsured patient listings supporting the uncompensated care costs. Vouch to ensure that only true uninsured patients were included in the uncompensated care costs calculation and obtain further support, as deemed necessary. [Verification 3]
- vii. Quantify any differences between BMS's calculation of uncompensated care costs and our recalculation, using the provisions of the final DSH rule. [Verification 3]
- viii. Inquire of BMS management and gain an understanding of what Medicaid payments are being considered and reported on the spreadsheet for reporting to CMS, for the purposes of the hospital-specific limit calculation. [Verification 4]
- ix. Ensure that all Medicaid payments are being considered in the hospital-specific limit calculation. Quantify any noted differences. [Verification 4]
- x. Inquire of BMS management and gain an understanding of the documentation and retention requirements of BMS and the individual DSH hospitals, per the provider agreements, as applicable. [Verification 5]
- xi. Vouch to applicable documentation (either at BMS or the individual DSH hospitals) to ensure that the appropriate documentation of costs, claimed expenditures, uninsured patient costs, and payments made to DSH hospitals is being properly retained. [Verification 5]
- xii. Inquire of BMS management and gain an understanding of its methodology for calculating each hospital's payment limit under Social Security Act section 1923. [Verification 6]
- xiii. Ensure BMS has documented this methodology, in hand with the procedures for Verification 5, and the documented methodology includes a description of how BMS defines incurred hospital costs for furnishing services to uninsured individuals and Medicaid-eligible individuals. [Verification 6]

Note: The procedures outlined directly above are only for the purposes of illustrating our understanding of the required scope of work. We anticipate that the actual procedures to be performed may differ from this illustration and additional procedures may be added after we gain further understanding of the engagement through the planning phase of the audit and discussions with the prior auditor and BMS management.

3. **Completion** – we will complete our substantive procedures and issue our reports by September 30th, in order to comply with the requirements of the RFP. Additionally, we will conduct our final debrief meeting with BMS management and Board (if requested), prior to this date, to ensure BMS is completely aware of and in agreement with our findings, if any.

RELEVANT EXPERIENCE

CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our healthcare team’s 1,100+ years of combined experience is derived from providing audit, tax, advisory, IT and accounting outsourcing services to a client base that includes:

- 2,000+ healthcare clients across the South totaling approximately \$50 billion in total revenues
- Performing multiple services for 33% of our healthcare clients

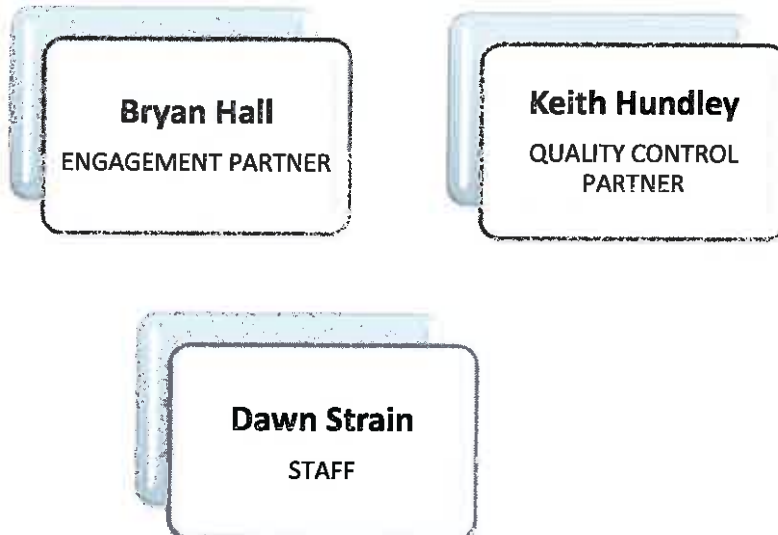
We parlay this vast experience and derived best practices into proven solutions that benefit you. Below we share specific, relevant client references; we encourage you to consult with them.

RELATIONSHIP	TIMELINE	SERVICE DESCRIPTION	RELEVANT POINTS TO CONSIDER
Alabama Medicaid Agency Flake Oakley Chief Financial Officer 501 Dexter Avenue Montgomery, AL 334.252.5000	MSP Rate Years 2009 - 2015	Examination procedures (to comply with “independent certified audit” requirements) related to the DSH program	<ul style="list-style-type: none"> • Medicaid agency experience • DSH program experience • Governmental experience • Client service experience • Responsiveness to client needs • Long-term relationships
Mississippi Division of Medicaid Margaret King Chief Financial Officer 500 High Street, Suite 1000 Jackson, MS 39201 601.359.6050	2007 – 2015 (state auditor took over audit in 2016)	Financial Statement Audit (includes financial statement audit of consolidated DSH program), A-133 Single Audit	<ul style="list-style-type: none"> • Medicaid agency experience • DSH program experience • Governmental experience • Client service experience • Responsiveness to client needs • Long-term relationships
Florida Agency for Health Care Administration Brian Meyer, CPA, CFE Bureau Chief Medicaid Data Analytics Tallahassee, FL 850.412.4075	2015 - Present	Performance audits under Government Auditing Standards of health insurance plans contracted through the Florida Agency for Health Care Administration	<ul style="list-style-type: none"> • Medicaid agency experience • Governmental experience • Client service experience • Responsiveness to client needs • Long-term relationships

YOUR SOLUTION TEAM

We have assembled a team of professionals who will ensure the highest level of personal dedication and professional excellence to you. Our team delivers exceptional services through a balanced blend of skills (service-driven, industry-specific, technical, and business) and experience that we know are important to you.

Brief profiles of each member of the team identified below follow on subsequent pages.



YOUR SOLUTION TEAM



Keith Hundley
Quality Control Partner

(334) 348-1335 phone

khundley@cricpa.com

Representative Clients

- Alabama Medicaid Agency
- Community Action Agency of Talladega, Clay, Randolph Calhoun and Cleburne Counties- Talladega, AL
- Central Alabama Child Development & CDC- Selma, AL
- Early Education and Care, Inc - Panama City, FL
- Mobile Works – Mobile, AL
- Montgomery Community Action – Montgomery, AL
- NE Alabama Community Action – Rainsville, FL
- North Florida Child Development-Wewahitchka, FL
- Northeast Florida Community Action – Jacksonville, FL
- Organized Community Action Program – Troy, AL
- West Central Georgia Workforce Development Corporation – Griffin, GA

Experience

Keith has over 19 years of public and private accounting experience, with the past 15 at CRI. Keith specializes in federal, state and local governments, nonprofits and educational institutions. Keith provides audit, accounting and tax services to governments, nonprofits and educational institutions.

Annually, Keith serves as an instructor during firm wide continuing education training and leads classes to instruct and update audit teams on the Governmental Audit process and new and revolving issues. In addition, he is an annual presenter at the Southern Grants forum and he presents at different Association meetings.

Keith will serve as your engagement quality review partner and will be responsible for planning, execution, deliverables and overall management of the engagement team and process.

Keith has met all applicable continuing professional education requirements, including GAGAS (Yellow Book) training. We will be pleased to submit details of these courses, upon request.

Education, Licenses & Certifications

- BS, Accounting, TROY University
- MBA, TROY University
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants
- Alabama Society of Certified Public Accountants

YOUR SOLUTION TEAM



Bryan Hall
Engagement Partner

(334) 348-1325 phone
(770) 757-4025 mobile

bhall@cricpa.com

Representative Current & Former Clients

- Alabama Medicaid Agency
- University of Mississippi Medical Center
- Emory Healthcare
- Dale County Health Care Authority
- Effingham Health System
- Hospital Authority of Irwin County
- Gwinnett Health System
- Medical College of Georgia
- Athens Regional Health System
- Centers for Disease Control and Prevention (CDC)
- Geneva County Health Care Authority
- Huntsville Memorial Hospital
- Fishermen's Hospital
- Medical University of South Carolina

Role & Experience

Bryan will serve as the partner on this engagement and will be your primary contact at CRI with matters related to DSH and hospital accounting matters. He has successfully served healthcare providers of many types, as well as state agencies, health insurers and related entities, across the South for more than 18 years, including six years with the Atlanta healthcare practice of a "Big 4" firm.

Bryan specializes in serving non-profit and governmental healthcare providers and is well versed in helping his clients navigate the challenges facing these entities. With CRI, Bryan serves as the lead engagement partner or quality control reviewing partner for many of the firm's healthcare clients, and he has taken an active role in leading and developing the firm's substantial healthcare practice.

Bryan is a recognized expert in accounting and auditing for hospitals and health systems of all sizes, primarily focusing on not-for-profit and governmental facilities. He also specializes in cost reporting and various reimbursement matters impacting these entities.

Bryan has met all applicable continuing professional education requirements, including GAGAS (Yellow Book) training. We will be pleased to submit details of these courses, upon request.

Education, Licenses & Certifications

- BS, Accounting, *Summa Cum Laude*, Auburn University
- Master of Accountancy, Auburn University
- Certified Public Accountant – Alabama, Florida, Georgia

Professional Affiliations

- American Institute of Certified Public Accountants
- Alabama Society of Certified Public Accountants
- Healthcare Financial Management Association

YOUR SOLUTION TEAM



Dawn Strain
Staff

(334) 347-0088

dstrain@cricpa.com

Representative Clients

- Alabama Medicaid Agency
- Doctors Memorial Hospital
- Dale County Hospital Authority
- George E. Weems Memorial Hospital

Experience

Dawn has served as the engagement staff on the DSH examination for Alabama Medicaid Agency. She is very familiar with accounting for healthcare and governmental entities.

Also, she has extensive auditing experience with internal controls over financial reporting (ICFR) and reporting for applicable large employees for the Affordable Care Act.

She has managed teams while performing interim and year-end fieldwork on-site at our client locations.

Dawn has met all applicable continuing professional education requirements, including GAGAS (Yellow Book) training. We will be pleased to submit details of these courses, upon request.

Education, Licenses & Certifications

- B.S., Accounting, Cum Laude, Troy University, Dothan
- MBA, Accounting Emphasis, Troy University, Dothan
- Certified Public Accountant

Professional Affiliations

- AICPA

DELIVERING QUALITY TO YOU



DELIVERING QUALITY TO YOU

AUDIT METHODOLOGY

Our audit, tax, consulting, and client accounting services documentation is maintained electronically. Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program, which is further discussed in this section under [INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS](#). Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues.

ENGAGEMENT QUALITY REVIEW PARTNER (CONCURRING PARTNER)

Each audit has an assigned engagement quality review (EQR) partner with the appropriate experience. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of all key accounting and auditing issues. The EQR partner also reviews the financial statements and related supporting documentation—including the disclosures—to evaluate their fair presentation under accounting principles generally accepted in the United States of America (GAAP).

INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS

Experienced partners and professional staff of our firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program.

- **Internal Inspection:** A permanent team of subject matter experts annually perform 150+ reviews of a risk-based sample of partners and engagements.
- **Continuous Process Improvement Reviews:** In addition to #1 above, this ongoing process reviews each audit partner twice annually, representing 300+ reviews each year.



CRI is enrolled in the AICPA Peer Review Program, through which our external reviews are conducted by another independent public accounting firm. We have our accounting and auditing practice triennially reviewed as a member in this program.

Additionally, we are registered with the PCAOB, who performs an external review inspection once every three years.

SHARING CRI'S VALUES WITH YOU

We are proud of our hands-on, service-centric, and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.



CLIENT SERVICE

Defining our brand by meeting or exceeding the highest expectations of our clients

RESPECT

Building productive, long-term relationships with each other that are based on mutual respect, trust, and sharing

INTEGRITY

Living with sincerity, transparency, and honesty

OUR COMMITMENT TO OPEN & HONEST COMMUNICATION

COMMUNICATIONS APPROACH

Our firm believes that open and honest communication is a hallmark of strong client service, and without open and honest dialogue, the auditor/client relationship cannot properly function.

We believe that BMS's governance – Management and the Board – should expect nothing less than frequent, honest and candid communication from its external auditors. Accordingly, our audit approach envisions the following communications process:

COMMUNICATIONS WITH MANAGEMENT

Our approach requires routine communications with Management, both during the performance of any requested procedures and throughout the year, as follows:

- During the course of the audit or performance of other requested services, your engagement team members will communicate with Management on a routine, daily basis.
- Also during the course of the audit or performance of other requested procedures, your engagement Partner will hold recurring "status update" meetings with the CFO and/or other designated parties, on a routine basis. Such meetings are typically conducted in-person or via conference call, and often include other CRI team members and prepared agendas and supporting documents, in an effort to provide the most accurate and up to date information.
- At the completion of any engagement, we will deliver our report and any findings to Management in writing. Using the financial statement audit as an example, such communications would take the form of (a) communication on the effectiveness of Internal Control Over Financial Reporting, (b) a Management Letter describing any control deficiencies and their potential impact and recommendations for ways to correct the items, and (c) other written communications to Management including any areas for potential "process improvement."
- During the fiscal year, your engagement Partner will provide routine email and phone communications of any items of significance potentially affecting the Hospital. Such items typically include (a) updates to Financial and Governmental Accounting Standards, (b) updates to auditing and other applicable professional standards, (c) items of specific concern to BMS, etc.
- Also throughout the fiscal year, your engagement Partner and team members will be available to answer any accounting, reporting or other questions Management may encounter. Should these requests result in the need for additional services, we will discuss such services and proposed fees with you prior to incurring any costs.

STATEMENT OF INDEPENDENCE

CRI affirms that it is an independent certified public accounting firm with respect to the BMS, its appointed officials, and affiliated organizations as defined by the comprehensive, restrictive requirements of Rule 101 promulgated by the American Institute of Certified Public Accountants and Governmental Auditing Standards issued by the Comptroller General of the United States.

CRI is independent of each hospital in West Virginia, as well as the State of West Virginia and the BMS, in accordance with Rule 101 promulgated by the American Institute of Certified Public Accountants, and, therefore, we believe we are eligible to perform the requested services pursuant to the requirements of 42 CFR 455.301.

JOINING OUR CONVERSATION



WEBSITE

CRI shines a light on best practices via thousands of articles, videos, informative charts, and descriptive testimonials. With sections dedicated to illuminating insights by industries and services, our easy-to-navigate website highlights trending topics that detail new standards, changing regulations, and other current business topics. From cybersecurity to the new revenue recognition standard, we are ready to proactively answer your questions.



CRInsights

CRInsights are your doorway to in-depth yet down-to-earth explanations of complex topics. We understand that just because a topic makes perfect sense to a CPA doesn't mean that it should to our clients.

- The Busy CFO & Controller's Toolkit for Successfully Implementing the New Revenue Recognition Standard
- 6 Key Ways to Strengthen Your Cybersecurity Posture
- Back to Basics: 5 Key Financial Considerations for Construction Companies
- The Not-for-Profit's Guide to Fraud Prevention



NEWSLETTER

Our team is dedicated to keeping our clients informed, and we prove it by creating a custom monthly e-newsletter with widely-applicable topics. The articles are designed to help you improve your business and personal finances. Popular topics include:

- 3 Things To Improve Business Operations Immediately
- Financial Statement Audits Aren't Designed to Identify Fraud
- Are You a Big "Phish?" Protect from Cybersecurity Whaling Attacks
- You Might Have Money Hiding In Plain Sight

[Sign up at CRIcpa.com](http://cricpa.com)

RFP SPECIFIC ITEMS

The numbers below correspond to the "Specifications" sheet in the CRFQ 0511 BMS2000000002.

3.1.1

CRI is fully certified and your team members are active CPAs. Copies of any and all licenses will be gladly submitted prior to award.

3.1.2, 3.1.3

Please see above for independence certification. CRI is fully independent of BMS and the hospitals participating in the DSH program in West Virginia.

3.1.4

Please see above for our experience. The State of Alabama retained the CMS approval forms for the DSH examinations conducted; however, we can and will obtain from them, prior to award, if you'd prefer.

Your audit partners and staff have ample experience with DSH examinations / audits.

3.2, 3.2.1

Please see above for resumes of a few key members of your future team. Everyone on your team will have appropriate experience and training, including in GAGAS and we will gladly provide evidence of our comprehensive training requirements and completion, upon request.

4.1 (entire section)

CRI is very familiar with DSH examinations. We have a full set of proprietary work programs, audit programs, forms for communication with hospitals and CMS, calculation worksheets, reporting templates, etc. that we will gladly share with you upon award for your approval before we commence work.

Our procedures will comply with the DSH audit rules and federal statutes outlined in, among others, 42 USC Section 1923, 42 CFR Parts 447, 455 and accompanying guidance.

Our procedures will address the six verification items from 42 CFR.304, as stated above and as will be outlined in our work programs.

The engagement will be conducted in accordance with GAGAS (generally accepted governmental auditing standards).

4.2 (entire section)

We will endeavor to meet your timelines and are very familiar with the reporting process and CMS' requirements.

Our report will include the 18 data elements in a worksheet PDSS form (provider data summary schedule).

We will issue a bound report and conduct an exit conference, at your preference.

RFP SPECIFIC ITEMS

Findings / Responses – As is required by our standards, you will be given the opportunity to respond to any and all findings we may have. Additionally, we will work with you to assist in crafting reasonable corrective action plans to remedy any such findings.

Training – We will provide you with a training plan before work commences that is targeted towards education of the participating DSH hospitals in West Virginia. These trainings will include webinars (time, place and extent to be determined based on future discussions with BMS) and in-person events, at the discretion of BMS and likely in conjunction with the state hospital association(s).

Externally driven changes – We will coordinate with you and adjust our work programs for any changes made by CMS to the DSH rules and/or audit requirements. Any changes that are outside of the control of BMS will not result in adjustment to the agreed-upon fees.

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Your contract manager will be your engagement partner.

Bryan Hall
334-348-1325
334-348-1372 (f)
bhall@cricpa.com

RFP SPECIFIC ITEMS

Exhibit A: PRICING PAGE

All inclusive price for each audit period:

SFY 2017 (July 1, 2016 – June 30, 2017)

				Total Cost for Audit Period SFY2017
Total Cost SFY2017 Audit				\$ 125,000

Optional Renewal Periods:

SFY 2018 (July 1, 2017 – June 30, 2018)

				Total Cost for Audit Period SFY2018
Total Cost SFY2018 Audit				\$ 130,000

SFY 2019 (July 1, 2018 – June 30, 2019)

				Total Cost for Audit Period SFY2019
Total Cost SFY2019 Audit				\$ 132,000

SFY 2020 (July 1, 2019 – June 30, 2020)

				Total Cost for Audit Period SFY2020
Total Cost SFY2020 Audit				\$ 135,000

Grand Total for four (4) Year Contract Period (A+B+C+D)

\$ 522,000.00

Notes

1. The Vendors Grand Total Not to Exceed Cost will include all general and administrative staffing (secretarial, clerical, etc.), travel, supplies and other resource costs necessary to perform all services within the scope of this procurement.
2. The cost bid proposal will be evaluated based on the Grand Total.
3. The Vendor will invoice monthly in arrears. Payment will be issued in equal monthly increments during the contract period for each audit year, with the last payment withheld until a final audit report is delivered and accepted by the Bureau.

Carr, Riggs & Ingram, LLC
(Company)

Bryan Hall, CPA, Partner
(Representative Name, Title)

334-348-1325
(Contact Phone/Fax Number)

January 7, 2020
(Date)

RFP SPECIFIC ITEMS

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

CONSTRUCTION CONTRACTS: Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

ALL CONTRACTS: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §81-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: CRT

Authorized Signature: [Signature] Date: 1/6/2020

State of Alabama

County of Coffee, to-wit:

Taken, subscribed, and sworn to before me this 6th day of January, 2020

My Commission expires December 7, 2020

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]
Purchasing Affidavit (Revised 01/19/2018)

RFP SPECIFIC ITEMS

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Byron Hall
(Name, Title)
Byron Hall, CPA, Partner
(Printed Name and Title)
PO Box 31070 Enterprise, AL 36331
(Address)
334 348 1325 334 348 1372
(Phone Number) / (Fax Number)
bhall@cricpa.com
(email address)

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

CRI
(Company)
[Signature]
(Authorized Signature) (Representative Name, Title)
Byron Hall
(Printed Name and Title of Authorized Representative)
1/6/2020
(Date)
334-348-1325
(Phone Number) (Fax Number)

Revised 11/14/2019

RFP SPECIFIC ITEMS

ADDENDUM ACKNOWLEDGEMENT FORM

SOLICITATION NO.: CRFQ 0611 BMS200000002

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input checked="" type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Company *CRI*

Authorized Signature *[Signature]*

Date *1/6/2020*

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.

Revised 11/14/2019

RFP SPECIFIC ITEMS

West Virginia Ethics Commission
Disclosure of Interested Parties to Contracts
(Required by W. Va. Code § 6D-1-2)

Name of Contracting Business Entity: CRI Address: PO Box 311070
Enterprise, AL 36331
Name of Authorized Agent: Bryan Hall Address: same
Contract Number: Contract Description:
Governmental agency awarding contract:

Check here if this is a Supplemental Disclosure

List the Names of Interested Parties to the contract which are known or reasonably anticipated by the contracting business entity for each category below (attach additional pages if necessary):

- 1. Subcontractors or other entities performing work or service under the Contract
2. Any person or entity who owns 25% or more of contracting entity (not applicable to publicly traded entities)
3. Any person or entity that facilitated, or negotiated the terms of, the applicable contract (excluding legal services related to the negotiation or drafting of the applicable contract)

Signature: [Signature] Date Signed: 1/6/2020

Notary Verification

State of Alabama, County of Coffee

I, Bryan Hall, the authorized agent of the contracting business entity listed above, being duly sworn, acknowledge that the Disclosure herein is being made under oath and under the penalty of perjury.

Taken, sworn to and subscribed before me this 6th day of January, 2020
Notary Public's Signature

To be completed by State Agency:
Date Received by State Agency:
Date submitted to Ethics Commission:
Governmental agency submitting Disclosure:

Revised June 8, 2018

APPENDIX A – PEER REVIEW



Report on the Firm's System of Quality Control

To the Partners of
Carr, Riggs & Ingram LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Carr, Riggs & Ingram, LLC (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

APPENDIX A – PEER REVIEW

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Carr, Riggs & Ingram, LLC, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Carr, Riggs & Ingram, LLC has received a peer review rating of *pass*.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
October 3, 2019