

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

**Telephone:** (217) 785-0710  
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November 17, 2016

Christian Hospital NE  
Attn: Chief Financial Officer  
11133 Dunn Road  
St Louis, MO 63136

Dear Chief Executive Officer:

This letter is in response to the October 7, 2016 appeal of the 2017 disproportionate share hospital (DSH) adjustment determination, submitted by Paul J. Bradshaw on behalf of Christian Hospital Northeast. The appeal states that the hospital meets the necessary criteria to qualify for DSH, MPA and MHVA, by having submitted to the department documentation proving a low income utilization (LIU) rate exceeding 25%.

After a review of the data submitted, it has been determined by the department that documentation was submitted in a timely manner showing that Christian Hospital NE has a low income utilization percentage of 37.88%, in excess of the required 25% needed to qualify.

It should be noted that the documentation received from the state of Missouri does not show your hospital qualifies in that state by the federal definition of a dsh hospital. However, a hospital does have the opportunity to submit documentation to the department, which Christian Hospital NE has done, proving it qualifies by the LIU criteria.

After a review of both the federal law as well as the department's rules, it has been determined that the documentation submitted to the department showing the 37.88% low income utilization rate is sufficient to qualify in Illinois and is not invalidated by the conflicting information received by Missouri.

Included with this letter are updated attachments detailing your facility's recalculated Medicaid percentage adjustment (MPA) and Medicaid high volume adjustment (MHVA) rates, which will be retroactive to all inpatient days from October 1, 2016 and will continue through September 30, 2017. While your facility qualifies as a disproportionate share hospital, due to projected payments from the department, it appears that the payments will exceed your cost of services for those receiving medical assistance or having no health insurance. As a result, your disproportionate share funds will be reduced pursuant to section 1923(g) of the Social Security Act, to be in compliance with sections 1923(c) of that Act. Therefore, your disproportionate share rate will be reduced to \$0.00.

This is the final decision by the department regarding this matter.

Please contact Kristy Sommer at 217/785-0710 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Jenkins". The signature is written in a cursive style with a long horizontal stroke at the end.

Dan Jenkins, Chief  
Bureau of Rate Development and Analysis

**DISPROPORTIONATE SHARE (DSH), MEDICAID HIGH VOLUME (MHVA), AND MEDICAID PERCENTAGE ADJUSTMENT (MPA) DETERMINATION for Rate Year 2017 (October 1, 2016-September 30, 2017)**

**DSH CRITERIA**

- 1) Have a Medicaid inpatient utilization rate (MIUR) of at least the statewide mean plus one standard deviation;
- 2) Have a low income utilization rate of at least 25%;

**MPA & MHVA CRITERIA**

- 1) Have a Medicaid inpatient utilization rate (MIUR) of at least the statewide mean plus one-half standard deviation;
- 2) Have a low income utilization rate (LIUR) of at least 25% and had an LIUR of 25% for rate year 2014;
- 3) Be an Illinois hospital, that on July 1, 1991, had a MUR of at least the mean and was located in a planning area with one-third or fewer excess beds, and that as of June 30, 1992, was located in a Health Professional Shortage area;
- 4) Be an Illinois hospital that has a MUR of at least the statewide mean and a Medicaid obstetrical inpatient utilization rate of at least the mean plus one standard deviation;
- 5) Be a hospital devoted exclusively to caring for children; or
- 6) Be an out-of-state hospital meeting the federal definition of a DSH hospital.

Your hospital qualifies for Disproportionate Share under criteria:

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Your hospital qualifies for Medicaid Percentage Adjustment and Medicaid High Volume under criteria:

2

**MEDICAID PERCENTAGE ADJUSTMENT (MPA) AND MEDICAID HIGH VOLUME (MHVA) CALCULATION****For Rate Year 2017 (October 1, 2016 - September 30, 2017)**

1) Illinois mean Medicaid inpatient utilization rate:	33.42%
2) One-half a standard deviation above the mean Medicaid inpatient utilization rate:	43.24%
3) One standard deviation above the mean Medicaid inpatient utilization rate:	53.07%
4) One and one-half standard deviations above the mean Medicaid inpatient utilization rate:	62.89%
5) Your hospital's Medicaid inpatient utilization rate:	44.04%

**Medicaid Percentage Adjustment**

6) Medicaid MPA add-on per day **:	\$35.62
7) Medicaid MPA add-on per day capped:	\$35.62
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	\$73.23

(Line 7 \* 1.0397 \* 1.0395 \* 1.0329 \* 1.0301 \* 1.0275 \* 1.0257 \* 1.0290 \* 1.0286 \* 1.0308 \* 1.0346 \* 1.0295 \* 1.0339 \* 1.0285 \* 1.0369 \* 1.0326 \* 1.0583 \* 1.0251 \* 1.0417 \* 1.0414 \* 1.0215 \* 1.0191 \* 1.0207 \* 1.0076 \* 1.0177)

** MIUR=Medicaid Inpatient Utilization Rate	MPA Add-On (Children's hospital rates are multiplied by 2)
MIUR is < 33.42	\$25.00
MIUR is >= 33.42 but < 53.07	\$25.00 Plus \$1.00 for every percent over 33.42
MIUR is >= 53.07 but < 62.89	\$40.00 Plus \$7.00 for every percent over 53.07
MIUR is >= 62.89	\$90.00 Plus \$2.00 for every percent over 62.89

**MEDICAID HIGH VOLUME INPATIENT PAYMENT ADJUSTMENT**

1) Medicaid high volume adjustment (MHVA) per day:	\$60.00
2) MHVA per day inflated from 1993 to 2017 by lesser of the percent change in the statewide average payment rate or the DRI	\$123.36

(Line 1 \* 1.0397 \* 1.0395 \* 1.0329 \* 1.0301 \* 1.0275 \* 1.0257 \* 1.0290 \* 1.0286 \* 1.0308 \* 1.0346 \* 1.0295 \* 1.0339 \* 1.0285 \* 1.0369 \* 1.0326 \* 1.0583 \* 1.0251 \* 1.0417 \* 1.0414 \* 1.0215 \* 1.0191 \* 1.0207 \* 1.0076 \* 1.0177):

PLEASE NOTE: Calculations may vary due to rounding and line 5 has been adjusted accordingly for out-of-state hospitals.