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November 2, 2016

Lawrence County Memorial
Attn: Chief Financial Officer
2200 West State Street
Lawrenceville, IL 62439

Dear Chief Executive Officer:

This letter is in response to the communications between the department and your facility following the posting of the rate year 2017 disproportionate share hospital (DSH) adjustment determination. The letter posted for Lawrence County Memorial stated that the hospital qualifies for DSH, MPA (Medicaid percentage adjustment) as well as MHVA (Medicaid high volume adjustments). At the time of completing the determination, the information that had been submitted to the department indicated that Lawrence County provided the required non emergency obstetrical services to the Medicaid population. Following the posting of the eligibility letters and attachments, the department was notified by your facility that while Lawrence County memorial does, indeed, provide non-emergency services, it does not provide non-emergency deliveries.

After a thorough review of the department's rules pertaining to the DSH program, it has been determined that in order to qualify for the program, a hospital must not only provide non-emergency ob services, but those services must include non-emergency deliveries. The 89 IL Administrative code clarifies the ob requirement:

148.120(i) Inpatient Payment Adjustment Definitions.

- 5) "Obstetric services" shall at a minimum include non-emergency inpatient deliveries in the hospital.

For this reason, the department has determined that your hospital does not qualify for the rate year 2017 DSH add-on rates, including MPA and MHVA. These three add-on rates will be adjusted to \$0, and any payments made beginning with services on 10/1/2016 will be adjusted accordingly. This is the final decision by the Department regarding this matter.

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

Sincerely,

Dan Jenkins, Chief
Bureau of Rate Development and Analysis