

201 South Grand Avenue East
Springfield, Illinois 62763-0002

Telephone: (217) 785-0710
TTY: (800) 526-5812

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

September 29, 2010

Holy Family Medical Center
ATTN: Chief Executive Officer
100 North River Road
Des Plaines, IL 60016

Dear Chief Executive Officer:

The annual determination for the disproportionate share hospital (DSH), Medicaid high volume (MHVA), and Medicaid percentage (MPA) adjustment programs has been finalized for rate year 2011 (October 1, 2010 through September 30, 2011).

A hospital may be eligible for all three programs (DSH, MPA and MHVA), eligible for only two programs (MPA/MHVA eligible) or ineligible for all three programs. There are two qualifying criteria for DSH eligibility, and six qualifying criteria for MPA/MHVA.

These payments are a per eligible day payment rate. The rate paid is based on the per diem rate associated with each rate year, designated at Oct 1 – Sept 30 of the following year. If a hospital stay crosses a rate year change, the claim will be priced according to the rates in effect for each day.

Example: Sept 25 – Oct 5 hospital stay
Rate in effect Oct 1 – Sept 30 (rate year 1) for days Sept 25 – Sept 30
Rate in effect Oct 1 – Sept 30 (rate year 2) for days Oct 1 – Oct 5.

Your hospital was notified with the Action Notice dated March 26, 2010, that the obstetrical statement was due July 1, 2010 and the required form was available on the Department's web site along with the Action Notice. As your facility hasn't met the submission date with the required obstetrical statement, you are being deemed as non-compliant with the obstetrical services requirement for the DSH and MPA programs. Therefore your facility is ineligible for the DSH and MPA programs for RY2011. The attachments reflect this adjustment. This notice and attachments replace the previous letter dated September 17, 2010.

Appeals must be made in accordance with Section 148.310(b) and (f) of the *89 Illinois Administrative Code*. All appeals must be made in writing no later than THIRTY (30) DAYS FROM THE DATE OF THIS LETTER. For Rate Year 2010, appeals **MUST BE SUBMITTED IN WRITING AND MUST BE RECEIVED OR POSTMARKED NO LATER THAN FRIDAY, OCTOBER 29, 2010**. The Department will NOT ACCEPT hospital logs as supporting documentation for appeals.

Direct all appeals and supporting documentation to:

Illinois Department of Healthcare and Family Services
Bureau of Rate Development and Analysis, DSH Unit
ATTN: Kristy Pickford
201 South Grand Avenue East, 2nd Floor
Springfield, Illinois 62763-0001

If you have any questions regarding the determination and calculation of the DSH, MHVA, or MPA rates, please contact the Bureau of Rate Development and Analysis at (217) 785-0710. Questions regarding the payment process should be directed to the Bureau of Comprehensive Health Services at (217) 782-5565.

Please provide a copy of this letter to your CFO and Patient Accounts Manager.

Sincerely,

Joseph R. Holler, Deputy Administrator
Division of Finance

Enclosures

**DISPROPORTIONATE SHARE (DSH), MEDICAID HIGH VOLUME (MHVA), AND MEDICAID PERCENTAGE ADJUSTMENT
(MPA) DETERMINATION for Rate Year 2011 (October 1, 2010-September 30, 2011)**

DSH CRITERIA

- 1) Have a Medicaid inpatient utilization rate (MUR) 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%;
- 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:

0

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

0

YOUR HOSPITAL'S 2011 MEDICAID INPATIENT UTILIZATION RATE CALCULATION

Medicaid Routine Days:	3,561	Total Hospital Routine Days:	25,291
Medicaid ICU Days:	-	Total Hospital ICU Days:	-
Medicaid Psychiatric Days:	-	Total Hospital Psychiatric Days:	-
Medicaid Rehabilitation Days:	-	Total Hospital Rehabilitation Days:	-
Medicaid Nursery Days	-	Total Hospital Nursery Days:	-
Medicaid 19 LD Days	-		
Total Mcd Days from Cost Report + 19 ld's	<u>3,561</u>		
Medicaid Out-of-State Days:	-		
Medicaid HMO Days:	4		
Medicaid DASA Days:	-		
Medicaid Denied Days:	-		
Medicaid Inappropriate Level of Care Days:	-		
Medicaid/Medicare Crossover Days:	<u>2,730</u>		
Total Medicaid Days from Other Sources:	2,734		
TOTAL MEDICAID INPATIENT DAYS	6,295	TOTAL HOSPITAL INPATIENT DAYS:	<u>25,291</u>
YOUR HOSPITAL'S 2008 MEDICAID INPATIENT UTILIZATION RATE			24.89%

Your hospital's state fiscal year 2008 total Medicaid obstetrical days:

-

Your hospital's state fiscal year 2008 total Medicaid days:

-

Your hospital's obstetrical inpatient utilization rate:

0.00%

Your hospital's low income utilization rate:

26.74%

Illinois' total Medicaid inpatient utilization days:

2,378,545

Illinois' total hospital inpatient days:

8,188,643

Illinois' statewide mean Medicaid inpatient utilization rate:

29.05%

One-half of a standard deviation above the statewide mean Medicaid inpatient utilization rate:

38.86%

DISPROPORTIONATE SHARE ADJUSTMENT (DSH) CALCULATION
For Rate Year 2011 (October 1, 2010 - September 30, 2011)

DSH Adjustment

1) Statewide mean plus one standard deviation:	48.67%
2) Hospital Medicaid Inpatient Utilization Rate (MIUR):	24.89%
3) Amount over the mean plus one standard deviation {Line 2 / Line 1}:	0.00
4) Aggregate value of the amounts over the mean plus one standard deviation:	31.18
5) Proportional Value {Line 3 / Line 4}:	0.00%
6) Your hospital's estimated rate year 2011 utilization:	2,622
7) Total estimated rate year 2011 utilization for all hospitals whose Medicaid percentage is greater than one standard deviation above the mean:	636,280
8) Your hospital's weighted days {Line 5 * Line 6}:	N/A
9) Total of all weighted days:	15,553
10) Your hospital's percent weighted days {Line 8 / Line 9}:	N/A
11) Estimated spending of \$5.00 per day to eligible hospitals {Line 7 * \$5.00}:	\$3,181,400
12) Estimated pool for eligible hospitals {\$5,000,000 - Line 11}:	\$1,818,600
13) Federal DSH add-on per day {(Line 10 * Line 12) / Line 6} +\$5.00}:	\$0.00

MEDICAID PERCENTAGE ADJUSTMENT (MPA) AND MEDICAID HIGH VOLUME (MHVA) CALCULATION

For Rate Year 2011 (October 1, 2010 - September 30, 2011)

1) Illinois mean Medicaid inpatient utilization rate:	29.05%
2) One-half a standard deviation above the mean Medicaid inpatient utilization rate:	38.86%
3) One standard deviation above the mean Medicaid inpatient utilization rate:	48.67%
4) One and one-half standard deviations above the mean Medicaid inpatient utilization rate:	58.49%
5) Your hospital's Medicaid inpatient utilization rate:	24.89%

Medicaid Percentage Adjustment

6) Medicaid MPA add-on per day **:	\$0.00
7) Medicaid MPA add-on per day capped:	\$0.00
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	\$0.00

(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 * 1.0328 * 1.0583 * 1.0251 * 1.0417)

** MIUR=Medicaid Inpatient Utilization Rate	MPA Add-On (Children's hospital rates are multiplied by 2)
MIUR is < 29.05	\$25.00
MIUR is >= 29.05 but < 48.89	\$25.00 Plus \$1.00 for every percent over 29.61
MIUR is >= 48.89 but < 58.81	\$40.00 Plus \$7.00 for every percent over 48.84
MIUR is >= 58.81	\$90.00 Plus \$2.00 for every percent over 58.45

MEDICAID HIGH VOLUME INPATIENT PAYMENT ADJUSTMENT

1) Medicaid high volume adjustment (MHVA) per day:	\$0.00
2) MHVA per day inflated from 1993 to 2011 by lesser of the percent change in the statewide average payment rate or the DRI	\$0.00

(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 * 1.0328 * 1.0583 * 1.0251 * 1.0417):

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