ILLINOIS DEPARTMENT OF
Healthcare and
Family Services

Pat Quinn, Governor
Julie Hamos, Director

201 South Grand Avenue East
Springfield, Illinois 62763-0002

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

September 17, 2010

Riverside Medical Center
ATTN: Chief Executive Officer
350 North Wall Street
Kankakee, IL 60901

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.

DSH, MPA and MHVA will all pay on a date of service basis not by admission date. For example if your hospital was eligible for DSH, MPA and /or MHVA for rate year 2010 (October 1, 2009 through September 30, 2010) and eligible in rate year 2011 (October 1, 2010 through September 30, 2011) and an admission crosses that period you will get different rates. If your hospital was eligible for DSH, MPA and /or MHVA for rate year 2010 (October 1, 2009 through September 30, 2010) and not eligible in rate year 2011 (October 1, 2010 through September 30, 2011) and an admission crosses that period you will only receive payment for dates of service until September 30, 2010. If your hospital was ineligible for DSH, MPA and /or MHVA for rate year 2010 (October 1, 2009 through September 30, 2010) and eligible in rate year 2011 (October 1, 2010 through September 30, 2011) and an admission crosses that period you will payment for dates of service October 1, 2010 and after.

The DSH, MHVA, and MPA determinations have been calculated in accordance with Section 148.120, 148.122 and Section 148.290(d) of the *89 Illinois Administrative Code* . Your hospital has been determined to be ineligible to receive payments under the DSH program for rate year 2011, but is eligible to receive payments under the MPA and MHVA programs. **Your hospital does NOT meet the minimum requirements to be considered a Disproportionate Share hospital**. Attached is a worksheet detailing the determination of your hospital's Medicaid inpatient utilization rate as well as your hospital's calculated MPA and MHVA payment rates. Please examine this worksheet carefully.

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 2011, appeals MUST BE SUBMITTED IN WRITING AND MUST BE RECEIVED OR POSTMARKED NO LATER THAN MONDAY, OCTOBER 18, 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 this determination, please contact the Bureau of Rate Development and **Analysis at (217) 785-0710.**

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

Sincerely,

Joseph R. Holler, Deputy Administrator of Finance
Illinois Department of Healthcare and Family Services

Riverside Medical Center Kankakee, IL

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:	1,3

YOUR HOSPITAL'S 2011 MEDICAID INPATIENT UTILIZATION RATE CALCULATION

Medicaid Routine Days:	10,239	Total Hospital Routine Days:	45,982
Medicaid ICU Days:	816	Total Hospital ICU Days:	6,849
Medicaid Psychiatric Days:	4,372	Total Hospital Psychiatric Days:	7,616
Medicaid Rehabilitation Days:	244	Total Hospital Rehabilitation Days:	5,026
Medicaid Nursery Days	1,609	Total Hospital Nursery Days:	2,905
Medicaid 19 LD Days	-		
Total Mdcd Days from Cost Report + 19 ld's	17,280		
Medicaid Out-of-State Days:	-		
Medicaid HMO Days:	49		
Medicaid DASA Days:	4,682		
Medicaid Denied Days:	-		
Medicaid Inappropriate Level of Care Days:	-		
Medicaid/Medicare Crossover Days:	6,315		
Total Medicaid Days from Other Sources:	11,046		
TOTAL MEDICAID INPATIENT DAYS	28,326	TOTAL HOSPITAL INPATIENT DAYS:	68,378

YOUR HOSPITAL'S 2008 MEDICAID INPATIENT UTILIZATION RATE 41.43%

Your hospital's state fiscal year 2008 total Medicaid obstetrical days:	1,702
Your hospital's state fiscal year 2008 total Medicaid days:	17,226
Your hospital's obstetrical inpatient utilization rate:	9.88%
Your hospital's low income utilization rate:	0.00%

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%

Riverside Medical Center Kankakee, IL

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:	41.43%

Medicaid Percentage Adjustment

6) Medicaid MPA add-on per day **:	$37.38
7) Medicaid MPA add-on per day capped:	$37.38
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	$67.73

(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:	$60.00
2) MHVA per day inflated from 1993 to 2011 by lesser of the percent change in the statewide average payment rate or the DRI	$108.72

(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.