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Springfield, Illinois 62763-0002

**Telephone:** (217) 785-0710  
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October 22, 2010

Community Health Systems  
ATTN: Eric Graves  
P.O. Box 689020  
Franklin, TN 37067

Dear Mr. Graves:

This letter is in response to your Disproportionate Share Hospital (DSH) Adjustment appeal for rate year 2011, dated September 23, 2010 for Vista Medical Center East. In your letter, you claim that 58 eligible HMO days were excluded from the calculation of the hospital's Medicaid inpatient utilization rate (MIUR). Upon review of the submitted documentation, the Department has verified those 58 days to have supporting documentation and to be Title XIX eligible on the dates provided, and has added those days to Vista's RY 2011 calculations.

Included with this letter is an attachment detailing the calculation of Vista's new MIUR and MPA rate. The facility's DSH rate remains unchanged. The MHVA rate is not impacted by the MIUR, therefore this rate will not change. The newly calculated MPA rate is effective for all dates of service on and following October 1, 2010, and claims will be adjusted retroactively.

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

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

Sincerely,



Joseph R. Holler, Deputy Administrator  
Division of Finance

Attachment

**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:

2

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

2

**YOUR HOSPITAL'S 2011 MEDICAID INPATIENT UTILIZATION RATE CALCULATION**

Medicaid Routine Days:	7,094	Total Hospital Routine Days:	40,693
Medicaid ICU Days:	2,354	Total Hospital ICU Days:	5,317
Medicaid Psychiatric Days:	-	Total Hospital Psychiatric Days:	-
Medicaid Rehabilitation Days:	-	Total Hospital Rehabilitation Days:	-
Medicaid Nursery Days	3,801	Total Hospital Nursery Days:	4,678
Medicaid 19 LD Days	-		
Total Mdcd Days from Cost Report + 19 ld's	<u>13,249</u>		
Medicaid Out-of-State Days:	50		
Medicaid HMO Days:	99		
Medicaid DASA Days:	-		
Medicaid Denied Days:	-		
Medicaid Inappropriate Level of Care Days:	-		
Medicaid/Medicare Crossover Days:	<u>4,028</u>		
Total Medicaid Days from Other Sources:	4,177		
<b>TOTAL MEDICAID INPATIENT DAYS</b>	<b>17,426</b>	<b>TOTAL HOSPITAL INPATIENT DAYS:</b>	<b><u>50,688</u></b>

**YOUR HOSPITAL'S 2008 MEDICAID INPATIENT UTILIZATION RATE**

**34.38%**

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

3,256

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

10,501

Your hospital's obstetrical inpatient utilization rate:

31.01%

Your hospital's low income utilization rate:

29.39%

Illinois' total Medicaid inpatient utilization days:

2,378,546

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%

**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:	34.38%

**Medicaid Percentage Adjustment**

6) Medicaid MPA add-on per day **:	\$30.33
7) Medicaid MPA add-on per day capped:	\$30.33
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	\$54.96

(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.