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

October 22, 2014

TAYLORVILLE MEM CHILDRENS HOSP
ATTN: Chief Executive Officer
201 East Pleasant
Taylorville, IL 62568

Dear Chief Executive Officer:

Due to a recently discovered programming error, the Department has recalculated Disproportionate Share Hospital Adjustment (DSH) eligibility and rates. The attachments included with this letter reflect the new calculations, and any eligible rates, which will be effective with dates of service beginning 10/1/2014.
Please note the new appeal date at the bottom of the letter.

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 2015 (October 1, 2014 through September 30, 2015).

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 2014 (October 1, 2013 through September 30, 2014) and eligible in rate year 2015 (October 1, 2014 through September 30, 2015) 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 2014 (October 1, 2013 through September 30, 2014) and not eligible in rate year 2015 (October 1, 2014 through September 30, 2015) and an admission crosses that period you will only receive payment for dates of service until September 30, 2014. If your hospital was ineligible for DSH, MPA and /or MHVA for rate year 2014 (October 1, 2013 through September 30, 2014) and eligible in rate year 2015 (October 1, 2014 through September 30, 2015) and an admission crosses that period you will receive payment for dates of service October 1, 2014 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 2015, 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.

Per the provider notice dated July 30, 2014, effective with dates of service on and after October 1, 2014, the Department will no longer make MPA adjustments directly to eligible hospitals for MCO and MCCN enrollee claims. These payments will be made by the MCO's/MCCN's to the eligible hospitals for those days. MCO's and MCCN's will continue to be responsible for the payment of theMHVA payments.

It should be noted that the DSH payments will continue to be made by the Department to the hospitals and will not be included in any payments that the MCO's and MCCN's make to the eligible hospitals.

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 2015, appeals MUST BE SUBMITTED IN WRITING AND MUST BE RECEIVED OR POSTMARKED NO LATER THAN FRIDAY NOVEMBER 21, 2014. 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 Sommer
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,

Dan Jenkins
Chief, Bureau of Rate Development and Analysis

TAYLORVILLE MEM CHILDRENS HOSP Taylorville, IL

DISPROPORTIONATE SHARE (DSH), MEDICAID HIGH VOLUME (MHVA), AND MEDICAID PERCENTAGE ADJUSTMENT (MPA) DETERMINATION for Rate Year 2015 (October 1, 2014-September 30, 2015)

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:	0
Your hospital qualifies for Medicaid Percentage Adjustment and Medicaid High Volume under criteria:	5

YOUR HOSPITAL'S 2015 MEDICAID INPATIENT UTILIZATION RATE CALCULATION

Medicaid Routine Days:	10	Total Hospital Routine Days:	400
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:	-
	-		
Total Mdcd Days from Cost Report	10		
Medicaid Out-of-State Days:	-		
Medicaid HMO Days:	-		
Medicaid DASA Days:	-		
Medicaid Denied Days:	-		
Medicaid Inappropriate Level of Care Days:	-		
Medicaid/Medicare Crossover Days:	-		
Total Medicaid Days from Other Sources:	-		
TOTAL MEDICAID INPATIENT DAYS	10	TOTAL HOSPITAL INPATIENT DAYS:	400

YOUR HOSPITAL'S RY15 MEDICAID INPATIENT UTILIZATION RATE 2.50%

Your hospital's state fiscal year 2012 total Medicaid obstetrical days:	-
Your hospital's state fiscal year 2012 total Medicaid days:	-
Your hospital's obstetrical inpatient utilization rate:	0.00%
Your hospital's low income utilization rate:	0.00%

Illinois' total Medicaid inpatient utilization days:	2,334,478
Illinois' total hospital inpatient days:	7,301,216
Illinois' statewide mean Medicaid inpatient utilization rate:	31.95%
One-half of a standard deviation above the statewide mean Medicaid inpatient utilization rate:	41.86%

TAYLORVILLE MEM CHILDRENS HOSP Taylorville, IL

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

For Rate Year 2015 (October 1, 2014 - September 30, 2015)

1) Illinois mean Medicaid inpatient utilization rate:	31.95%
2) One-half a standard deviation above the mean Medicaid inpatient utilization rate:	41.86%
3) One standard deviation above the mean Medicaid inpatient utilization rate:	51.78%
4) One and one-half standard deviations above the mean Medicaid inpatient utilization rate:	61.70%
5) Your hospital's Medicaid inpatient utilization rate:	2.50%

Medicaid Percentage Adjustment

6) Medicaid MPA add-on per day **:	$50.00
7) Medicaid MPA add-on per day capped:	$50.00
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	$100.25

(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)

** MIUR=Medicaid Inpatient Utilization Rate					MPA Add-On (Children's hospital rates are multiplied by 2)
MIUR is	<	32.79			$25.00
MIUR is	>=	32.79 but	<	53.08	$25.00 Plus $1.00 for every percent over 32.79
MIUR is	>=	53.08 but	<	63.22	$40.00 Plus $7.00 for every percent over 53.08
MIUR is	>=	63.22			$90.00 Plus $2.00 for every percent over 63.22

MEDICAID HIGH VOLUME INPATIENT PAYMENT ADJUSTMENT

1) Medicaid high volume adjustment (MHVA) per day:	$120.00
2) MHVA per day inflated from 1993 to 2015 by lesser of the percent change in the statewide average payment rate or the DRI	$240.60

(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):

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