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Springfield, Illinois 62763-0002

Telephone: (217) 785-0710
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October 26, 2011

Hartgrove Hospital
ATTN: Chief Executive Officer
5730 West Roosevelt Road
Chicago, IL 60644

Dear Chief Executive Officer:

This letter is in response to your Disproportionate Share Hospital (DSH) Adjustment appeal for rate year 2012, dated October 6, 2011. In your letter, you claim that 3980 eligible hmo days should have been included in the calculation of your hospital's Medicaid inpatient utilization rate (MIUR) and DSH rates.

After reviewing your documentation and comparing it to the data already included in the DSH calculations, the Department has concluded that 3145 of the requested days are eligible for inclusion in a revised calculation of Hartgrove's MIUR and DSH rates. Some of the days you requested were already included in the Department's calculations. The total number of HMO days included in the revised calculations is 4024.

Attached you will find the revised MIUR calculations as well as the calculations for the new MPA rates. Your facility would still exceed its OBRA cap, so the DSH rate is still set to \$0. The MPA rates will be adjusted retroactively for all dates of service beginning October 1, 2011.

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 2012 (October 1, 2011-September 30, 2012)

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%;
- 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:

1,2

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

1,2

YOUR HOSPITAL'S 2012 MEDICAID INPATIENT UTILIZATION RATE CALCULATION

Medicaid Routine Days:	38,604	Total Hospital Routine Days:	48,964
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:	-
	-		-
	<hr/>		<hr/>
Total Mdcd Days from Cost Report	38,604		
Medicaid Out-of-State Days:	-		
Medicaid HMO Days:	4,024		
Medicaid DASA Days:	-		
Medicaid Denied Days:	-		
Medicaid Inappropriate Level of Care Days:	-		
Medicaid/Medicare Crossover Days:	1,722		
	<hr/>		
Total Medicaid Days from Other Sources:	5,746		
TOTAL MEDICAID INPATIENT DAYS	44,350	TOTAL HOSPITAL INPATIENT DAYS:	<hr/>48,964
YOUR HOSPITAL'S RY12 MEDICAID INPATIENT UTILIZATION RATE			90.58%

Your hospital's state fiscal year 2009 total Medicaid obstetrical days:

-

Your hospital's state fiscal year 2009 total Medicaid days:

-

Your hospital's obstetrical inpatient utilization rate:

0.00%

Your hospital's low income utilization rate:

90.05%

Illinois' total Medicaid inpatient utilization days:

2,427,554

Illinois' total hospital inpatient days:

7,696,693

Illinois' statewide mean Medicaid inpatient utilization rate:

31.54%

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

41.58%

DISPROPORTIONATE SHARE ADJUSTMENT (DSH) CALCULATION
For Rate Year 2012 (October 1, 2011 - September 30, 2012)

DSH Adjustment

1) Statewide mean plus one standard deviation:	51.62%
2) Hospital Medicaid Inpatient Utilization Rate (MIUR):	90.58%
3) Amount over the mean plus one standard deviation {Line 2 / Line 1}:	N/A
4) Aggregate value of the amounts over the mean plus one standard deviation:	35.37
5) Proportional Value {Line 3 / Line 4}:	N/A
6) Your hospital's estimated rate year 2012 utilization:	43,676
7) Total estimated rate year 2012 utilization for all hospitals whose Medicaid percentage is greater than one standard deviation above the mean:	640,227
8) Your hospital's weighted days {Line 5 * Line 6}:	N/A
9) Total of all weighted days:	14,797
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}:	\$3,201,135
12) Estimated pool for eligible hospitals {\$5,000,000 - Line 11}:	\$1,798,865
13) Federal DSH add-on per day {(Line 10 * Line 12) / Line 6} +\$5.00}:	N/A

MEDICAID PERCENTAGE ADJUSTMENT (MPA) AND MEDICAID HIGH VOLUME (MHVA) CALCULATION**For Rate Year 2012 (October 1, 2011 - September 30, 2012)**

1) Illinois mean Medicaid inpatient utilization rate:	31.54%
2) One-half a standard deviation above the mean Medicaid inpatient utilization rate:	41.58%
3) One standard deviation above the mean Medicaid inpatient utilization rate:	51.62%
4) One and one-half standard deviations above the mean Medicaid inpatient utilization rate:	61.66%
5) Your hospital's Medicaid inpatient utilization rate:	90.58%

Medicaid Percentage Adjustment

6) Medicaid MPA add-on per day **:	\$147.84
7) Medicaid MPA add-on per day capped:	\$147.84
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	\$278.97

(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 * 1.0414)

** MIUR=Medicaid Inpatient Utilization Rate	MPA Add-On (Children's hospital rates are multiplied by 2)
MIUR is < 31.54	\$25.00
MIUR is >= 31.54 but < 51.62	\$25.00 Plus \$1.00 for every percent over 31.54
MIUR is >= 51.62 but < 61.66	\$40.00 Plus \$7.00 for every percent over 51.62
MIUR is >= 61.66	\$90.00 Plus \$2.00 for every percent over 61.66

MEDICAID HIGH VOLUME INPATIENT PAYMENT ADJUSTMENT

1) Medicaid high volume adjustment (MHVA) per day:	\$60.00
2) MHVA per day inflated from 1993 to 2012 by lesser of the percent change in the statewide average payment rate or the DRI	\$113.22

(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 * 1.0414):

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