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November 22, 2011

Riveredge Hospital
ATTN: Chief Executive Officer
8311 W. Roosevelt Rd
Forest Park, IL 60130-2500

Dear Chief Executive Officer:

This letter is in response to your disproportionate share hospital (DSH) adjustment appeal for rate year 2012, dated October 25, 2011. In your letter, you claim that a total of 377 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 334 additional HMO days are eligible for inclusion in a revised calculation of your hospital's MIUR and DSH rates. 34 of the 377 requested days were already counted in the original DSH calculations, and 9 of the requested days did not have sufficient supporting documentation. The total number of HMO days included in the revised calculation is 368.

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 should you have questions.

Sincerely,

F. N. Kopel, 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:	19,072	Total Hospital Routine Days:	31,406
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	19,072		
Medicaid Out-of-State Days:	-		
Medicaid HMO Days:	368		
Medicaid DASA Days:	-		
Medicaid Denied Days:	978		
Medicaid Inappropriate Level of Care Days:	-		
Medicaid/Medicare Crossover Days:	2,896		

Total Medicaid Days from Other Sources:	4,242		
TOTAL MEDICAID INPATIENT DAYS	23,314	TOTAL HOSPITAL INPATIENT DAYS:	31,406

YOUR HOSPITAL'S RY12 MEDICAID INPATIENT UTILIZATION RATE			74.23%

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:

80.87%

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%

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:	74.23%

Medicaid Percentage Adjustment

6) Medicaid MPA add-on per day **:	\$115.16
7) Medicaid MPA add-on per day capped:	\$115.16
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI	\$217.29

(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.