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 27, 2011

St. Mary's Medical Center
ATTN: Chief Executive Officer
3700 Washington Avenue
Evansville, IN 47750

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 2012 (October 1, 2011 through September 30, 2012).

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 2011 (October 1, 2010 through September 30, 2011) and eligible in rate year 2012 (October 1, 2011 through September 30, 2012) 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 2011 (October 1, 2010 through September 30, 2011) and not eligible in rate year 2012 (October 1, 2011 through September 30, 2012) and an admission crosses that period you will only receive payment for dates of service until September 30, 2011. If your hospital was ineligible for DSH, MPA and /or MHVA for rate year 2011 (October 1, 2010 through September 30, 2011) and eligible in rate year 2012 (October 1, 2011 through September 30, 2012) and an admission crosses that period you will receive payment for dates of service October 1, 2011 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, MHVA, and MPA programs for rate year 2012. **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. 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 2012, appeals MUST BE SUBMITTED IN WRITING AND MUST BE RECEIVED OR POSTMARKED NO LATER THAN MONDAY, OCTOBER 27, 2011. 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

St. Mary's Medical Center Evansville, IN

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: 0

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