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 24, 2013

Beloit Memorial Hospital
ATTN: Chief Executive Officer
1969 West Hart Road
Beloit, WI 53511

Dear Chief Executive Officer:

In accordance with Public Acts 97-0688 and 98-0104, the Department of Healthcare and Family Services is authorized to make hospital access improvement payments for the period of June 10, 2012 through December 31, 2014. The payments that will be made for this period are:

- Magnet and Perinatal Hospital Adjustment Payments
- Trauma Level II Hospital Adjustment Payments
- Dual Eligible Hospital Payments
- Medicaid Volume Adjustment Payments
- Outpatient Service Adjustment Payments
- Ambulatory Service Adjustment Payments
- Specialty Hospital Adjustment Payments
- ER Safety Net Adjustment Payments
- Physician Supplemental Adjustment Payments
- Freestanding Children's Hospital Payments

The determination of eligibility and the calculation of the payment amounts were conducted in accordance with 89 Illinois Administrative Code Sections, 148.466, 148.468, 148.470, 148.472, 148.474, 148.476, 148.478, 148.480, 148.482, 148.484 and 148.486. Attached is a worksheet containing the qualification criteria for each of the programs, as well as the calculation of the payment amounts. Please review these calculations carefully.

Appeals must be made in writing no later than **Thirty (30) days from the date of this letter and must be received or postmarked no later than November 23, 2013.**

Direct all appeals and supporting documentation to:

Illinois Department of Healthcare and Family Services
Bureau of Rate Development and Analysis
Attn: Jonathon Grieser
201 South Grand Avenue East, 2nd Floor
Springfield, Illinois 62763

If you have further questions in regard to this program, please do not hesitate to contact the Bureau of Rate Development and Analysis at (217) 785-0710.

Sincerely,

Dan Jenkins, Acting Chief
Bureau of Rate Development and Analysis

Summary of Payments

Beloit Memorial
Beloit, Wi

PAYMENT PROGRAM	ANNUAL AMOUNT
Magnet & Perinatal Hospital Adjustment	$0
Trauma Level II Hospital Adjustment	$0
Dual Eligible Hospital Adjustment	$0
Medicaid Volume Adjustment	$0
Outpatient Service Adjustment	$0
Ambulatory Service Adjustment	$0
Specialty Hospital Adjustment	$0
ER Safety Net Payments	$0
Physician Supplemental Adjustment Payments	$0
Freestanding Childrens Hospital Payment	$0
TOTAL ANNUAL PAYMENT AMOUNT	**$0**
MONTHLY PAYMENT AMOUNT	**$0**
FY 12 PAYMENT AMOUNT (ANNUAL AMT * 21/365)	**$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Hospital Specific Data and Criteria Sheet

Beloit Memorial Beloit, Wi	
State Located	WI
Hospital Type	0
Magnet Hospital Designation as of 8/25/11	NO
Perinatal Level III as of 9/14/11	NO
Case Mix Index	0.0000
Medicaid Acute Care Covered Days	202
Level II Trauma Center as of July 1, 2011	NO
Medicare Crossover Ratio	1%
Covered Days including Medicare Crossover Days	204
RY 2011 MIUR	0.00%
Medicaid IP Covered Days	204
APL Services Including ESRD and Crossovers	1,133
APL Services Excluding 3B and 3C	447
APL Group 3A, 3B, and 3C Services	936
ER Ratio	83%

Non-Hospital Specific Data	
20th Percentile CMI	0.4928
50th Percentile CMI	0.5872
75th Percentile CMI	0.7407
80th Percentile CMI	0.7919

Magnet & Perinatal Hospital Payment

Illinois General Acute Care Hospitals must meet ALL criteria:

1.) Illinois Hospital?	NO
2.) General Acute Care Hospital	NO
3.) Designated a Magnet Hospital by ANCC as of 08/25/2011	NO
4.) Was designated a level III perinatal center, as of September 14th, 2011?	NO

Eligible for Payment: NO

Payment Rate:

$470 for qualifying hospitals with a CMI >= the 80th percentile of case mix indices for all IL hospitals

$170 for all other qualifying hospitals

80th percentile of CMI for all Il Hopsitals:	N/A
Beloit Memorial's CMI:	N/A
Medicaid Acute Care Covered Days:	N/A
Rate:	N/A
ANNUAL MAGNET HOSPITAL PAYMENT AMOUNT:	**$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Trauma Care Level II Payment

Illinois General Acute Care Hospitals must meet ALL criteria:

1.) Illinois Hospital?	NO
2.) General Acute Care Hospital?	NO
3.) Level II Trauma Center as of July 1, 2011?	NO

Eligible for Payment: NO

Payment Rate

$470 for qualifying hospitals with a CMI >= the 50th percentile of CMI's for all IL hospitals

$170 for all other qualifying hospitals

50th percentile of CMI for all Il Hopsitals:	N/A
Beloit Memorial's CMI:	N/A
Medicaid Acute Care Covered Days:	N/A
Rate:	N/A
Annual Trauma Care Level II Payment Amount:	**$0**
Hospitals Alternating Trauma Designation*:	**N/A**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

*For the purposes of this adjustment, hospitals located in the same city that alternate their trauma center designation as defined in 89 Ill adm. Code 148.25 (a) (2) shall have the adjustment provided under this section divided between the 2 hospitals.

Dual Eligible Payment

Illinois General Acute Care Hospitals must meet ALL criteria:

1.) Illinois Hospital?	NO
2.) General Acute Care Hospital?	NO
3.) Has a ratio of Medicare Crossover days to total inpatient days for programs under Title XIX of the SSA administered by HFS (Utilizinginformation from 2009 paid claims) > 50%?	NO
4.) Has a CMI **>= 75th** percentile of CMI for all IL hospitals?	NO

ELIGIBLE FOR PAYMENT: NO

Beloit Memorial's Medicare Crossover Ratio:	1%
75th percentile of CMI for all Il Hopsitals:	0.7407
Beloit Memorial's CMI:	0.0000

Medicaid Inpatient Covered Days: (Including Crossover Days)	N/A
Rate:	$400
Total Annual Dual Eligible Payment Amount:	$0

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Medicaid Volume Payment

Illinois General Acute Care Hospitals must meet ALL criteria:

1.) Illinois Hospital?	NO
2.) General Acute Care Hospital?	NO
3.) Has provided more than 10,000 Medicaid inpatient days of care	NO
4.) Has a Medicaid inpatient utilization rate (MIUR) of at least 29.05%, for the rate year 2011 disproportionate Share determination	NO
5.) Is not eligible for Medicaid Percentage Adjustment (MPA) payments for rate year 2011	YES

ELIGIBLE FOR PAYMENT: NO

Beloit Memorial's RY 2011 MIUR:	0.00%
Medicaid Inpatient Covered Days:	202
Rate:	N/A
Total Annual Medicaid Volume Payment Amount:	$0

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Outpatient Service Payment

Outpatient Service Adjustment payments shall be paid to each Illinois hospital.

1.) Illinois Hospital?	**NO**

A qualifying hospital shall receive an annual payment that is equal to the hospital's outpatient ambulatory procedure listing services (excluding categories 3B and 3C), and the hospital's end state renal disease treatment services, multiplied by $100.

Qualified Outpatient APL Services (Excl 3B & 3C) + ESRD treatment services:	**FALSE**
Rate:	**$100**
Total Annual Outpatient Service Payment Amount:	**$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Ambulatory Services Payment

Ambulatory Services Adjustment payments shall be paid to each Illinois hospital for outpatient APL group 3A, 3B, and 3C services as well as APL group 5A services at freestanding psychiatric hospitals.

Payment Rate:

$105 x Medicaid ambulatory procedure listing services for APL categories 3A, 3B, 3C

For Freestanding Psychiatric Hospital:
$200 x Medicaid ambulatory procedure listing services for APL category 5A

1.) Illinois Hospital?	**NO**
2.) Freestanding psychiatric hospital?	**NO**

For all Illinois hospitals:

Qualify for Payment:	**NO**
Medicaid ambulatory procedure listing services for APL categories ***3A, 3B, 3C:***	**N/A**
Rate:	**$105**
Total Annual Ambulatory Servicess Payment Amount:	**$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

For all Illinois freestanding psychiatric hospitals:

Qualify for Payment:	**NO**
Medicaid ambulatory procedure listing services for APL category ***5A***	**N/A**
Rate:	**$200**
Total Annual Ambulatory Servicess Payment Amount:	**$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Specialty Hospital Payment

An ILLINOIS hospital shall qualify for the Specialty Hospital Payment if either ONE of the following two criteria are met:

An Illinois hospital?	NO
1) A long term acute care hospital (LTACH)	NO
OR	
2) A hospital devoted exclusively to the treatment of cancer	NO
Eligible for Payment	NO

Medicaid APL services including ESRD and Medicare Crossovers	N/A
Total Services:	0
Rate:	$700
Total Annual Specialty Hosptial Payment Amount:	**$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.

ER Safety Net Hospital Payment

An ILLINOIS hospital shall qualify for the ER Safety Net Hospital Payment if ALL of the following criteria are met:

1.) An Illinois hospital?	NO
2.) Had an emergency room ratio >= 55%	YES
3.) Is not eligible for Medicaid percentage adjustment (MPA) payments in rate year 2011	YES
4.) Has a case mix index >= the 20th percentile	NO
5.) Is not designated as a trauma center by the Illinois Department of Public Health on July 1, 2011	YES
Eligible for Payment	NO

Beloit Memorial's ER Ratio:	83%
20th percentile of CMI for all Il Hopsitals:	0.4928
Beloit Memorial's CMI:	0.0000

For each Illinois hospital with an ER ratio >= 74%

Outpatient APL and ESRD services:	N/A
Rate:	$225
Total Annual ER Safety Net Payment Amount:	$0

PLEASE NOTE: Actual payment amounts may vary due to rounding.

For all other Illinois hospitals

Outpatient APL and ESRD services:	N/A
Rate:	$65
Total Annual ER Safety Net Payment Amount:	$0

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Physician Supplemental Payment

Physician services eligible for this Physician Supplemental adjustment payment are those provided by the physicians employed by or who have a contract to provide services to patients of the following hospitals:

1.) Illinois Hospital?	NO
2.) General Acute Care Hospital?	NO
A.) Provided at least 17,000 Medicaid inpatient days of care in State fiscal year 2009	NO
AND	
B.) Are eligible for Medicaid Percentage Adjustment Payments in rate year 201	NO
ELIGIBLE FOR PAYMENT:	NO
OR	
Illinois freestanding children's hospitals, as defined in 89 Ill. Adm. Code 149.50 (C) (3) (A).	NO
ELIGIBLE FOR PAYMENT:	NO

Qualifying hospitals shall receive an annual payment based upon the total pool of $6,960,000. This pool shall be allocated among the eligible hospitals based on the following:

1.) The difference between the upper payment limit for what could have been paid under Medicaid for physician service provided during State fiscal year 2009 by physicians employed by or who had a contract with the hospital, and the amount that was paid under Medicaid for such services.

Upper Payment Limit:	#N/A
Paid under Medicaid for Physician Services:	#N/A
Difference:	#N/A

2.) In no event shall physicians at any individual hospital collectively receive an annual, aggregate adjustment in excess o $435,000 except that any amount that is not distributed to a hospital because of the upper payment limit shall be reallocated among the remaining eligible hospitals that are below the upper payment limitation, on a proportionate basis

Rate: (Illinois Supplemental Payment Cap)	$435,000

TOTAL PHYSICIAN SUPPLEMENTAL PAYMENT: $0

PLEASE NOTE: Actual payment amounts may vary due to rounding.

Beloit Memorial Beloit, Wi

Freestanding Childrens Hospital Payment

An ILLINOIS hospital that did not charge for services in state fiscal year 2009 can qualify for the Freestanding Childrens Hospital Payment

1.) An Illinois hospital?	**NO**
2.) Did not charge for services provided in SFY 2009?	**NO**
Eligible for Payment	**NO**

The Department shall use data submitted by the hospital to determine payments using similar methodologies for freestanding childrens hospitals

Data Submitted by Hospital

2005 Estimated Medicaid Inpatient Volume:	N/A
2005 Estimated Medicaid Outpatient Volume:	N/A

Assessment Funded Payments to Other Freestanding Childrens Hospitals

Freestanding Childrens Hospital	2005 IP Utilization	Supplemental Payment	Payment Per Day
Ann and Robert Lurie Childrens	N/A	N/A	N/A
La Rabida Childrens	N/A	N/A	N/A
Total	N/A	N/A	N/A

Freestanding Childrens Hospital	2005 OP Utilization	Supplemental Payment	Payment Per Day
Ann and Robert Lurie Childrens	N/A	N/A	N/A
La Rabida Childrens	N/A	N/A	N/A
Average	N/A	N/A	N/A

Payment:

Estimated IP Volume	Per Unit IP Rate	Payment Amount
N/A	N/A	N/A

Estimated OP Volume	Per Unit OP Rate	Payment Amount
N/A	N/A	N/A

Total Freestanding Childrens Hospital Payment: **$0**

PLEASE NOTE: Actual payment amounts may vary due to rounding.