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June 30, 2012

Advocate Northside Hospital
ATTN: Chief Executive Officer
836 West Wellington
Chicago, IL 60657

Dear Chief Executive Officer:

Pursuant to Public Act 097-0689, for hospitals not identified as Safety Net Hospitals or Critical Access Hospitals, the rates or payments for hospital services shall be further reduced by 3.5%. These reductions apply to reimbursements for both institutional claims payments and the static payment programs.

As your hospital does not meet the criteria for designation as a Safety Net or Critical Access hospital, it is subject to the reduction in reimbursement. All components of claims reimbursement including the DRG or Per Diem base amount, capital for DRG reimbursement, outliers, DSH, MPA, and MHVA will all be calculated using current reimbursement rates and methodologies and then reduced by 3.5%.

The RY 2013 static payment determinations will be performed as usual in July and the results will be published via the State's web site shortly thereafter as in previous years. The individual program breakout sheets published at that time will display the 3.5% reduction in payments.

Reductions to the hospital assessment related payments have been calculated and are attached.

Please provide a copy of this letter to your Chief Financial Officer and Patient Accounts Manager.

Sincerely,

F. N. Kopel, Administrator,
Division of Finance

Summary of Payments

Advocate Northside Hospital Chicago			
PAYMENT PROGRAM	FY 12 ANNUAL AMOUNT	3.5% Reduction	FY 13 ANNUAL AMOUNT
High Volume Adjustment Payment:	\$2,825,500	\$98,893	\$2,726,608
Inpatient Services Adjustment Payment:	\$8,054,589	\$281,911	\$7,772,678
Capital Needs Payment:	\$3,905,434	\$136,690	\$3,768,744
Obstetrical Care Payment:	\$6,685,200	\$233,982	\$6,451,218
Trauma Care Payment:	\$9,443,899	\$330,536	\$9,113,363
Supplemental Tertiary Care Payment:	\$961,937	\$33,668	\$928,269
Crossover Care Payment:	\$0	\$0	\$0
Magnet Hospital Payment:	\$4,689,563	\$164,135	\$4,525,428
Ambulatory Procedure Listing Increase Payment:	\$5,435,374	\$190,238	\$5,245,136
TOTAL ANNUAL PAYMENT AMOUNT	\$42,001,496	\$1,470,052	\$40,531,444
MONTHLY PAYMENT AMOUNT	\$3,500,125	\$122,504	\$3,377,620
PLEASE NOTE: Actual payment amounts may vary due to rounding.			