

201 South Grand Avenue East
Springfield, Illinois 62763-0002

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June 30, 2012

St. Margaret's Hospital
ATTN: Chief Executive Officer
600 East 1st Street
Spring Valley, IL 61362

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

St. Margaret's Hospital Spring Valley			
PAYMENT PROGRAM	FY 12 ANNUAL AMOUNT	3.5% Reduction	FY 13 ANNUAL AMOUNT
High Volume Adjustment Payment:	\$0	\$0	\$0
Inpatient Services Adjustment Payment:	\$281,970	\$9,869	\$272,101
Capital Needs Payment:	\$0	\$0	\$0
Obstetrical Care Payment:	\$529,500	\$18,533	\$510,968
Trauma Care Payment:	\$0	\$0	\$0
Supplemental Tertiary Care Payment:	\$0	\$0	\$0
Crossover Care Payment:	\$0	\$0	\$0
Magnet Hospital Payment:	\$0	\$0	\$0
Ambulatory Procedure Listing Increase Payment:	\$775,144	\$27,130	\$748,014
TOTAL ANNUAL PAYMENT AMOUNT	\$1,586,614	\$55,531	\$1,531,083
MONTHLY PAYMENT AMOUNT	\$132,218	\$4,628	\$127,590
PLEASE NOTE: Actual payment amounts may vary due to rounding.			