

Bulletin Number: MSA 07-39

Distribution: Hospitals

Issued: July 18, 2007

Subject: Inpatient Hospital Payment Reduction

Effective: August 18, 2007

Programs Affected: Medicaid, Children's Special Health Care Services (CSHCS)

In order to comply with requirements outlined in its fiscal year 2007 legislative appropriation, the Michigan Department of Community Health is implementing the inpatient hospital payment reductions described below.

Pursuant to the Governor's Executive Orders 2001-09, 2002-22, and 2005-07, and Public Act 330 of 2006, inpatient hospital payments will be reduced by \$45,872,360 in fiscal year 2007. The reduction will be made by gross adjustment and applied to medical/surgical hospitals, distinct part rehabilitation units and freestanding rehabilitation hospitals, beginning in August 2007.

Reduction Methodology

Each hospital's share of the total reduction has been calculated. A hospital's reduction will be based on its inpatient hospital Fee-For-Service (FFS) paid claims for hospital admissions from October 1, 2004 to September 30, 2005, paid by June 30, 2006. The same file used to calculate the hospital Medicaid Access to Care Initiative (MACI) payments for fiscal year 2007 will be used to calculate the executive order reductions. Paid claims include Title XIX, Title V, and Title XIX/Title V inpatient hospital claims.

The formula to calculate the reduction of inpatient hospital payments is as follows:

1. Hospital FFS Paid Claims / Total FFS Paid Claims = Hospital Reduction Factor
2. Hospital Reduction Factor X Reduction Amount = Hospital Reduction Amount

Each hospital's reduction appears in Attachment I (Medical/Surgical Hospitals) or Attachment II (Rehabilitation Units and Hospitals) to this bulletin.

Merged hospitals will have their reductions combined. Reductions will be taken from the surviving hospital. Should a facility close prior to the end of the fiscal year, its reduction will become part of the facility's final settlement.

Each hospital's paid claims file was reviewed and appealed at the time the data was submitted with the hospital's cost report. No further appeal of the inpatient hospital paid claims data will be allowed.

Each hospital's share of the reduction will be made by gross adjustment, beginning in August 2007, to the hospital's inpatient hospital Medicaid ID number. Recoveries will be taken from the hospital's payments until the reduction is complete.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive style with a large initial "P" and "R".

Paul Reinhart, Director
Medical Services Administration

Michigan Department of Community Health
 Medical/Surgical Hospitals
 FY 2007 Reductions

Provider ID	Hospital Name	Reduction
1558020	Allegan General Hospital	\$31,488
1555314	Alpena General Hospital	\$91,506
1555305	Baraga County Memorial Hospital	\$5,097
1905520	Battle Creek Health System	\$338,847
1556302	Bay Medical Center	\$297,625
1556545	Bell Memorial Hospital	\$29,119
1558076	Bon Secours Hospital	\$134,639
1557337	Borgess Hospital	\$690,195
1555350	Botsford General Hospital	\$376,989
1557963	Bronson Methodist Hospital	\$1,529,401
1557936	Caro Community Hospital	\$2,587
1557678	Carson City Osteopathic Hospital	\$32,608
1558030	Central Michigan Community Hospital	\$148,469
1557598	Charlevoix Area Hospital	\$41,261
1557767	Cheboygan Memorial Hospital	\$78,912
1558129	Chelsea Community Hospital	\$5,355
1557810	Children's Hospital of Michigan	\$3,040,629
1776852	Chippewa War Memorial Hospital	\$58,310
1557702	Clinton Memorial Hospital	\$1,601
1557972	Community Health Center of Branch County	\$78,304
1556886	Community Hospital - Watervliet	\$27,583
1555860	Covenant Medical Center, Inc.	\$1,078,212
1558094	Crittenton Hospital	\$149,040
1557570	Deckerville Community Hospital	\$1,130
1557720	Detroit Receiving Hospital	\$1,215,660
1556760	Dickinson County Memorial Hospital	\$56,094
1557800	Eaton Rapids Medical Center	\$1,462
1557293	Edward W. Sparrow Hospital	\$1,296,717
1945516	Emma L. Bixby Medical Center	\$114,221
1558100	Garden City Osteopathic Hospital	\$239,009
2941988	Genesys Regional Medical Center	\$548,986
1557097	Gerber Memorial Hospital	\$64,705
2668036	Grand View Hospital	\$24,202
1556240	Gratiot Medical Center	\$112,149
1557275	Hackley Hospital	\$190,561
1556465	Harbor Beach Community Hospital	\$656
2806132	Harper University Hospital	\$2,075,515
1556400	Hayes Green Beach Memorial Hospital	\$35,898
1557159	Helen Newberry Joy Hospital	\$6,596
1557918	Henry Ford Bi-County Hospital	\$141,662
1558174	Henry Ford Hospital	\$2,392,818
1892495	Henry Ford Wyandotte Hospital	\$342,728
1556080	Herrick Memorial Hospital, Inc.	\$32,572
1555806	Hills & Dales General Hospital	\$3,184
1556492	Hillsdale Community Health Center	\$66,448
1898523	Holland Community Hospital	\$177,444
1556536	Hurley Medical Center	\$1,591,169
1555833	Huron Medical Center	\$36,566
1736249	Huron Valley - Sinai Hospital	\$139,137
1555691	Ingham Regional Medical Center	\$469,865

Michigan Department of Community Health
 Medical/Surgical Hospitals
 FY 2007 Reductions

Provider ID	Hospital Name	Reduction
1557758	Ionia County Memorial Hospital	\$34,586
1557220	Iron County Community Hospital	\$6,945
1556877	Kalkaska Memorial Health Center	\$985
1555673	Kelsey Memorial Health Center	\$1,488
1556607	Keweenaw Memorial Medical Center	\$19,485
2715477	Kindred Hospital - Detroit	\$4,716
1555931	Lake View Community Hospital	\$10,446
1555548	Lakeland Hospital - St. Joseph	\$474,963
1696161	Lakeshore Community Hospital	\$37,606
1774482	Lapeer Regional Hospital	\$126,214
1555987	Lee Memorial Hospital	\$16,880
1555851	Mackinac Straits Hospital	\$210
1555735	Marlette Community Hospital	\$5,991
1556634	Marquette General Hospital	\$322,782
1555717	McKenzie Memorial Hospital	\$18,862
1556189	McLaren Regional Medical Center	\$229,234
1556071	Mecosta County Medical Center	\$76,378
1557687	Memorial Healthcare	\$100,395
1556026	Memorial Medical Center of West Michigan	\$103,604
1556053	Mercy General Health Partners	\$288,896
1558737	Mercy Hospital - Cadillac	\$122,424
1555753	Mercy Hospital - Grayling	\$75,655
1557604	Mercy Hospital - Port Huron	\$71,126
1555600	Mercy Memorial Hospital	\$159,509
1557201	Metro Health Hospital	\$670,000
1557883	Mid Michigan Medical Center - Gladwin	\$22,961
1555771	Mid Michigan Reg. Med. Ctr - Midland	\$348,248
1557640	Mid Michigan Medical Center-Clare	\$147,973
1556035	Mt. Clemens General Hospital	\$411,913
1555520	Munising Memorial Hospital	\$1,173
1555904	Munson Medical Center	\$744,709
1557622	North Oakland Medical Center	\$511,915
1557130	North Ottawa Community Hospital	\$24,789
1557088	Northern Michigan Hospitals, Inc.	\$307,144
1557079	Oaklawn Hospital	\$73,814
1558236	Oakwood Annapolis Hospital	\$305,958
1555575	Oakwood Heritage Hospital	\$140,337
1556803	Oakwood Hospital and Medical Center	\$1,396,253
1557364	Oakwood Southshore Medical Center	\$131,207
1557186	Ontonagon Memorial Hospital	\$2,359
1557589	Otsego County Memorial Hospital	\$55,953
1557239	Pennock Hospital	\$88,954
1557696	POH Medical Center	\$183,562
1557730	Port Huron Hospital	\$248,102
1556948	Portage Health Systems	\$35,028
1557829	Providence Hospital	\$532,980
1556090	Saint Mary's Standish Community Hospital	\$6,025
1557248	Scheurer Hospital	\$5,136
1556984	Schoolcraft Memorial Hospital	\$3,259
1557346	Sheridan Community Hospital	\$3,223

Michigan Department of Community Health
 Medical/Surgical Hospitals
 FY 2007 Reductions

Provider ID	Hospital Name	Reduction
1557210	Sinai-Grace Hospital	\$1,555,239
1556910	South Haven Community Hospital	\$60,872
4554160	Southeast Michigan Surgical Hospital	\$2,584
1556993	Spectrum Health	\$3,125,384
1936357	Spectrum Health - Reed City Campus	\$11,753
1556895	St. Francis Hospital	\$56,402
1557856	St. John - North Shores Hospital	\$6,392
1557892	St. John Detroit Riverview Hospital	\$717,551
1556975	St. John Hospital and Medical Center	\$1,757,691
1557524	St. John Macomb Hospital	\$322,705
1557945	St. John Oakland Hospital	\$192,322
1557909	St. John River District Hospital	\$39,611
1557023	St. Joseph Mercy Hospital - Ann Arbor	\$512,586
2688558	St. Joseph Mercy Hospital & Health Services	\$272,822
2661616	St. Joseph Mercy Livingston Hospital	\$102,169
1557506	St. Joseph Mercy Oakland	\$526,762
2767938	St. Joseph Mercy Saline Hospital	\$4,278
4200538	St. Mary Mercy Hospital	\$115,081
1556518	St. Mary's Health Care (Grand Rapids)	\$560,715
1555889	St. Mary's of Michigan Medical Center	\$352,926
1556410	Sturgis Memorial Hospital	\$83,946
1556133	Tawas St. Joseph Hospital	\$30,588
1556456	Three Rivers Health	\$47,010
1556367	United Memorial Health Center	\$66,581
1556483	University of Michigan Health System	\$3,884,219
1556349	W.A. Foote Memorial Hospital	\$354,845
1555870	West Branch Regional Medical Center	\$39,229
1556474	West Shore Medical Center	\$41,878
1556714	William Beaumont Hospital - Royal Oak	\$1,416,638
1555379	William Beaumont Hospital - Troy	\$275,118
1556572	Zeeland Community Hospital	\$21,783
	Total	\$44,914,966

Michigan Department of Community Health
 Distinct Part Rehabilitation Units and Hospitals
 FY 2007 Reductions

Provider ID	Hospital Name	Reduction
2778539	Bay Medical Center	\$5,257
2948737	Borgess Hospital	\$16,975
2774905	Botsford General Hospital	\$10,752
2774914	Bronson Vicksburg Hospital	\$19,995
2774923	Chelsea Community Hospital	\$830
2788624	Children's Hospital of Michigan	\$73,947
2885397	Community Hospital - Watervliet	\$6,649
2774932	Cottage Hospital of Grosse Pointe	\$2,481
2775368	Covenant Medical Center, Inc.	\$9,059
3136639	Crittenton Hospital	\$1,139
2775312	Edward W. Sparrow Hospital	\$15,313
2774997	Garden City Osteopathic Hospital	\$697
2942018	Genesys Regional Medical Center	\$2,962
2930222	Gratiot Medical Center	\$6,571
2775036	Hackley Hospital	\$9,812
2775288	Healthsource Saginaw	\$14,232
2982640	Henry Ford Bi-County Hospital	\$27,770
2775410	Henry Ford Wyandotte Hospital	\$11,155
3091976	Hurley Medical Center	\$43,595
2775072	Ingham Regional Medical Center	\$9,872
2779071	Lakeland Hospital - St. Joseph	\$9,130
3296712	Marlette Community Hospital	\$122
2775090	Marquette General Hospital	\$8,411
1556008	Mary Free Bed Hospital & Rehabilitation Center	\$122,321
2837934	McLaren Regional Medical Center	\$3,679
3101428	Mecosta County Medical Center	\$3,633
2982630	Mercy General Health Partners	\$6,924
2775205	Mercy Hospital - Port Huron	\$2,916
2775223	Metro Health Hospital	\$6,307
2775250	Mid Michigan Reg. Med. Ctr - Midland	\$5,983
2775279	Munson Medical Center	\$12,704
2775493	North Oakland Medical Center	\$3,335
4369564	Northern Michigan Hospitals, Inc.	\$3,895
2783092	Oakwood Heritage Hospital	\$3,346
4227602	POH Medical Center	\$6,905
2775475	Providence Hospital	\$12,571
1557542	Rehabilitation Institute	\$304,016
3205745	Rogers City Rehabilitation Hospital	\$3,328
2776196	Sinai-Grace Hospital	\$28,265
1556779	Southwest Regional Rehabilitation Hospital	\$4,520
2775321	St. John - North Shores Hospital	\$14,931
4643582	St. John Detroit Riverview Hospital	\$7,011
2775081	St. John Macomb Hospital	\$4,712
2803776	St. Joseph Mercy Hospital - Ann Arbor	\$15,298
2775340	St. Joseph Mercy Hospital & Health Services	\$2,106
2786165	St. Joseph Mercy Oakland	\$1,232
2801931	Three Rivers Health	\$2,004
2775377	University of Michigan Health System	\$51,917
2775401	William Beaumont Hospital - Royal Oak	\$16,809
Total		\$957,394