



Bulletin

Michigan Department of Community Health

Distribution: Hospital 03-04

Issued: May 1, 2003

Subject: Reduction in Hospital Payments
Reduction in GME Payments

Effective: June 1, 2003

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

Reduction in Hospital Payments

Pursuant to the Governor's Executive Orders (E.O.) No. 2001-09 and 2002-22 and to budgetary savings included in Act 519 of 2002, the Department of Community Health (DCH) is directed to reduce hospital payments by \$21,982,500 for fiscal year 2003. The reduction will be made by gross adjustment applied to medical/surgical hospital, rehabilitation distinct part unit and rehabilitation hospital payments.

A calculated share of the total reduction will be assessed to all hospitals and units operating and enrolled in the Medicaid program on the date the E.O. reduction is processed. The reduction will be based on inpatient hospital paid claims for hospital admissions from September 1, 1999 to August 31, 2000. (The last year of the paid claims data, used to rebase hospitals in FY'02, will be used to implement this E.O. reduction.) Claims were processed and paid using Medicaid DRG Grouper 17.0 and October 1, 2000 hospital prices. Paid claims include Title V, Title XIX, and Title V/XIX inpatient hospital claims. A hospital's share of the reduction will be calculated by dividing the total of its paid claims by the total of the paid claims for all eligible hospitals *times* the total amount of funds to be recovered.

Merged hospitals will have their reductions combined. Reductions will be taken from the surviving hospital.

Each hospital's paid claim file was reviewed and appealed at the time the data was created for the purposes of rebasing inpatient hospitals in FY'02. No further appeal of the inpatient hospital paid claims data will be allowed.

Each hospital's share of the reduction will be made by two equal gross adjustments to the hospital's inpatient hospital Medicaid ID number. The first reduction for half the total dollar amount will be made by the last pay cycle in June 2003. The second reduction for the

remaining dollar amount will be made during September 2003. Recoveries will be taken from the hospitals' payments until the E.O. reduction is complete.

A table is attached indicating each hospital's reduction.

Reduction in GME Payments

Pursuant to the same E.O. 2002-22 cited above, graduate medical education (GME) payments will be reduced by \$2,521,200 in FY'03. The reduction will be made as a percentage reduction applied equally to each hospital's GME payments for the last two quarters in FY'03.

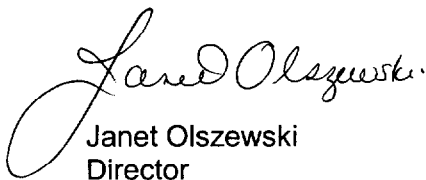
Manual Maintenance

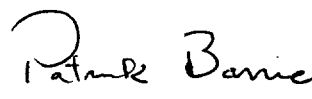
Retain this bulletin until the reduction is complete.

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 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.

Approval


Janet Olszewski
Director


Patrick Barrie
Deputy Director for
Health Programs Administration

FY'03 Executive Order Reduction

Attachment
Hospital 03-04

Medicare Number	Provider ID	Hospital Name	Total	Proportion of Net Pay	Hospital's Share
DRG HOSPITALS:					
23-0042	1558020	Allegan General Hospital	\$235,732.00	0.08%	\$16,671
23-0036	1555314	Alpena General Hospital	\$1,151,484.68	0.37%	\$81,433
23-1307	1555305	Baraga County Memorial Hospital	\$69,707.58	0.02%	\$4,930
23-0075	1905520	Battle Creek Health System	\$2,039,975.46	0.66%	\$144,267
23-0041	1556302	Bay Medical Center	\$1,822,592.66	0.59%	\$128,893
23-0204	1557918	Bi-County Community Hospital	\$931,430.66	0.30%	\$65,871
23-0089	1558076	Bon Secours Hospital	\$864,811.48	0.28%	\$61,159
23-0117	1557337	Borgess Hospital	\$3,618,803.59	1.16%	\$255,921
23-0151	1555350	Botsford General Osteopathic Hospital	\$1,667,981.94	0.54%	\$117,959
23-0017	1557963	Bronson Methodist Hospital	\$8,937,689.71	2.88%	\$632,072
23-0235	1557936	Caro Community Hospital	\$48,744.88	0.02%	\$3,447
23-0208	1557678	Carson City Osteopathic Hospital	\$312,258.42	0.10%	\$22,083
23-0080	1558030	Central Michigan Community Hospital	\$521,201.92	0.17%	\$36,859
23-0124	1557598	Charlevoix Area Hospital	\$231,868.82	0.07%	\$16,398
23-0034	1557767	Cheboygan Memorial Hospital	\$253,491.63	0.08%	\$17,927
23-0259	1558129	Chelsea Community Hospital	\$127,505.82	0.04%	\$9,017
23-3300	1557810	Children's Hospital Of Michigan	\$16,139,261.07	5.19%	\$1,141,365
23-0239	1776852	Chippewa War Memorial Hospital	\$493,272.80	0.16%	\$34,884
23-0103	1557702	Clinton Memorial Hospital	\$44,336.93	0.01%	\$3,135
23-0022	1557972	Community Health Center	\$635,040.80	0.20%	\$44,910
23-0078	1556886	Community Hospital, Watervliet	\$413,549.97	0.13%	\$29,246
23-0070	1555860	Covenant Medical Center, Inc	\$7,031,777.52	2.26%	\$497,286
23-0254	1558094	Crittenton Hospital	\$565,392.48	0.18%	\$39,984
23-1311	1557570	Deckerville Community Hospital	\$14,284.37	0.00%	\$1,010
23-0273	1557720	Detroit Receiving Hospital	\$8,897,149.39	2.86%	\$629,205
23-0055	1556760	Dickinson County Memorial Hospital	\$335,932.00	0.11%	\$23,757
23-0184	1556625	Doctors Hospital of Jackson	\$160,349.79	0.05%	\$11,340
23-0153	1557800	Eaton Rapids Medical Center	\$16,882.91	0.01%	\$1,194
23-0230	1557293	Edward W. Sparrow Hospital	\$9,623,801.44	3.10%	\$680,593
23-0005	1945516	Emma L. Bixby Hospital	\$471,266.75	0.15%	\$33,328
23-0001	1556545	Francis Bell Memorial Hospital	\$198,745.34	0.06%	\$14,055
23-0244	1558100	Garden City Osteopathic Hospital	\$1,723,010.63	0.55%	\$121,851
23-0197	2941988	Genesys Regional Medical Center	\$3,117,157.90	1.00%	\$220,445
23-0106	1557097	Gerber Memorial Hospital	\$378,885.14	0.12%	\$26,795
23-0143	2668036	Grand View Hospital	\$135,729.33	0.04%	\$9,599
23-0030	1556240	Gratiot Community Hospital	\$552,837.14	0.18%	\$39,097
23-0066	1557275	Hackley Hospital	\$1,600,489.84	0.51%	\$113,186
23-1313	1556465	Harbor Beach Community Hospital	\$3,020.97	0.00%	\$214
23-0104	2806132	Harper University Hospital	\$19,181,971.63	6.17%	\$1,356,545
23-0006	1556400	Hayes-Green-Beach Memorial Hospital	\$180,743.33	0.06%	\$12,782
23-1304	1557159	Helen Newberry Joy Hospital	\$35,353.31	0.01%	\$2,500
23-0053	1558174	Henry Ford Hospital	\$20,284,592.87	6.53%	\$1,434,523
23-0146	1892495	Henry Ford Wyandotte Hospital	\$1,576,362.32	0.51%	\$111,480
23-0120	1556080	Herrick Memorial Hospital, Inc.	\$95,479.99	0.03%	\$6,752

FY'03 Executive Order Reduction

Medicare Number	Provider ID	Hospital Name	Total	Proportion of Net Pay	Hospital's Share
23-0188	1555806	Hills & Dales General Hospital	\$57,854.06	0.02%	\$4,091
23-0037	1556492	Hillsdale Community Health Center	\$449,784.20	0.14%	\$31,809
23-0072	1898523	Holland Community Hospital	\$1,519,374.34	0.49%	\$107,450
23-0132	1556536	Hurley Medical Center	\$12,888,527.60	4.15%	\$911,474
23-0118	1555833	Huron Memorial Hospital	\$203,568.64	0.07%	\$14,396
23-0277	1736249	Huron Valley-Sinai Hospital	\$709,173.69	0.23%	\$50,153
23-0167	1555691	Ingham Regional Medical Center	\$2,548,647.65	0.82%	\$180,240
23-0027	1557758	Ionia County Memorial Hospital	\$118,780.79	0.04%	\$8,400
23-0149	1557220	Iron County General Hospital	\$69,269.93	0.02%	\$4,899
23-1301	1556877	Kalkaska Memorial Health Center	\$6,411.86	0.00%	\$453
23-0155	1555673	Kelsey Memorial Hospital	\$24,605.44	0.01%	\$1,740
23-0264	3319030	Kern Hospital & Medical Center	\$1,750.20	0.00%	\$124
23-0145	1556607	Keweenaw Memorial Medical Center	\$135,433.11	0.04%	\$9,578
23-2019	2715477	Kindred Hospital - Detroit	\$860,920.53	0.28%	\$60,884
23-0283	3393322	Kindred Hospital - Metro Detroit	\$21,720.76	0.01%	\$1,536
23-0172	1555931	Lake View Community Hospital	\$57,240.60	0.02%	\$4,048
23-0021	1555548	Lakeland Hospital - St. Joseph	\$3,368,924.22	1.08%	\$238,250
23-0171	1696161	Lakeshore Community Hospital	\$298,893.16	0.10%	\$21,138
23-0193	1774482	Lapeer Regional Hospital	\$691,877.75	0.22%	\$48,929
23-0199	1555987	Lee Memorial Hospital	\$223,833.86	0.07%	\$15,829
23-0082	1555735	Marlette Community Hospital	\$42,653.77	0.01%	\$3,016
23-0054	1556634	Marquette General Hospital	\$1,928,559.22	0.62%	\$136,387
23-0253	1555717	McKenzie Memorial Hospital	\$105,545.32	0.03%	\$7,464
23-0141	1556189	McLaren General Hospital	\$1,462,996.65	0.47%	\$103,463
23-0093	1556071	Mecosta County General Hospital	\$776,981.45	0.25%	\$54,948
23-0121	1557687	Memorial Hospital, Owosso	\$480,943.77	0.15%	\$34,012
23-0110	1556026	Memorial Medical Center of West Michigan	\$394,380.99	0.13%	\$27,891
23-0004	1556053	Mercy General Health Partners	\$1,678,478.29	0.54%	\$118,702
23-0081	1558737	Mercy Hospital, Cadillac	\$1,068,194.28	0.34%	\$75,542
23-0058	1555753	Mercy Hospital, Grayling	\$520,237.28	0.17%	\$36,791
23-0031	1557604	Mercy Hospital, Port Huron	\$493,624.31	0.16%	\$34,909
23-0099	1555600	Mercy-Memorial Hospital	\$908,137.44	0.29%	\$64,223
23-0236	1557201	Metropolitan Hospital, Grand Rapids	\$1,263,051.27	0.41%	\$89,323
23-0180	1557640	MidMichigan Medical Center - Clare	\$419,428.96	0.13%	\$29,662
23-0189	1557883	MidMichigan Medical Center - Gladwin	\$92,832.67	0.03%	\$6,565
23-0222	1555771	MidMichigan Medical Center - Midland	\$1,656,203.01	0.53%	\$117,126
23-0227	1556035	Mt. Clemens General Osteopathic Hospital	\$3,461,565.48	1.11%	\$244,801
23-1308	1555520	Munising Memorial Hospital	\$9,664.53	0.00%	\$683
23-0097	1555904	Munson Medical Center	\$5,451,823.55	1.75%	\$385,552
23-0013	1557622	North Oakland Medical Center	\$3,808,990.37	1.23%	\$269,371
23-0174	1557130	North Ottawa Community Hospital	\$294,738.38	0.09%	\$20,844
23-0105	1557088	Northern Michigan Hospitals, Inc.	\$1,831,647.86	0.59%	\$129,534
23-0217	1557079	Oaklawn Hospital	\$285,162.75	0.09%	\$20,167
23-0142	1558236	Oakwood Annapolis Hospital	\$1,701,058.40	0.55%	\$120,299

FY'03 Executive Order Reduction

Attachment
Hospital 03-04

Medicare Number	Provider ID	Hospital Name	Total	Proportion of Net Pay	Hospital's Share
23-0270	1555575	Oakwood Heritage Hospital	\$616,205.61	0.20%	\$43,578
23-0020	1556803	Oakwood Hospital and Medical Center	\$9,348,548.49	3.01%	\$661,128
23-0176	1557364	Oakwood Southshore Medical Center	\$358,179.02	0.12%	\$25,330
23-1309	1557186	Ontonagon Memorial Hospital	\$30,271.77	0.01%	\$2,141
23-0133	1557589	Otsego County Memorial Hospital	\$244,579.85	0.08%	\$17,297
23-0040	1557239	Pennock Hospital	\$241,354.92	0.08%	\$17,069
23-0207	1557696	Pontiac Osteopathic Hospital	\$1,995,574.86	0.64%	\$141,127
23-0216	1557730	Port Huron Hospital	\$1,449,850.10	0.47%	\$102,533
23-0108	1556948	Portage Health Systems	\$215,948.74	0.07%	\$15,272
23-0019	1557829	Providence Hospital	\$4,183,184.43	1.35%	\$295,834
23-1310	1557248	Scheurer Hospital	\$45,655.50	0.01%	\$3,229
23-1303	1556984	Schoolcraft Memorial Hospital	\$87,281.51	0.03%	\$6,173
23-1312	1557346	Sheridan Community Hospital	\$36,529.11	0.01%	\$2,583
23-0024	1557210	Sinai-Grace Hospital	\$12,066,823.95	3.88%	\$853,363
23-0085	1556910	South Haven Community Hospital	\$343,497.40	0.11%	\$24,292
23-0038	1556993	Spectrum Health	\$18,522,285.51	5.96%	\$1,309,892
23-0086	1936357	Spectrum Health - Reed City Campus	\$177,972.37	0.06%	\$12,586
23-0101	1556895	St. Francis Hospital	\$467,660.79	0.15%	\$33,073
23-0069	2661616	St. Joesph Mercy Livingston Hospital	\$450,278.80	0.14%	\$31,844
23-0119	1557892	St. John Detroit Riverview Hospital	\$5,597,682.27	1.80%	\$395,867
23-0165	1556975	St. John Hospital	\$12,977,330.88	4.17%	\$917,754
23-0195	1557524	St. John Macomb Hospital	\$1,605,100.65	0.52%	\$113,512
23-0065	1556250	St. John Northeast Community Hospital	\$2,148,591.92	0.69%	\$151,948
23-0223	1557945	St. John Oakland Hospital	\$1,107,673.99	0.36%	\$78,334
23-0241	1557909	St. John River District Hospital	\$363,621.76	0.12%	\$25,715
23-0047	2688558	St. Joseph Mercy Hospital & Health Services	\$980,114.17	0.32%	\$69,313
23-0029	1557506	St. Joseph Mercy Oakland	\$3,535,041.14	1.14%	\$249,997
23-0212	2767938	St. Joseph Mercy Saline Hospital	\$20,808.75	0.01%	\$1,472
23-0156	1557023	St. Joseph-Mercy Hospital - Ann Arbor	\$3,367,733.13	1.08%	\$238,165
23-0002	4200538	St. Mary Mercy Hospital	\$459,394.47	0.15%	\$32,488
23-0077	1555889	St. Mary's Medical Center - Saginaw	\$2,082,193.51	0.67%	\$147,252
23-0059	1556518	St. Mary's Mercy Medical Center (Grand Rapids)	\$3,565,834.04	1.15%	\$252,175
23-1305	1556090	Standish Community Hospital	\$81,672.00	0.03%	\$5,776
23-0096	1556410	Sturgis Memorial Hospital	\$477,454.65	0.15%	\$33,766
23-0100	1556133	Tawas St. Joseph Hospital	\$193,939.86	0.06%	\$13,715
23-0015	1556456	Three Rivers Hospital	\$247,021.82	0.08%	\$17,469
23-0035	1556367	United Memorial Hospital	\$334,781.17	0.11%	\$23,676
23-0046	1556483	University Health System	\$25,650,520.12	8.25%	\$1,814,000
23-0092	1556349	W. A. Foote Memorial Hospital	\$1,982,422.77	0.64%	\$140,197
23-0095	1555870	West Branch Regional Medical Center	\$553,476.95	0.18%	\$39,142
23-0060	1556474	West Shore Medical Center	\$419,872.69	0.14%	\$29,693
23-0130	1556714	William Beaumont Hospital - Royal Oak	\$9,384,106.36	3.02%	\$663,642
23-0269	1555379	William Beaumont Hospital - Troy	\$1,133,475.54	0.36%	\$80,159
23-0003	1556572	Zeeland Community Hospital	\$88,549.79	0.03%	\$6,262

FY'03 Executive Order Reduction

Attachment
Hospital 03-04

Medicare Number	Provider ID	Hospital Name	Total	Proportion of Net Pay	Hospital's Share
SUBTOTAL:			\$300,375,548.67	96.63%	\$21,242,497
DISTINCT PART REHAB UNITS:					
23-0041	2778539	Bay Medical Center	\$68,124.00	0.02%	\$4,818
23-0204	2982640	Bi-County Community Hospital	\$111,531.00	0.04%	\$7,887
23-0117	2948737	Borgess Hospital	\$81,340.00	0.03%	\$5,752
23-0151	2774905	Botsford General Osteopathic Hospital	\$40,850.00	0.01%	\$2,889
23-0190	2774914	Bronson Vicksburg Hospital	\$209,088.00	0.07%	\$14,787
23-0259	2774923	Chelsea Community Hospital	\$35,010.00	0.01%	\$2,476
23-3300	2788624	Children's Hospital Of Michigan	\$784,433.00	0.25%	\$55,475
23-0078	2885397	Community Hospital, Watervliet	\$23,055.00	0.01%	\$1,630
23-0070	2775368	Covenant Medical Center, Inc	\$57,851.00	0.02%	\$4,091
23-0254	3136639	Crittenton Hospital	\$83,970.00	0.03%	\$5,938
23-0230	2775312	Edward W. Sparrow Hospital	\$139,968.00	0.05%	\$9,899
23-0244	2774997	Garden City Osteopathic Hospital	\$81,473.00	0.03%	\$5,762
23-0197	2942018	Genesys Regional Medical Center	\$131,186.00	0.04%	\$9,277
23-0030	2930222	Gratiot Community Hospital	\$57,942.00	0.02%	\$4,098
23-0066	2775036	Hackley Hospital	\$86,125.00	0.03%	\$6,091
23-0275	2775288	Healthsource Saginaw	\$90,914.00	0.03%	\$6,429
23-0146	2775410	Henry Ford Wyandotte Hospital	\$103,032.00	0.03%	\$7,286
23-0120	2775054	Herrick Memorial Hospital, Inc.	\$11,198.00	0.00%	\$792
23-0132	3091976	Hurley Medical Center	\$590,985.00	0.19%	\$41,794
23-0167	2775072	Ingham Regional Medical Center	\$130,708.00	0.04%	\$9,244
23-0155	3030925	Kelsey Memorial Hospital	\$4,844.00	0.00%	\$343
23-0021	2779071	Lakeland Hospital - St. Joseph	\$134,848.00	0.04%	\$9,536
23-0082	3296712	Marlette Community Hospital	\$26,753.00	0.01%	\$1,892
23-0054	2775090	Marquette General Hospital	\$62,720.00	0.02%	\$4,436
23-0141	2837934	McLaren General Hospital	\$69,466.00	0.02%	\$4,913
23-0093	3101428	Mecosta County General Hospital	\$135,525.00	0.04%	\$9,584
23-0121	3314703	Memorial Hospital, Owosso	\$11,187.00	0.00%	\$791
23-0004	2982630	Mercy General Health Partners	\$24,360.00	0.01%	\$1,723
23-0031	2775205	Mercy Hospital, Port Huron	\$10,439.00	0.00%	\$738
23-0236	2775223	Metropolitan Hospital, Grand Rapids	\$23,002.00	0.01%	\$1,627
23-0222	2775250	MidMichigan Medical Center - Midland	\$10,290.00	0.00%	\$728
23-0097	2775279	Munson Medical Center	\$75,880.00	0.02%	\$5,366
23-0270	2783092	Oakwood Heritage Hospital	\$260,936.00	0.08%	\$18,453
23-0019	2775475	Providence Hospital	\$83,440.00	0.03%	\$5,901
23-0024	2776196	Sinai-Grace Hospital	\$252,142.00	0.08%	\$17,831
23-0257	2775321	St. John - North Shores Hospital	\$204,072.00	0.07%	\$14,432
23-0195	2775081	St. John Macomb Hospital	\$108,267.00	0.03%	\$7,657
23-0065	2912135	St. John Northeast Community Hospital	\$200,811.00	0.06%	\$14,201
23-0047	2775340	St. Joseph Mercy Hospital & Health Services	\$41,454.00	0.01%	\$2,932
23-0029	2786165	St. Joseph Mercy Oakland	\$183,940.00	0.06%	\$13,008

FY'03 Executive Order Reduction

Attachment
Hospital 03-04

Medicare Number	Provider ID	Hospital Name	Total	Proportion of Net Pay	Hospital's Share
23-0156	2803776	St. Joseph-Mercy Hospital - Ann Arbor	\$299,620.00	0.10%	\$21,189
23-0015	2801931	Three Rivers Hospital	\$178,568.00	0.06%	\$12,628
23-0046	2775377	University Health System	\$942,826.00	0.30%	\$66,676
23-0130	2775401	William Beaumont Hospital - Royal Oak	\$9,906.00	0.00%	\$701

FREESTANDING REHAB:

23-3028	2837175	Great Lakes Regional Rehab. Hospital	\$192,873.00	0.06%	\$13,640
23-3026	1556008	Mary Free Bed Guild	\$998,830.00	0.32%	\$70,637
23-3027	1557542	Rehabilitation Institute	\$2,880,900.00	0.93%	\$203,737
23-3025	1556779	Southwestern Michigan Rehabilitation	\$40,984.00	0.01%	\$2,898
23-3029	3205745	Rogers City Rehabilitation Hospital	\$76,220.00	0.02%	\$5,390

SUBTOTAL:	\$10,463,886	3.37%	\$740,003
Grand Total:	\$310,839,435	100.00%	\$21,982,500

Executive Order Reduction:	\$21,982,500
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