



Bulletin

Michigan Department of Community Health

Bulletin Number: MSA 06-46

Distribution: Hospitals

Issued: July 1, 2006

Subject: Inpatient Hospital Payment Reduction

Effective: August 1, 2006

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

In order to comply with requirements outlined in its fiscal year 2006 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 154 of 2005, inpatient hospital payments will be reduced by \$45,872,360 in fiscal year 2006. 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 2006.

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, 2003 to September 30, 2004 paid by June 30, 2005. The same file used to calculate the hospital MACI payments for fiscal year 2006 will be used to calculate the EO 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 were 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 2006, 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 for future reference.

Questions

If you have questions about the manual, or problems locating information, you may contact Provider Inquiry at 1-800-292-2550 or providersupport@michigan.gov. If you submit an e-mail, be sure to include your name, affiliation, and a phone number so you may be contacted if necessary.

Approved

A handwritten signature in black ink that reads "Susan Moran". The signature is written in a cursive style with a long horizontal stroke at the end.

Susan Moran, Acting Deputy Director
Medical Services Administration

**Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2006 Reductions**

Provider ID	Hospital Name	Reduction
1558020	Allegan General Hospital	\$40,387
1555314	Alpena General Hospital	\$145,591
1555305	Baraga County Memorial Hospital	\$4,758
1905520	Battle Creek Health System	\$398,127
1556302	Bay Medical Center	\$319,155
1556545	Bell Memorial Hospital	\$35,627
1558076	Bon Secours Hospital	\$136,880
1557337	Borgess Hospital	\$646,805
4586575	Borgess-Pipp Health Center	\$0
1555350	Botsford General Hospital	\$387,454
1557963	Bronson Methodist Hospital	\$1,514,998
1764299	Bronson Vicksburg Hospital	\$0
1556625	CareLink of Jackson	\$1,663
1557936	Caro Community Hospital	\$1,428
1557678	Carson City Osteopathic Hospital	\$55,057
1558030	Central Michigan Community Hospital	\$159,413
1557598	Charlevoix Area Hospital	\$53,990
1557767	Cheboygan Memorial Hospital	\$71,722
1558129	Chelsea Community Hospital	\$8,110
1557810	Children's Hospital of Michigan	\$2,414,436
1776852	Chippewa War Memorial Hospital	\$76,607
1557702	Clinton Memorial Hospital	\$13,511
1557972	Community Health Center of Branch County	\$71,216
1556886	Community Hospital - Watervliet	\$36,288
1557838	Cottage Hospital of Grosse Pointe	\$0
1555860	Covenant Medical Center, Inc.	\$1,153,173
1558094	Crittenton Hospital	\$73,081
1557720	Detroit Receiving Hospital	\$1,331,617
1556760	Dickinson County Memorial Hospital	\$67,309
1557800	Eaton Rapids Medical Center	\$4,336
1557293	Edward W. Sparrow Hospital	\$1,301,126
1945516	Emma L. Bixby Medical Center	\$115,663
4274504	Forest Health Medical Center, Inc.	\$0
1558100	Garden City Osteopathic Hospital	\$245,595
2941988	Genesys Regional Medical Center	\$583,053
1557097	Gerber Memorial Hospital	\$66,497
2668036	Grand View Hospital	\$20,811
1556240	Gratiot Medical Center	\$96,109
1557275	Hackley Hospital	\$252,612

**Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2006 Reductions**

Provider ID	Hospital Name	Reduction
1556465	Harbor Beach Community Hospital	\$346
2806132	Harper University Hospital	\$2,162,890
1556400	Hayes Green Beach Memorial Hospital	\$39,593
1557408	Healthsource Saginaw	\$0
1557159	Helen Newberry Joy Hospital	\$3,106
1557918	Henry Ford Bi-County Community Hospital	\$123,452
1558174	Henry Ford Hospital	\$2,272,025
1892495	Henry Ford Wyandotte Hospital	\$341,161
1556080	Herrick Memorial Hospital, Inc.	\$31,513
1555806	Hills & Dales General Hospital	\$8,285
1556492	Hillsdale Community Health Center	\$66,438
1898523	Holland Community Hospital	\$199,413
1556536	Hurley Medical Center	\$1,721,365
1555833	Huron Medical Center	\$39,822
1736249	Huron Valley - Sinai Hospital	\$129,598
1555691	Ingham Regional Medical Center	\$447,635
1557758	Ionia County Memorial Hospital	\$27,371
1557220	Iron County General Hospital	\$8,683
1556877	Kalkaska Memorial Health Center	\$2,908
1555673	Kelsey Memorial Health Center	\$1,935
1556607	Keweenaw Memorial Medical Center	\$16,762
2715477	Kindred Hospital - Detroit	\$7,982
1555931	Lake View Community Hospital	\$16,432
1555548	Lakeland Hospital - St. Joseph	\$504,197
4172246	Lakeland Speciality Hospital at Berrien Center	\$0
1696161	Lakeshore Community Hospital	\$42,423
1774482	Lapeer Regional Hospital	\$137,846
1555987	Lee Memorial Hospital	\$16,750
1562631	Leelanau Memorial Health Center	\$0
4132090	LifeCare Hospitals of Western Michigan	\$0
1555851	Mackinac Straits Hospital	\$479
1555735	Marlette Community Hospital	\$6,877
1556634	Marquette General Hospital	\$408,691
1555717	McKenzie Memorial Hospital	\$16,932
1556189	McLaren Regional Medical Center	\$218,659
1556071	Mecosta County Medical Center	\$74,403
1557687	Memorial Healthcare	\$113,877
1556026	Memorial Medical Center of West Michigan	\$108,601
1556053	Mercy General Health Partners	\$324,051

**Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2006 Reductions**

Provider ID	Hospital Name	Reduction
1558737	Mercy Hospital - Cadillac	\$139,454
1555753	Mercy Hospital - Grayling	\$79,434
1557604	Mercy Hospital - Port Huron	\$44,326
1555600	Mercy Memorial Hospital	\$177,123
1557201	Metro Health Hospital (Grand Rapids)	\$733,467
1557883	Mid Michigan Medical Center-Gladwin	\$19,679
1555771	Mid Michigan Reg. Med. Ctr - Midland	\$373,752
1557640	Mid-Michigan Medical Center-Clare	\$190,962
1556035	Mt. Clemens General Hospital	\$583,694
1555520	Munising Memorial Hospital	\$1,795
1555904	Munson Medical Center	\$845,513
1557622	North Oakland Medical Center	\$526,425
1557130	North Ottawa Community Hospital	\$38,833
1557088	Northern Michigan Hospitals, Inc.	\$337,101
1557079	Oaklawn Hospital	\$65,783
1558236	Oakwood Annapolis Hospital	\$247,697
1555575	Oakwood Heritage Hospital	\$127,016
1556803	Oakwood Hospital and Medical Center	\$1,400,005
1557364	Oakwood Southshore Medical Center	\$81,395
1557186	Ontonagon Memorial Hospital	\$4,175
1557589	Otsego County Memorial Hospital	\$73,907
1557560	Paul Oliver Memorial Hospital	\$0
1557239	Pennock Hospital	\$85,451
1557696	POH Medical Center	\$193,567
1557730	Port Huron Hospital	\$314,065
1556948	Portage Health Systems	\$36,799
1557829	Providence Hospital	\$498,258
1556090	Saint Mary's Standish Community Hospital	\$15,639
4146700	SCCI Hospital - Detroit	\$0
1557248	Scheurer Hospital	\$2,708
1556984	Schoolcraft Memorial Hospital	\$923
1557346	Sheridan Community Hospital	\$2,929
1557210	Sinai-Grace Hospital	\$1,665,568
1556910	South Haven Community Hospital	\$55,149
4554160	Southeast Michigan Surgical Hospital	\$0
1556993	Spectrum Health	\$2,719,171
1556966	Spectrum Health - Kent Community Campus	\$0
1936357	Spectrum Health - Reed City Campus	\$21,778
1556895	St. Francis Hospital	\$59,017

**Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2006 Reductions**

Provider ID	Hospital Name	Reduction
1557856	St. John - North Shores Hospital	\$241
1557892	St. John Detroit Riverview Hospital	\$738,503
1556975	St. John Hospital and Medical Center	\$1,918,291
1557524	St. John Macomb Hospital	\$329,329
1557945	St. John Oakland Hospital	\$221,942
1557909	St. John River District Hospital	\$37,333
1557023	St. Joseph Mercy Hospital - Ann Arbor	\$557,006
2688558	St. Joseph Mercy Hospital & Health Services	\$223,624
2661616	St. Joseph Mercy Livingston Hospital	\$111,647
1557506	St. Joseph Mercy Oakland	\$526,487
2767938	St. Joseph Mercy Saline Hospital	\$4,777
4200538	St. Mary Mercy Hospital	\$138,230
1556518	St. Mary's Health Care (Grand Rapids)	\$561,923
1555889	St. Mary's of Michigan Medical Center (Saginaw)	\$337,576
1556447	Straith Memorial Hospital	\$0
1556410	Sturgis Memorial Hospital	\$78,212
1556133	Tawas St. Joseph Hospital	\$37,790
1556456	Three Rivers Health	\$51,014
4476733	United Community Hospital	\$2,169
1556367	United Memorial Health Center	\$65,354
1556483	University of Michigan Health System	\$3,599,717
1556349	W.A. Foote Memorial Hospital	\$330,068
1555870	West Branch Regional Medical Center	\$56,144
1556474	West Shore Medical Center	\$45,104
1556714	William Beaumont Hospital - Royal Oak	\$1,410,343
1555379	William Beaumont Hospital - Troy	\$234,355
1556572	Zeeland Community Hospital	\$25,880
		\$44,952,321

**Michigan Department of Community Health
Rehabilitation Distinct Part Rehabilitation Units and Hospitals
FY 2006 Reductions**

Provider ID	Hospital Name	Reduction
4782020	Alpena General Hospital	\$0
2778539	Bay Medical Center	\$12,609
2948737	Borgess Hospital	\$9,772
2774905	Botsford General Hospital	\$18,909
2774914	Bronson Vicksburg Hospital	\$16,240
2774923	Chelsea Community Hospital	\$2,358
2788624	Children's Hospital of Michigan	\$60,341
2885397	Community Hospital - Watervliet	\$1,950
2774932	Cottage Hospital of Grosse Pointe	\$12,827
2775368	Covenant Medical Center, Inc.	\$6,894
3136639	Crittenton Hospital	\$5,407
2775312	Edward W. Sparrow Hospital	\$15,027
2774997	Garden City Osteopathic Hospital	\$3,846
2942018	Genesys Regional Medical Center	\$6,201
2930222	Gratiot Medical Center	\$4,926
2775036	Hackley Hospital	\$4,408
2775288	Healthsource Saginaw	\$15,378
2982640	Henry Ford Bi-County Community Hospital	\$29,993
2775410	Henry Ford Wyandotte Hospital	\$16,439
2775054	Herrick Memorial Hospital, Inc.	\$0
3091976	Hurley Medical Center	\$43,839
2775072	Ingham Regional Medical Center	\$2,144
2779071	Lakeland Hospital - St. Joseph	\$7,880
3296712	Marlette Community Hospital	\$2,331
2775090	Marquette General Hospital	\$12,119
1556008	Mary Free Bed Hospital & Rehabilitation Center	\$105,376
2837934	McLaren Regional Medical Center	\$1,775
3101428	Mecosta County Medical Center	\$11,107
3314703	Memorial Healthcare	\$0
2982630	Mercy General Health Partners	\$3,765
2775205	Mercy Hospital - Port Huron	\$3,253
2775223	Metro Health Hospital (Grand Rapids)	\$2,532
2775250	Mid Michigan Reg. Med. Ctr - Midland	\$2,764
2775279	Munson Medical Center	\$12,703
2775493	North Oakland Medical Center	\$1,024
4369564	Northern Michigan Hospitals, Inc.	\$11,222
2837175	Oakland Regional Hospital	\$5,772
2783092	Oakwood Heritage Hospital	\$8,673
4227602	POH Medical Center	\$7,366

**Michigan Department of Community Health
Rehabilitation Distinct Part Rehabilitation Units and Hospitals
FY 2006 Reductions**

Provider ID	Hospital Name	Reduction
2775475	Providence Hospital	\$7,169
1557542	Rehabilitation Institute	\$210,410
3205745	Rogers City Rehabilitation Hospital	\$8,794
2776196	Sinai-Grace Hospital	\$28,640
1556779	Southwest Regional Rehabilitation Hospital	\$4,729
2775321	St. John - North Shores Hospital	\$27,396
4643582	St. John Detroit Riverview Hospital	\$5,609
2775081	St. John Macomb Hospital	\$13,624
2803776	St. Joseph Mercy Hospital - Ann Arbor	\$28,159
2775340	St. Joseph Mercy Hospital & Health Services	\$4,653
2786165	St. Joseph Mercy Oakland	\$2,043
2801931	Three Rivers Health	\$1,409
2775377	University of Michigan Health System	\$81,463
2775401	William Beaumont Hospital - Royal Oak	\$6,767
		\$920,039