

Bulletin Number: MSA 08-37

Distribution: Hospitals

Issued: August 8, 2008

Subject: Inpatient Hospital Payment Reduction

Effective: September 8, 2008

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

In order to comply with requirements outlined in its fiscal year 2008 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 123 of 2007, inpatient hospital payments will be reduced by \$45,872,360 in fiscal year 2008. The reduction will be made by gross adjustment and applied to medical/surgical hospitals, distinct part rehabilitation units and freestanding rehabilitation hospitals, beginning in September 2008.

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, 2005 to September 30, 2006 paid by June 30, 2007. The same file used to calculate the hospital Medicaid Access to Care Initiative (MACI) payments for fiscal year 2008 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 September 2008, to the hospital's 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, prominent initial "P".

Paul Reinhart, Director
Medical Services Administration

Michigan Department of Community Health
 Medical/Surgical Hospitals
 FY 2008 Reductions

NPI	Facility Name	Reduction
1295803377	Allegan General Hospital	\$33,387
1053403402	Allegiance Health	\$439,451
1619914652	Alpena General Hospital	\$132,025
1598818403	Aspirus Ontonagon Hospital	\$2,376
1558479824	Baraga County Memorial Hospital	\$11,653
1316900277	Barbara Ann Karmanos Cancer Hospital	\$287,601
1083644579	Battle Creek Health System	\$342,639
1528031226	Bay Regional Medical Center	\$276,193
1932396017	Beaumont Hospital Grosse Pointe	\$127,004
1306896477	Bell Memorial Hospital	\$34,588
1568416311	Borgess Hospital	\$702,107
1194771030	Borgess-Lee Memorial Hospital	\$14,300
1336183367	Botsford Hospital	\$403,060
1831116441	Bronson Methodist Hospital	\$1,504,690
1073568978	Caro Community Hospital	\$2,604
1336103043	Carson City Osteopathic Hospital	\$42,390
1619941317	Central Michigan Community Hospital	\$126,733
1346260692	Charlevoix Area Hospital	\$39,853
1083658140	Cheboygan Memorial Hospital	\$77,511
1992761985	Chelsea Community Hospital	\$4,290
1922068378	Children's Hospital of Michigan	\$2,984,901
1295756948	Chippewa War Memorial Hospital	\$56,392
1093809824	Clinton Memorial Hospital	\$4,442
1063471639	Community Health Center of Branch County	\$107,261
1700994845	Community Hospital - Watervliet	\$13,081
1588656946	Covenant Medical Center, Inc.	\$1,202,238
1437176203	Crittenton Hospital	\$138,406
1619095718	Deckerville Community Hospital	\$542
1801857362	Detroit Receiving Hospital	\$1,294,689
1801887013	Dickinson County Memorial Hospital	\$54,455
1417044660	Eaton Rapids Medical Center	\$3,193
1073588711	Edward W. Sparrow Hospital	\$1,395,516
1972564730	Emma L. Bixby Medical Center	\$108,146
1578550174	Garden City Osteopathic Hospital	\$250,418
1407877723	Genesys Regional Medical Center	\$582,956
1548266778	Gerber Memorial Hospital	\$70,843
1649297342	Grand View Hospital	\$22,773
1023097771	Gratiot Medical Center	\$118,339
1831132133	Hackley Hospital	\$231,137
1124089743	Harbor Beach Community Hospital	\$188
1689635526	Harper University Hospital	\$1,866,405
1942254529	Hayes Green Beach Memorial Hospital	\$29,387
1053458109	Helen Newberry Joy Hospital	\$3,546
1134144801	Henry Ford Hospital	\$2,218,099
1023114634	Henry Ford Macomb Hospital	\$321,193
1902842735	Henry Ford Macomb Hospital-Warren Campus	\$117,537
1992725352	Henry Ford Wyandotte Hospital	\$286,746
1982665642	Herrick Memorial Hospital, Inc.	\$33,821
1154367001	Hills & Dales General Hospital	\$3,713

Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2008 Reductions

NPI	Facility Name	Reduction
1730115940	Hillsdale Community Health Center	\$67,418
1871672618	Holland Community Hospital	\$193,527
1598717480	Hurley Medical Center	\$1,500,568
1518991744	Huron Medical Center	\$42,507
1578524419	Huron Valley - Sinai Hospital	\$132,393
1134104672	Ingham Regional Medical Center	\$491,525
1700820065	Ionia County Memorial Hospital	\$26,769
1497750830	Iron County Community Hospital	\$4,334
1497751309	Kalkaska Memorial Health Center	\$215
1326115569	Keweenaw Memorial Medical Center	\$15,761
1962508259	Lake View Community Hospital	\$10,009
1134220031	Lakeland Hospital - St. Joseph	\$498,638
1285662981	Lakeshore Community Hospital	\$33,805
1205824737	Lapeer Regional Hospital	\$101,423
1316968944	Mackinac Straits Hospital	\$297
1346325214	Marlette Regional Hospital	\$7,058
1417959750	Marquette General Hospital	\$341,375
1497750608	McKenzie Memorial Hospital	\$14,289
1902894512	McLaren Regional Medical Center	\$300,600
1316945991	Mecosta County Medical Center	\$66,661
1063414233	Memorial Healthcare	\$102,297
1972589489	Memorial Medical Center of West Michigan	\$106,528
1225066327	Mercy General Health Partners	\$307,923
1003908625	Mercy Hospital - Cadillac	\$92,085
1285726828	Mercy Hospital - Grayling	\$72,012
1255346961	Mercy Hospital - Port Huron	\$81,376
1811097223	Mercy Memorial Hospital	\$143,110
1619923919	Metro Health Hospital	\$632,096
1235248071	Mid Michigan Medical Center - Gladwin	\$15,991
1568414589	MidMichigan Medical Center - Clare	\$148,660
1902841414	MidMichigan Medical Center - Midland	\$328,053
1316938327	Mount Clemens Regional Medical Center	\$426,164
1417035536	Munising Memorial Hospital	\$989
1952307852	Munson Medical Center	\$790,330
1992742746	North Oakland Medical Center	\$462,314
1942379284	North Ottawa Community Hospital	\$26,462
1992812580	Northern Michigan Regional Hospital	\$331,909
1861475360	Oaklawn Hospital	\$68,591
1295785285	Oakwood Annapolis Hospital	\$246,648
1487605168	Oakwood Heritage Hospital	\$108,852
1740230119	Oakwood Hospital and Medical Center	\$1,428,826
1740230648	Oakwood Southshore Medical Center	\$112,317
1124028972	Otsego County Memorial Hospital	\$66,224
1023001146	Pennock Hospital	\$68,923
1376564088	POH Medical Center	\$179,078
1982685384	Port Huron Hospital	\$237,628
1215931068	Portage Health Hospital	\$40,028
1144210253	Providence Hospital	\$616,050
1659465094	Saint Mary's Standish Community Hospital	\$7,831

Michigan Department of Community Health
 Medical/Surgical Hospitals
 FY 2008 Reductions

NPI	Facility Name	Reduction
1437102993	Scheurer Hospital	\$4,534
1700805157	Schoolcraft Memorial Hospital	\$3,018
1689618324	Sheridan Community Hospital	\$4,442
1780645630	Sinai-Grace Hospital	\$1,424,450
1346275856	South Haven Community Hospital	\$70,335
1750501938	Southeast Michigan Surgical Hospital	\$662
1922090554	Spectrum Health	\$2,972,736
1437259843	Spectrum Health - Reed City Campus	\$9,241
1538102173	Spectrum Health United Mem - Kelsey Campus	\$1,012
1457304495	Spectrum Health United Mem - United Campus	\$68,622
1922058551	St. Francis Hospital	\$52,560
1851362586	St. John - North Shores Hospital	\$5,650
1023088168	St. John Hospital and Medical Center	\$1,681,630
1124099858	St. John Macomb-Oakland Hospital-Macomb Cer	\$1,154,097
1619941333	St. John River District Hospital	\$54,761
1780658443	St. Joseph Mercy Hospital - Ann Arbor	\$582,272
1093748642	St. Joseph Mercy Livingston Hospital	\$86,461
1053356352	St. Joseph Mercy Oakland	\$513,358
1023041670	St. Joseph Mercy Saline Hospital	\$2,128
1790706901	St. Mary Mercy Hospital	\$135,627
1639111057	St. Mary's Health Care (Grand Rapids)	\$481,291
1871507509	St. Mary's of Michigan Medical Center	\$414,018
1114924958	Sturgis Memorial Hospital	\$66,021
1194713461	Tawas St. Joseph Hospital	\$38,036
1386626075	Three Rivers Health	\$58,357
1003878539	University of Michigan Health System	\$4,038,352
1508027624	Vibra of Southeastern Michigan	\$1,717
1396732103	West Branch Regional Medical Center	\$35,560
1407949191	West Shore Medical Center	\$34,148
1689653305	William Beaumont Hospital - Royal Oak	\$1,397,638
1306825997	William Beaumont Hospital - Troy	\$214,998
1275536344	Zeeland Community Hospital	\$26,169
Total		\$44,857,186

Michigan Department of Community Health
Distinct Part Rehabilitation Units and Hospitals
FY 2008 Reductions

NPI	Facility Name	Reduction
1417994468	Alpena General Hospital	\$893
1801860218	Bay Regional Medical Center	\$1,977
1285766196	Borgess Hospital	\$9,562
1154363406	Botsford General Hospital	\$9,199
1285667931	Bronson Vicksburg Hospital	\$1,501
1245244276	Chelsea Community Hospital	\$622
1720265036	Children's Hospital of Michigan	\$76,020
1033243399	Community Hospital - Watervliet	\$1,937
1144254525	Covenant Medical Center, Inc.	\$7,253
1750435962	Crittenton Hospital	\$4,231
1477512424	Edward W. Sparrow Hospital	\$47,158
1801883996	Garden City Osteopathic Hospital	\$4,266
1164445474	Genesys Regional Medical Center	\$12,227
1508830175	Gratiot Medical Center	\$1,373
1457383572	Hackley Hospital	\$6,867
1265426704	Healthsource Saginaw	\$19,557
1033294087	Henry Ford Cottage Hospital	\$5,012
1942399829	Henry Ford Macomb Hospital	\$8,003
1811933641	Henry Ford Macomb Hospital - Warren Campus	\$16,479
1992725352	Henry Ford Wyandotte Hospital	\$25,097
1851496210	Hurley Medical Center	\$14,221
1801876818	Ingham Regional Medical Center	\$4,976
1760589956	Lakeland Hospital - St. Joseph	\$3,193
1053496935	Marlette Regional Hospital Center	\$1,974
1366493389	Marquette General Hospital	\$8,268
1730133463	Mary Free Bed Hospital & Rehabilitation Center	\$128,872
1902894512	McLaren Regional Medical Center	\$2,151
1285683383	Mecosta County Medical Center	\$5,720
1205923414	Memorial Healthcare	\$648
1467496711	Mercy General Health Partners	\$4,731
1326135179	Mercy Hospital - Port Huron	\$397
1346253135	MidMichigan Medical Center - Midland	\$1,869
1952307852	Munson Medical Center	\$25,299
1619037868	North Oakland Medical Center	\$4,494
1942370754	Northern Michigan Regional Hospital	\$2,632
1225088966	Oakwood Heritage Hospital	\$10,516
1376564088	POH Medical Center	\$1,445
1255316584	Providence Hospital	\$7,864
1245293117	Rehabilitation Institute	\$320,151
1487654547	Rogers City Rehabilitation Hospital	\$6,320
1780645630	Sinai-Grace Hospital	\$17,444
1043229560	Southwest Regional Rehabilitation Hospital	\$13,017
1801866942	St. John - North Shores Hospital	\$22,230
1033180765	St. John Macomb-Oakland Hospital-Macomb Center	\$21,877
1497801518	St. Joseph Mercy Hospital - Ann Arbor	\$23,758
1467481713	St. Joseph Mercy Oakland	\$4,020
1245347343	Three Rivers Health	\$10,520
1891757944	University of Michigan Health System	\$74,764
1689653305	William Beaumont Hospital - Royal Oak	\$12,569
Total		\$1,015,174