

Bulletin: MSA 09-44

Distribution: Hospitals

Issued: July 24, 2009

Subject: Inpatient Hospital Payment Reduction

Effective: August 24, 2009

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

In order to comply with requirements outlined in its fiscal year 2009 legislative appropriation, the Michigan Department of Community Health is implementing the inpatient hospital payment reductions described below.

Pursuant to the Governor's Executive Orders (EO) 2001-09, 2002-22, and 2005-07, and Public Act 246 of 2008, inpatient hospital payments will be reduced by \$45,872,360 in fiscal year 2009. 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 2009.

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, 2006 to September 30, 2007, paid by June 30, 2008. The same file used to calculate the hospital Medicaid Access to Care Initiative (MACI) payments for fiscal year 2009 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 2009, 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 "Stephen Fitton". The signature is written in a cursive style with a small dot above the letter 'i' in "Fitton".

Stephen Fitton, Acting Director
Medical Services Administration

Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2009 Reductions

Med Surg NPI	Facility Name	Reduction Amount
1295803377	Allegan General Hospital	\$30,070
1053403402	Allegiance Health	\$396,009
1619914652	Alpena General Hospital	\$137,734
1326115569	Aspirus Keweenaw Hospital	\$12,354
1598818403	Aspirus Ontonagon Hospital	\$1,761
1558479824	Baraga County Memorial Hospital	\$8,635
1316900277	Barbara Ann Karmanos Cancer Hospital	\$391,669
1083644579	Battle Creek Health System	\$398,319
1528031226	Bay Regional Medical Center	\$279,328
1932396017	Beaumont Hospital Grosse Pointe	\$134,069
1306896477	Bell Memorial Hospital	\$31,621
1568416311	Borgess Hospital	\$771,240
1154504892	Borgess Pipp Hospital	\$2,489
1194771030	Borgess-Lee Memorial Hospital	\$10,555
1336183367	Botsford Hospital	\$403,839
1962508259	Bronson Lake View Hospital	\$9,948
1831116441	Bronson Methodist Hospital	\$1,450,925
1073568978	Caro Community Hospital	\$2,283
1336103043	Carson City Osteopathic Hospital	\$36,418
1619941317	Central Michigan Community Hospital	\$104,078
1346260692	Charlevoix Area Hospital	\$40,777
1083658140	Cheboygan Memorial Hospital	\$79,904
1992761985	Chelsea Community Hospital	\$6,498
1922068378	Children's Hospital of Michigan	\$3,378,602
1295756948	Chippewa War Memorial Hospital	\$56,071
1093809824	Clinton Memorial Hospital	\$2,242
1063471639	Community Health Center of Branch County	\$102,597
1700994845	Community Hospital - Watervliet	\$10,599
1588656946	Covenant Medical Center, Inc.	\$1,132,509
1437176203	Crittenton Hospital	\$94,873
1619095718	Deckerville Community Hospital	\$438
1801857362	Detroit Receiving Hospital	\$1,363,537
1801887013	Dickinson County Memorial Hospital	\$47,774
1619125788	Doctors' Hospital of Michigan	\$314,195
1417044660	Eaton Rapids Medical Center	\$3,589
1073588711	Edward W. Sparrow Hospital	\$1,264,124
1972564730	Emma L. Bixby Medical Center	\$84,507
1578550174	Garden City Osteopathic Hospital	\$238,470
1407877723	Genesys Regional Medical Center	\$557,047
1548266778	Gerber Memorial Hospital	\$61,827
1649297342	Grand View Hospital	\$18,996
1023097771	Gratiot Medical Center	\$125,782
1124089743	Harbor Beach Community Hospital	\$391
1689635526	Harper University Hospital	\$1,719,827
1942254529	Hayes Green Beach Memorial Hospital	\$25,868
1497742050	Helen Newberry Joy Hospital	\$3,605
1134144801	Henry Ford Hospital	\$1,955,230
1023114634	Henry Ford Macomb Hospital	\$315,494
1902842735	Henry Ford Macomb Hospital-Warren Campus	\$128,847
1992725352	Henry Ford Wyandotte Hospital	\$326,524
1982665642	Herrick Memorial Hospital, Inc.	\$30,834
1154367001	Hills & Dales General Hospital	\$3,957
1730115940	Hillsdale Community Health Center	\$79,593
1871672618	Holland Community Hospital	\$234,547

Michigan Department of Community Health
Medical/Surgical Hospitals
FY 2009 Reductions

Med Surg NPI	Facility Name	Reduction Amount
1598717480	Hurley Medical Center	\$1,561,847
1518991744	Huron Medical Center	\$34,268
1578524419	Huron Valley - Sinai Hospital	\$137,643
1134104672	Ingham Regional Medical Center	\$392,185
1700820065	Ionia County Memorial Hospital	\$4,730
1497750830	Iron County Community Hospital	\$7,120
1497751309	Kalkaska Memorial Health Center	\$484
1134220031	Lakeland Hospital - St. Joseph	\$400,452
1205824737	Lapeer Regional Hospital	\$103,749
1124283502	Mackinac Straits Hospital	\$1,389
1346325214	Marlette Regional Hospital	\$5,883
1417959750	Marquette General Hospital	\$358,574
1497750608	McKenzie Memorial Hospital	\$14,730
1902894512	McLaren Regional Medical Center	\$286,321
1316945991	Mecosta County Medical Center	\$51,374
1063414233	Memorial Healthcare	\$78,782
1972589489	Memorial Medical Center of West Michigan	\$91,774
1225066327	Mercy General Health Partners	\$288,260
1831132133	Mercy Health Partners - Hackley Campus	\$207,130
1285662981	Mercy Health Partners - Lakeshore Campus	\$25,272
1003908625	Mercy Hospital - Cadillac	\$87,327
1285726828	Mercy Hospital - Grayling	\$67,666
1811097223	Mercy Memorial Hospital	\$137,449
1619923919	Metro Health Hospital	\$664,154
1568414589	MidMichigan Medical Center - Clare	\$122,614
1235248071	MidMichigan Medical Center - Gladwin	\$12,796
1902841414	MidMichigan Medical Center - Midland	\$365,300
1316938327	Mount Clemens Regional Medical Center	\$356,492
1417035536	Munising Memorial Hospital	\$222
1952307852	Munson Medical Center	\$694,749
1942379284	North Ottawa Community Hospital	\$34,808
1992812580	Northern Michigan Regional Hospital	\$328,179
1861475360	Oaklawn Hospital	\$63,594
1295785285	Oakwood Annapolis Hospital	\$293,215
1487605168	Oakwood Heritage Hospital	\$120,406
1740230119	Oakwood Hospital and Medical Center	\$1,283,166
1740230648	Oakwood Southshore Medical Center	\$150,600
1124028972	Otsego County Memorial Hospital	\$58,027
1023001146	Pennock Hospital	\$71,597
1376564088	POH Medical Center	\$123,068
1982685384	Port Huron Hospital	\$223,742
1215931068	Portage Health Hospital	\$41,162
1144210253	Providence Hospital	\$661,606
1659465094	Saint Mary's Standish Community Hospital	\$4,415
1437102993	Scheurer Hospital	\$2,207
1700805157	Schoolcraft Memorial Hospital	\$3,760
1689618324	Sheridan Community Hospital	\$2,439
1780645630	Sinai-Grace Hospital	\$1,432,812
1346275856	South Haven Community Hospital	\$68,027
1750501938	Southeast Michigan Surgical Hospital	\$1,913
1922090554	Spectrum Health	\$3,807,734
1437259843	Spectrum Health - Reed City Campus	\$10,669
1538102173	Spectrum Health United Memorial - Kelsey Campus	\$214
1457304495	Spectrum Health United Memorial - United Campus	\$52,753

Michigan Department of Community Health
 Medical/Surgical Hospitals
 FY 2009 Reductions

Med Surg NPI	Facility Name	Reduction Amount
1922058551	St. Francis Hospital	\$48,611
1851362586	St. John - North Shores Hospital	\$2,782
1023088168	St. John Hospital and Medical Center	\$1,810,411
1124099858	St. John Macomb-Oakland Hospital-Macomb Center	\$879,241
1619941333	St. John River District Hospital	\$53,809
1780658443	St. Joseph Mercy Hospital - Ann Arbor	\$563,045
1093748642	St. Joseph Mercy Livingston Hospital	\$96,303
1053356352	St. Joseph Mercy Oakland	\$586,140
1255346961	St. Joseph Mercy Port Huron	\$51,059
1023041670	St. Joseph Mercy Saline Hospital	\$710
1790706901	St. Mary Mercy Hospital	\$130,954
1639111057	St. Mary's Health Care (Grand Rapids)	\$565,440
1871507509	St. Mary's of Michigan Medical Center	\$341,363
1114924958	Sturgis Memorial Hospital	\$65,454
1194713461	Tawas St. Joseph Hospital	\$36,992
1386626075	Three Rivers Health	\$49,795
1003878539	University of Michigan Health System	\$4,293,693
1508027624	Vibra of Southeastern Michigan	\$11,674
1396732103	West Branch Regional Medical Center	\$43,265
1407949191	West Shore Medical Center	\$31,511
1689653305	William Beaumont Hospital - Royal Oak	\$1,241,348
1306825997	William Beaumont Hospital - Troy	\$254,495
1275536344	Zeeland Community Hospital	\$20,119
Total		\$45,002,082

Michigan Department of Community Health
Distinct Part Rehabilitation Units and Hospitals
FY 2009 Reductions

Rehab NPI	Facility Name	Reduction Amount
1417994468	Alpena General Hospital	\$1,763
1801860218	Bay Regional Medical Center	\$4,807
1285766196	Borgess Hospital	\$5,387
1154363406	Botsford Hospital	\$5,248
1245244276	Chelsea Community Hospital	\$497
1720265036	Children's Hospital of Michigan	\$87,127
1033243399	Community Hospital - Watervliet	\$3,177
1144254525	Covenant Medical Center, Inc.	\$14,484
1750435962	Crittenton Hospital	\$2,518
1841449311	Doctors' Hospital of Michigan	\$1,702
1477512424	Edward W. Sparrow Hospital	\$23,545
1801883996	Garden City Osteopathic Hospital	\$9,286
1164445474	Genesys Regional Medical Center	\$15,217
1508830175	Gratiot Medical Center	\$2,448
1265426704	Healthsource Saginaw	\$13,995
1629233226	Henry Ford Cottage Hospital	\$5,804
1942399829	Henry Ford Macomb Hospital	\$6,172
1811933641	Henry Ford Macomb Hospital-Warren Campus	\$12,520
1992725352	Henry Ford Wyandotte Hospital	\$8,436
1851496210	Hurley Medical Center	\$13,114
1801876818	Ingham Regional Medical Center	\$3,654
1760589956	Lakeland Hospital - St. Joseph	\$5,695
1366493389	Marquette General Hospital	\$1,698
1730133463	Mary Free Bed Hospital & Rehabilitation Center	\$114,335
1902894512	McLaren Regional Medical Center	\$11,341
1285683383	Mecosta County Medical Center	\$1,736
1205923414	Memorial Healthcare	\$2,726
1467496711	Mercy General Health Partners	\$1,858
1457383572	Mercy Health Partners - Hackley Campus	\$8,292
1427091636	Metro Health Hospital	\$2,509
1346253135	MidMichigan Medical Center - Midland	\$2,528
1952307852	Munson Medical Center	\$14,263
1942370754	Northern Michigan Regional Hospital	\$6,038
1225088966	Oakwood Heritage Hospital	\$14,081
1376564088	POH Medical Center	\$2,796
1255316584	Providence Hospital	\$6,318
1245293117	Rehabilitation Institute	\$248,897
1487654547	Rogers City Rehabilitation Hospital	\$3,148
1801853767	Sinai-Grace Hospital	\$14,443
1043229560	Southwest Regional Rehabilitation Hospital	\$25,028
1801866942	St. John - North Shores Hospital	\$9,785
1033180765	St. John Macomb-Oakland Hospital-Macomb Center	\$19,194
1497801518	St. Joseph Mercy Hospital - Ann Arbor	\$18,018
1467481713	St. Joseph Mercy Oakland	\$1,013
1245347343	Three Rivers Health	\$758
1891757944	University of Michigan Health System	\$74,569
1215916812	William Beaumont Hospital - Royal Oak	\$18,310
	Total	\$870,278