



HFS

**Illinois Department of
Healthcare and Family Services**

JB Pritzker, Governor
Elizabeth M. Whitehorn, Director

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September 27, 2024

KINDRED HOSPITAL CHICAGO

Attn: Chief Executive Officer
4058 W. Melrose Avenue
Northlake IL 60641

Dear Chief Executive Officer,

The annual determination for the disproportionate share hospital (DSH), Medicaid Percentage Adjustment (MPA) and the Medicaid High Volume Adjustment (MHVA) programs has been finalized for rate year 2025. The DSH rates are effective October 1, 2024 – September 30, 2025. In accordance with 89 Administrative Code, section 148.122(g), The MPA and MHVA rates will be effective January 1, 2025 through December 31, 2025.

Attached are the eligibility criteria and detailed calculations for the DSH, MPA and MHVA programs for rate year 2025 for your facility, in accordance with Sections 148.112, 148.120, and 148.122 of the *89 Illinois Administrative Code*.

Appeals must be made in writing in accordance with Sections 148.310(b) and (f) of the 89 Illinois Administrative Code. All appeals must be made no later than thirty (30) days from the date of this letter. For rate year 2025, appeals must be received or postmarked no later than Monday, October 30, 2024. The Department will not accept hospital logs as supporting documentation for appeals.

Direct all supporting documentation to:
Illinois Department of Healthcare and Family Services
Bureau of Rate Development and Analysis, DSH Unit
ATTN: Candace Flatt
201 South Grand Avenue East, 2nd Floor
Springfield, Illinois 62763-0001
Email: HFS.Hospitals@illinois.gov

If you have questions regarding this determination, please contact the Bureau of Rate Development and Analysis at 217-785-0710.

Please provide a copy of this letter to your CFO and Patient Accounts Manager.

Sincerely,

Kathleen Staley

Chief

Bureau of Rate Development and Analysis

Illinois Department of Healthcare and Family Services

**DISPROPORTIONATE SHARE (DSH), MEDICAID HIGH VOLUME (MHVA), AND MEDICAID PERCENTAGE
ADJUSTMENT (MPA) DETERMINATION for Rate Year 2025**
DSH CRITERIA

- 1) Have a Medicaid inpatient utilization rate (MIUR) of at least the statewide mean plus one standard deviation;
- 2) Have a low income utilization rate of at least 25%;

MPA & MHVA CRITERIA

- 1) Have a Medicaid inpatient utilization rate (MIUR) of at least the statewide mean plus one-half standard deviation;
- 2) Have a low income utilization rate (LIUR) of at least 25% and had an LIUR of 25% for rate year 2014;
- 3) Be an Illinois hospital, that on July 1, 1991, had a MUR of at least the mean and was located in a planning area with one-third or fewer excess beds, and that as of June 30, 1992, was located in a Health Professional Shortage area;
- 4) Be an Illinois hospital that has a MUR of at least the statewide mean and a Medicaid obstetrical inpatient utilization rate of at least the mean plus one standard deviation;
- 5) Be a hospital devoted exclusively to caring for children; or
- 6) Be an out-of-state hospital meeting the federal definition of a DSH hospital.

Your hospital qualifies for Disproportionate Share under criteria:

Your hospital qualifies for Medicaid Percentage Adjustment and Medicaid High Volume under criteria:

1, 2

YOUR HOSPITAL'S 2025 MEDICAID INPATIENT UTILIZATION RATE CALCULATION

Medicaid Routine Days:	1,929	Total Hospital Routine Days:	32,487
Medicaid ICU Days:	0	Total Hospital ICU Days:	0
Medicaid Nursery Days:	0	Total Hospital Nursery Days:	0
Medicaid Psychiatric Days:	307	Total Hospital Psychiatric Days:	5,538
Medicaid Rehabilitation Days	0	Total Hospital Rehabilitation Days:	0
Total Meded Days from Cost Report	<u>2,236</u>		
Medicaid Out-of-State Days:	0		
Medicaid HMO Days:	14,851		
Medicaid DASA Days:			
Medicaid Denied Days:			
Medicaid Inappropriate Level of Care Days:			
Medicaid/Medicare Crossover Days:	<u>3,626</u>		
Total Medicaid Days from Other Sources:	<u>18,477</u>		
TOTAL MEDICAID INPATIENT DAYS	<u>20,713</u>	TOTAL HOSPITAL INPATIENT DAYS:	<u>38,025</u>
YOUR HOSPITAL'S RY25 MEDICAID INPATIENT UTILIZATION RATE			<u>54.47%</u>

Your hospital's <u>state</u> fiscal year 2022 total Medicaid obstetrical days:	0
Your hospital's <u>state</u> fiscal year 2022 total Medicaid days:	14,594
Your hospital's obstetrical inpatient utilization rate:	0.00%
Your hospital's low income utilization rate:	68.34%
Illinois' total Medicaid inpatient utilization days:	2,307,005
Illinois' total hospital inpatient days:	7,001,869
Illinois' statewide mean Medicaid inpatient utilization rate:	32.95%
One-half of a standard deviation above the statewide mean Medicaid inpatient utilization rate:	41.94%

KINDRED HOSPITAL CHICAGO

NORTHLAKE

**DISPROPORTIONATE SHARE ADJUSTMENT (DSH)
CALCULATION For Rate Year 2025 (October 1, 2024 - September 30, 2025)**

1) Statewide mean plus one standard deviation:	50.94%
2) Hospital Medicaid Inpatient Utilization Rate (MIUR):	54.47%
3) Amount over the mean plus one standard deviation {Line 2 / Line 1}:	1.07
4) Aggregate value of the amounts over the mean plus one standard deviation:	54.44
5) Proportional Value {Line 3 / Line 4}:	1.96%
6) Your hospital's estimated rate year 2025 utilization:	14,769
7) Total estimated rate year 2025 utilization for all hospitals whose Medicaid percentage is greater than one standard deviation above the mean:	975,519
8) Your hospital's weighted days {Line 5 * Line 6}:	290
9) Total of all weighted days:	13,797
10) Your hospital's percent weighted days {Line 8 / Line 9}:	0.02
11) Estimated spending of \$5.00 per day to eligible hospitals {Line 7 * \$5.00}:	\$4,877,595
12) Estimated pool for eligible hospitals {\$5,000,000 - Line 11}:	\$122,405
13) Federal DSH add-on per day {(Line 10 * Line 12) / Line 6} + \$5.00}:	\$ 0.00
14) Federal DSH add-on per day after OBRA calculation*	\$ 0.00

* If line 14 is less than line 13, your facility qualifies for Disproportionate Share status in accordance with 89 IL Adm. Code 148.120. Projected payments from the Department indicate payments to the facility will exceed your cost of services for those receiving medical assistance or having no health insurance. Disproportionate Share Funds will be reduced pursuant to section 1923(g) of the Social Security Act, to be in compliance with sections 1923(c) of that Act. Disproportionate Share rate will be reduced to \$0.00.

MEDICAID PERCENTAGE ADJUSTMENT (MPA) AND MEDICAID HIGH VOLUME (MHVA) CALCULATION For Rate Year 2025 (January 1, 2025 - December 31, 2025)

1) Illinois mean Medicaid inpatient utilization rate:	32.95%
2) One-half a standard deviation above the mean Medicaid inpatient utilization rate:	41.94%
3) One standard deviation above the mean Medicaid inpatient utilization rate:	50.94%
4) One and one-half standard deviations above the mean Medicaid inpatient utilization rate:	59.93%
5) Your hospital's Medicaid inpatient utilization rate:	54.47%

Medicaid Percentage Adjustment

6) Medicaid MPA add-on per day **:	\$ 64.73
7) Medicaid MPA add-on per day capped:	\$ 64.73
8) Medicaid MPA add-on per day inflated by the lesser of the percent change in the statewide average payment rate or the DRI ***	\$ 171.98

** MIUR=Medicaid Inpatient Utilization Rate	MPA Add-On (Children’s hospital rates are multiplied by 2)
MIUR is < 32.95	\$25.00
MIUR is >= 32.95 but < 50.94	\$25.00 Plus \$1.00 for every percent over 32.95
MIUR is >= 50.94 but < 59.93	\$40.00 Plus \$7.00 for every percent over 50.94
MIUR is >= 59.93	\$90.00 Plus \$2.00 for every percent over 59.93

*** DRI = 2.657

MEDICAID HIGH VOLUME INPATIENT PAYMENT ADJUSTMENT

1) Medicaid high volume adjustment (MHVA) per day:	\$ 60.00
2) MHVA per day inflated from 1993 to 2022 by lesser of the percent change in the statewide average payment rate or the DRI	\$ 159.41

PLEASE NOTE: Calculations may vary due to rounding and line 5 has been adjusted accordingly for out-of-state hospitals.