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Memorandum

TO: Chief Financial Officers at IHA and MCHC Member Hospitals

SUBJECT: Use of Title XIX and XXI Days in DSH Calculation

Since last summer, IHA and MCHC have been working together with the Centers for Medicare and Medicaid Services (CMS) and the Illinois Department of Healthcare and Family Services (HFS) to clarify which Medicaid days can be included in the Medicare disproportionate share calculation. We communicated CMS' position on which Title XXI program days are allowable and not allowable in this calculation in a jointly issued memorandum on February 27, 2007. Click this link for the memorandum: <http://www.ihatoday.org/membership/dsh/dshcal.pdf>.

HFS has generated new paid claims listings for Illinois hospitals that identify the Title XXI days that can be used in the Medicare DSH calculation. Claims that are not included in the state paid claims listings may be eligible for inclusion in the DSH calculation if the hospital can demonstrate the days are payable under one of the allowable Title XXI programs. HFS is working to update the MEDI system to display enhanced eligibility information to assist hospitals with this process since the current MEDI information, including that reported by REV vendors, is not sufficiently detailed to be accepted by the Medicare fiscal intermediaries.

Until the MEDI system is updated, HFS has agreed to assist hospitals assemble the documentation they need. HFS has developed the [attached template](#) and instructions to facilitate individual hospital requests for eligibility information for claims that do not appear on the state paid claims listing. Please note that Medicaid eligibility **must first** be verified by the hospital via the Department's MEDI system or an approved REV vendor prior to adding the recipient to the template. Please carefully follow the instructions for password protection of the file, the email subject line, and template submission to HFS. HFS will process requests within ten business days and provide the appropriate documentation for those Title XXI days that can be used in the Medicare DSH calculation. If you have any questions, please contact the HFS's Bureau of Rate Development and Analysis at 217-785-0710.

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