



CRC Memorandum

No. 1069

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Third in a series of papers on *Public Policy Issues in the Financing of Michigan Hospitals*

MICHIGAN HOSPITALS AND STATE ADMINISTERED FEDERAL HEALTH INSURANCE PROGRAMS: PAYMENTS AND PARTICIPATION

In Brief

- Michigan hospitals received \$1,178.7 million in payments from the State of Michigan in Fiscal Year 2000 for the Medicaid, Maternal and Child Health, and MICHild programs, including \$45.0 million in ongoing and \$20.1 million in one-time Medicaid disproportionate share payments. Medicaid payments alone were \$1,174.5 million or 99.6 percent of the total.
- Total hospital payments from all sources during this period were \$13,115.8 million so that state payments represented 9.0 percent of the total, while Medicaid days were 13.5 percent of hospital days statewide.
- Hospital costs associated with state administered programs were \$1,315.0 million. Payments of \$1,113.6 million were \$201.4 million less than aggregate costs without disproportionate share hospital payments and \$136.3 million less including them.
- For all hospitals included in this Memorandum, fee for service Medicaid payments were \$67.7 million less than costs while individual hospitals ranged from a positive \$8.3 to a negative \$6.2 million excluding DSH payments.
- Medicaid managed care payments for hospital services were \$127.0 million less than costs while individual hospitals differences ranged from a positive \$2.1 million to negative \$21.2 million excluding DSH payments.
- Among individual hospitals included in this Memorandum, the percent of hospital days of care provided to Medicaid eligible persons ranged from 69.5 percent to 0 percent and Medicaid payments as a percent of payment from all sources ranged from 60.5 percent to -3.8 percent.
- There appears to be little relationship between the percentage of Medicaid days and the surplus or deficit of hospitals.
- In 2000, Medicaid represented 13.5 percent of hospital days statewide. This ranged from 9.6 percent to 16.2 percent among health system areas. Hospitals in the City of Detroit are at 27.4 percent and the remaining hospitals in the southeast area are at 7.9 percent.

Throughout this Memorandum, the term “payment” is used to reflect money received by hospitals, not money paid out by hospitals. See Glossary on page 15 for definitions of other terms.

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HIGHLIGHTS OF PRIOR PAPERS

This paper, third in a series, discusses state payments to Michigan hospitals for state administered health insurance programs. Previous papers in the series have documented hospital finances (CRC Memorandum 1060, June 2002) and the ways in which health insurance coverage and uninsured/uncompensated care effect hospital finances (CRC Memorandum 1061, June 2002). The following are highlights from these previously published papers that can be accessed at www.crcmich.org/PUBLICAT/2000s/2002LIST.HTM.

MICHIGAN HOSPITAL FINANCES

- Michigan hospitals taken together showed revenues from all sources exceeding expenses resulting in surpluses of \$863.0 million in 1998 and \$635.4 million in 2000 (6.3 percent of net patient revenues for 1998 and 4.5 percent in 2000). Of the 150 hospitals covered in this report, 65 showed a surplus in net income from patient care in 1998 while 45 did so in 2000.
- Financial results for individual hospitals ranged from surpluses of \$173.0 million (1998) and \$318.0 million (2000) to deficits of \$91.1 million (2000) and \$72.5 million (1998).
- By and large, reimbursements for inpatient and outpatient care do not cover the costs of providing that care.
- With the addition of income from other sources, including contributions and investments, 119 of the 150 hospitals showed surpluses in 1998 and 101 in 2000.
- All health systems areas experienced overall surpluses in each year in the aggregate.
- The City of Detroit health sub-area of the southeast area, showed deficits each year (\$18.2 million in 1998 and \$55.9 million in 2000).

HEALTH INSURANCE COVERAGE AND UNINSURED/ UNCOMPENSATED CARE IN MICHIGAN HOSPITALS

- The percent of Michigan residents without health insurance (including both private and governmental) for an entire year has been below the national average every year since 1987 with the greatest difference in 1988 (5.5 percent in Michigan vs. 12.2 percent U.S.) and the least difference in 1998 (15.1 percent vs. 11.5 percent).
- The highest percentage of uninsured occurred in 1998 near the height of the 1990's economic boom.
- The number of Michigan residents without health insurance decreased each year from 1998 through 2000.
- In 2000, 72.7 percent of those with insurance in Michigan were covered through an employer-based plan compared with 64.1 percent nationwide.
- Michigan hospitals reported charges of \$1.1 billion for uninsured and uncompensated care in 2000 with associated costs of \$456.2 million after accounting for recoveries, offsets and private payment receipts.
- Of the 150 hospitals, 129 showed losses from uninsured and uncompensated care in amounts ranging from \$48.6 million to \$1,967 million. Ten hospitals reported no cost and 12 hospitals showed positive income as receipts exceeded costs.

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Charges, Costs and Payments for State of Michigan Administered Federal Health Insurance Programs

Table 1 shows the amounts charged by Michigan hospitals for inpatient and outpatient care provided for persons eligible for the Medicaid, Maternal and Child Health, and MICHild programs in 2000. It also includes the costs of those services and the amounts paid by the state against those charges and costs. Because of the way Medicaid disproportionate share hospital (DSH)

payments are defined, there are conflicting views as to whether charges and costs associated with them are or are not included in hospital charge and cost data. **Table 1** reflects the view that DSH related costs are not included in the cost data and the \$65.1 million paid through the DSH reimbursement system is not included in data comparing charges, costs and payments but is

shown at the bottom of the table. If DSH costs are viewed to be included in cost data, the \$194.7 million Medicaid subtotal shortfall of payments to costs is reduced by \$65.1 million to \$129.6 million.

Individual hospital DSH payments are included in data showing total payments from the state in **Table 2**.

Table 1
Michigan Hospitals Charges, Costs and Payments for Services to Persons
Eligible for State Administered Federal Insurance Programs
Fiscal Year Ending September 30, 2000

<u>Category:</u>	<u>Charges</u>	<u>Costs</u>	<u>Payments</u>	<u>Difference Cost To Charges</u>	<u>Difference Cost To Payments</u>
Medicaid:					
Fee for service:					
Inpatient & Outpatient	\$1,183,617,208	\$ 630,200,605	\$ 492,551,366	\$ (553,416,603)	
Less MIP Adjustments	<u>0</u>	<u>0</u>	<u>(18,454,523)</u>		
Final Inpatient & Outpatient	\$1,183,617,208	\$ 630,200,605	\$ 474,096,843	\$ (553,416,603)	\$(156,103,762)
Graduate Medical Education	<u>Included Above</u>	<u>Included Above</u>	<u>88,428,417</u>		<u>88,428,417</u>
Subtotal - Medicaid FFS	\$1,183,617,208	\$ 630,200,605	\$ 562,525,260	\$ (553,416,603)	\$ (67,675,345)
Managed Care Organizations:					
Payments for Hospital Care	\$1,201,131,785	\$ 673,867,564	\$ 460,845,425	\$ (527,264,221)	\$(213,022,139)
Graduate Medical Education	<u>Included Above</u>	<u>Included Above</u>	<u>86,000,792</u>		<u>86,000,792</u>
Subtotal - Medicaid MCO	\$1,201,131,785	\$ 673,867,564	\$ 546,846,217	\$ (527,264,221)	\$(127,021,347)
Subtotal Medicaid	\$2,384,748,993	\$1,304,068,169	\$1,109,371,477	\$(1,080,680,824)	\$(194,696,692)
Maternal and Child Health:					
Fee for service	\$ 14,208,426	\$ 9,620,837	\$ 3,476,338	\$ (4,587,589)	\$ (6,125,436)
Managed Care	<u>1,867,922</u>	<u>1,306,618</u>	<u>760,806</u>	<u>(561,304)</u>	<u>(545,812)</u>
Subtotal - M&CH	\$ 16,076,348	\$ 10,927,455	\$ 4,237,144	\$ (5,148,893)	\$ (6,671,248)
MICHild	\$ 27,687	\$ 19,103	\$9,289	\$ (8,584)	\$ (9,814)
Total	\$2,400,853,028	\$1,315,014,727	\$1,113,617,910	\$(1,085,838,301)	\$(201,377,754)
Disproportionate Share:					
Fee for service			\$ 31,120,526		
Managed Care			<u>33,960,567</u>		
Subtotal - Disproportionate Share			\$ 65,081,093		
Total			<u>\$1,178,699,003</u>		

NOTES: Does not include data for psychiatric hospitals (6) and 14 other hospitals without complete data for both 1998 and 2000.

Hospital Fiscal Year Ends 10/1/99 - 9/30/00

Source: Indigent Volume Reports filed with the Michigan Department of Community Health

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Payments to Hospitals

Michigan hospitals showed total net patient revenue from all sources of \$14.3 billion in Fiscal Year 2000 (See CRC Memorandum 1060, June 2, 2002. Payments for the period were \$13.1 billion so that growth in accounts receivable and other factors resulted in a \$1.2 billion gap between income recorded and income received.

Hospital payments for state administered federal programs are made in 5 ways: fees for service (FFS); managed

care organization (MCO); graduate medical education (GME); primary care pool (PCP); and, disproportionate share hospital (DSH) payments. Additionally, many hospitals participate in the Medicaid Interim Payment (MIP) program. Eligible hospitals receive fee for service payments based on experience rather than individual billings. This permits hospitals time to fully complete medical record and other data on the Medicaid invoice without a corresponding wait for payment. Quarterly adjustments can be

made to the MIP amount when indicated. At the end of each year, individual invoice billings and MIP payment amounts are reconciled and adjustments are processed.

Table 2 shows Fiscal Year 2000 total payments to hospitals from all sources and payments from the State of Michigan for programs it administers. Hospitals are ranked from the highest percent of state payments to the lowest. Of the top 10 hospitals, 8 are located in the City of Detroit.

Table 2
Hospital Payments from State Administered
Federal Health Insurance Programs
Fiscal Year Ending September 30, 2000

Hospital Name in 2000	Total Hospital Payments All Sources	Payments for State/Federal Programs	MIP Adjustments	GME & Primary Pool	Payments After MIP GME & Primary Pool	DSH	Total Payments Including DSH	Total State Payments as a Percent of All Sources of Payment
1 Children's Hospital of Michigan	\$ 152,317,589	\$ 56,164,711	\$ -1,993,173	\$ 23,919,076	\$ 78,090,614	\$ 13,995,156	\$ 92,085,770	60.5%
2 Detroit Riverview Hospital	99,519,582	40,453,852	-1,705,518	2,287,296	41,035,630	3,855,755	44,891,385	45.1%
3 Detroit Receiving Hospital	150,381,707	37,124,755	-4,639,032	10,579,023	43,064,746	7,129,872	50,194,618	33.4%
4 Hurley Medical Center	208,902,968	51,958,113	1,013,953	7,526,369	60,498,435	3,778,687	64,277,122	30.8%
5 Sinai-Grace Hospital	273,901,101	60,170,305	-6106718	12,206,225	66,269,812	3,154,153	69,423,965	25.3%
6 Harper University Hospital	418,918,228	60,484,587	1486469	19,024,188	80,995,244	11,438,857	92,434,101	22.1%
7 St. John Northeast Community Hospital	58,432,119	9,374,995	323,116	0	9,698,111	1,177,976	10,876,087	18.6%
8 Rehabilitation Institute	39,872,517	5,485,376	-473,018	490,765	5,503,123	298,321	5,801,444	14.5%
9 Mercy Hospital, Detroit	40,167,957	5,747,556	0	0	5,747,556	0	5,747,556	14.3%
10 Bronson Methodist Hospital	187,402,341	17,793,340	1,636,135	2,724,157	22,153,632	464,466	22,618,098	12.1%
11 Spectrum Health - Butterworth Campus	313,883,174	28,935,105	1,254,843	6,975,775	37,165,723	605,185	37,770,908	12.0%
12 St. John Hospital	335,429,451	38,070,531	-2,669,601	3,949,027	39,349,957	391,645	39,741,602	11.8%
13 Community Hospital, Watervliet	16,792,132	1,878,857	0	0	1,878,857	107,584	1,986,441	11.8%
14 Pontiac Osteopathic Hospital	80,951,003	6,717,206	406,247	2,107,177	9,230,630	204,767	9,435,397	11.7%
15 North Oakland Medical Center	103,249,873	9,974,120	-288,977	1,669,426	11,354,569	172,185	11,526,754	11.2%
16 Healthsource Saginaw	7,770,235	720,138	30,232	0	750,370	95,859	846,229	10.9%
17 Edward W. Sparrow Hospital	326,015,314	28,555,051	-801,371	4,795,361	32,549,041	443,340	32,992,381	10.1%
18 Hackley Hospital	93,006,798	8,445,364	684,365	0	9,129,729	66,644	9,196,373	9.9%
19 Community Health Center	25,759,553	2,161,004	-19,058	157,857	2,299,803	158,241	2,458,044	9.5%
20 Mercy Hospital, Cadillac	35,718,871	3,449,120	-243,251	0	3,205,869	195,734	3,401,603	9.5%
21 University Health System	811,841,900	51,292,658	-1,448,808	26,632,305	76,476,155	547,253	77,023,408	9.5%
22 Henry Ford Hospital	570,071,876	39,032,986	514,921	13,066,298	52,614,205	466,911	53,081,116	9.3%
23 Gerber Memorial Hospital	24,596,986	1,993,477	15,320	0	2,008,797	250,884	2,259,681	9.2%
24 Covenant Medical Center, Inc.	283,677,377	23,123,359	834,068	1,862,063	25,819,490	162,837	25,982,327	9.2%
25 Lakeland Hospital - St. Joseph	152,565,011	13,383,233	-29,908	0	13,353,325	571,991	13,925,316	9.1%
26 Battle Creek Health System	111,884,602	10,118,694	-71,069	0	10,047,625	67,163	10,114,788	9.0%
27 Oakwood Hospital Annapolis Center	71,289,287	5,953,894	-239,760	57,170	5,771,304	449,132	6,220,436	8.7%
28 South Haven Community Hospital	15,632,727	1,205,278	-13,048	536	1,192,766	127,374	1,320,140	8.4%
29 Oakland General Hospital	72,954,742	4,411,425	0	1,469,697	5,881,122	213,358	6,094,480	8.4%
30 West Branch Regional Medical Center	23,364,655	1,867,879	0	0	1,867,879	73,973	1,941,852	8.3%

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Table 2 (continued)

	Total Hospital Payments All Sources	Payments for State/ Federal Programs	MIP Adjustments	GME & Primary Pool	Payments After MIP GME & Primary Pool	DSH	Total Payments Including DSH	Total State Payments as a Percent of All Sources of Payment	
31	Lapeer Regional Hospital	\$ 49,470,281	\$ 4,111,922	\$ -285,436	\$ 0	\$ 3,826,486	\$ 189,344	\$ 4,015,830	8.1%
32	Genesys Regional Medical Center - Flint Osteo Campus	249,433,064	16,455,045	95,129	3,478,156	20,028,330	195,855	20,224,185	8.1%
33	St. Francis Hospital	31,572,923	2,317,675	59,710	0	2,377,385	179,241	2,556,626	8.1%
34	Kalkaska Memorial Health Center	4,156,937	273,678		0	273,678	62,378	336,056	8.1%
35	Riverside Osteopathic Hospital	58,624,174	3,777,382	-75,908	673,233	4,374,707	359,421	4,734,128	8.1%
36	Oakwood Hospital Heritage Center	64,046,193	5,392,860	-511,874	0	4,880,986	218,235	5,099,221	8.0%
37	Carson City Osteopathic Hospital	21,081,110	1,313,076	-222,759	274,691	1,365,008	223,133	1,588,141	7.5%
38	Memorial Medical Center of West Michigan	30,273,047	2,339,877	-247,935	0	2,091,942	131,492	2,223,434	7.3%
39	Three Rivers Hospital	22,923,333	1,355,356	31,961	0	1,387,317	295,624	1,682,941	7.3%
40	McKenzie Memorial Hospital	9,494,335	627,319	9,244	0	636,563	55,595	692,158	7.3%
41	Mecosta County General Hospital	24,869,153	1,497,431	155,156	0	1,652,587	152,214	1,804,801	7.3%
42	Lakeshore Community Hospital	6,193,497	379,610	9,617	0	389,227	57,697	446,924	7.2%
43	Mercy Hospital, Grayling	27,291,926	1,854,247	-15,001	0	1,839,246	118,222	1,957,468	7.2%
44	Metropolitan Hospital, Grand Rapids	168,810,216	8,503,900	297,566	2,361,941	11,163,407	914,108	12,077,515	7.2%
45	Garden City Osteopathic Hospital	107,767,923	6,117,320	404,140	989,555	7,511,015	95,629	7,606,644	7.1%
46	Spectrum Health - Reed City Campus	13,788,614	857,194	-16,721	0	840,473	118,936	959,409	7.0%
47	Mackinac Straits Hospital	2,097,067	67,021		0	67,021	78,584	145,605	6.9%
48	Schoolcraft Memorial Hospital	9,444,850	521,575	83,367	0	604,942	45,149	650,091	6.9%
49	Bronson Vicksburg Hospital	6,970,542	347,548	119,030	0	466,578	12,117	478,695	6.9%
50	Mid-Michigan Medical Center - Clare	22,124,412	1,580,781	-162,997	0	1,417,784	90,037	1,507,821	6.8%
51	Cottage Hospital of Grosse Pointe	37,042,064	2,418,226	-83,200	0	2,335,026	171,973	2,506,999	6.8%
52	Huron Memorial Hospital	15,893,810	985,152		0	985,152	87,814	1,072,966	6.8%
53	Grand View Hospital	17,995,011	1,166,183		0	1,166,183	46,486	1,212,669	6.7%
54	Mt. Clemens General Osteopathic Hospital	174,799,422	9,658,642	-229,522	1,845,735	11,274,855	290,097	11,564,952	6.6%
55	Mary Free Bed Guild	21,415,186	987,009	414,443	0	1,401,452	14,324	1,415,776	6.6%
56	Mercy General Health Partners	121,647,019	7,970,123	-514,569	434,409	7,889,963	126,133	8,016,096	6.6%
57	St. Mary's Mercy Medical Center (Grand Rapids)	148,249,000	8,380,319	-538,349	1,315,422	9,157,392	427,271	9,584,663	6.5%
58	Francis Bell Memorial Hospital	17,868,835	1,079,470		0	1,079,470	68,194	1,147,664	6.4%
59	W. A. Foote Memorial Hospital	154,688,016	9,534,726	-266,751	0	9,267,975	529,996	9,797,971	6.3%
60	Botsford General Osteopathic Hospital	184,618,103	9,494,059	-414,999	2,225,450	11,304,510	154,046	11,458,556	6.2%
61	Munson Medical Center	161,719,014	8,272,206	1,122,914	186,750	9,581,870	453,002	10,034,872	6.2%
62	Port Huron Hospital	80,984,119	4,107,997	673,240	0	4,781,237	225,547	5,006,784	6.2%
63	Alpena General Hospital	65,300,962	3,757,880	75,060	0	3,832,940	200,354	4,033,294	6.2%
64	Oakwood Hospital and Medical Center	360,025,018	21,199,836	-1,417,266	2,263,941	22,046,511	163,596	22,210,107	6.2%
65	Sturgis Memorial Hospital	25,216,978	1,513,939	-47,208	0	1,466,731	61,143	1,527,874	6.1%
66	St. John River District Hospital	25,183,789	1,338,917	10,548	913	1,350,378	124,165	1,474,543	5.9%
67	Ionia County Memorial Hospital	15,541,191	861,899	-6,701	0	855,198	54,737	909,935	5.9%
68	Chippewa War Memorial Hospital	33,685,465	1,728,467	152,834	0	1,881,301	85,913	1,967,214	5.8%
69	Lee Memorial Hospital	14,904,368	747,585	68,536	0	816,121	45,015	861,136	5.8%
70	Northern Michigan Hospitals, Inc.	89,214,393	5,542,236	-513,327	0	5,028,909	100,433	5,129,342	5.7%
71	Trillium Hospital	14,135,562	1,052,665	-351,516	0	701,149	111,507	812,656	5.7%
72	Borgess Hospital	245,081,761	11,313,516	253,588	1,837,495	13,404,599	162,517	13,567,116	5.5%
73	Spectrum Health - East Campus	156,487,396	7,338,346	977,457	0	8,315,803	145,993	8,461,796	5.4%
74	West Shore Medical Center	24,542,604	1,236,787		0	1,236,787	77,092	1,313,879	5.4%
75	Keweenaw Memorial Medical Center	18,554,936	928,422	27,368	0	955,790	37,287	993,077	5.4%
76	Gratiot Community Hospital	48,436,143	2,178,213	205,500	0	2,383,713	200,358	2,584,071	5.3%
77	Hayes Green Beach Memorial Hospital	16,320,825	911,531	-151,298	0	760,233	93,586	853,819	5.2%
78	Central Michigan Community Hospital	45,688,263	2,234,791	63,691	0	2,298,482	82,350	2,380,832	5.2%
79	Helen Newberry Joy Hospital	8,274,492	373,495	-43,666	0	329,829	100,876	430,705	5.2%
80	Hillsdale Community Health Center	29,082,367	1,663,721	-259,176	0	1,404,545	109,098	1,513,643	5.2%
81	Ontonagon Memorial Hospital	6,956,882	317,167	-112,54	0	305,913	44,950	350,863	5.0%
82	St. Joseph Mercy Oakland	226,721,000	9,056,253	110,324	2,111,313	11,277,890	76,139	11,354,029	5.0%
83	Bay Medical Center	103,787,782	3,753,672	595,264	142,383	4,491,319	679,292	5,170,611	5.0%
84	Emma L. Bixby Hospital	46,157,417	1,981,189	-22,230	0	1,958,959	324,077	2,283,036	4.9%
85	Oaklawn Hospital	21,444,417	1,013,813	-34,814	0	978,999	77,453	1,056,452	4.9%
86	Mercy Hospital, Port Huron	48,889,295	2,467,815	-161,773	0	2,306,042	91,661	2,397,703	4.9%
87	Mid-Michigan Medical Center - Midland	126,528,705	5,560,086	-246,212	407,090	5,720,964	467,440	6,188,404	4.9%
88	St. John Macomb Hospital	113,038,926	5,261,545	41,903	72,216	5,375,664	66,541	5,442,205	4.8%
89	St. Mary's Medical Center - Saginaw	169,306,189	6,652,890	747,255	487,520	7,887,665	95,061	7,982,726	4.7%
90	Marquette General Hospital	173,701,711	8,127,118	-801,855	365,407	7,690,670	389,200	8,079,870	4.7%

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Table 2 (continued)

Hospital Name in 2000	Total Hospital Payments All Sources	Payments for State/Federal Programs	MIP Adjustments	GME & Primary Pool	Payments After MIP			Total Payments Including DSH	Total State Payments as a Percent of All Sources of Payment
					GME & Primary Pool	GME & Primary Pool	DSH		
91 Caro Community Hospital	\$ 7,866,948	\$ 284,399	\$ 32,318	\$ 0	\$ 316,717	\$ 47,717	\$ 364,434	4.6%	
92 Holland Community Hospital	77,695,224	2,966,469	340,004	0	3,306,473	264,229	3,570,702	4.6%	
93 Rogers City Rehabilitation Hospital	3,654,237	164,416		0	164,416	0	164,416	4.5%	
94 Tawas St. Joseph Hospital	32,781,785	1,345,274	-35,130	0	1,310,144	151,890	1,462,034	4.5%	
95 Providence Hospital	335,134,787	14,196,732	-1,720,814	2,154,169	14,630,087	177,553	14,807,640	4.4%	
96 Sheridan Community Hospital	11,191,851	433,391	-66625	0	366,766	126,204	492,970	4.4%	
97 Cheboygan Memorial Hospital	25,451,386	1,085,402	-2,139	0	1,083,263	23,575	1,106,838	4.3%	
98 Dickinson County Memorial Hospital	39,745,047	1,407,986	120,507	0	1,528,493	193,192	1,721,685	4.3%	
99 Portage Health Systems	26,878,609	983,153	51,301	0	1,034,454	85,068	1,119,522	4.2%	
100 Ingham Regional Medical Center	193,467,981	6,829,580	35,812	1,122,050	7,987,442	67,206	8,054,648	4.2%	
101 Pennock Hospital	27,272,979	1,022,063	11,732	0	1,033,795	84,899	1,118,694	4.1%	
102 Forest Health Medical Center, Inc.	26,667,473	1,399,929	-342,557	0	1,057,372	21,579	1,078,951	4.0%	
103 Mid-Michigan Medical Center - Gladwin	11,589,408	1,056,547	-650,410	0	406,137	62,363	468,500	4.0%	
104 Mercy Memorial Hospital	72,956,181	2,713,622		0	2,713,622	212,628	2,926,250	4.0%	
105 Iron County General Hospital	11,772,643	511,441	-163,474	0	347,967	118,710	466,677	4.0%	
106 Charlevoix Area Hospital	17,784,631	662,149	-4,998	0	657,151	41,533	698,684	3.9%	
107 Paul Oliver Memorial Hospital-Total	3,225,955	90,321		0	90,321	35,929	126,250	3.9%	
108 Bi-County Community Hospital	74,539,731	1,427,507	662,442	712,195	2,802,144	62,692	2,864,836	3.8%	
109 Marlette Community Hospital	14,448,681	698,185	-248,903	0	449,282	88,447	537,729	3.7%	
110 Otsego County Memorial Hospital	23,884,025	816,558		0	816,558	70,486	887,044	3.7%	
111 Hills & Dales General Hospital	10,858,067	382,228	-16,266	0	365,962	31,093	397,055	3.7%	
112 Allegan General Hospital	22,478,403	656,936	52,348	0	709,284	67,987	777,271	3.5%	
113 Munising Memorial Hospital	4,832,550	133,054		0	133,054	28,874	161,928	3.4%	
114 Henry Ford Wyandotte Hospital	122,422,375	5,144,393	-1,171,337	2,248	3,975,304	122,061	4,097,365	3.3%	
115 United Memorial Hospital	30,570,699	797,740	163,431	0	961,171	59,140	1,020,311	3.3%	
116 William Beaumont Hospital - Royal Oak	671,506,564	17,029,234	786,173	3,886,384	21,701,791	121,041	21,822,832	3.2%	
117 Lake View Community Hospital	19,278,455	549,139	-8,577	0	540,562	77,628	618,190	3.2%	
118 Scheurer Hospital	15,081,858	392,496	15,683	0	408,179	74,075	482,254	3.2%	
119 McPherson Hospital	45,835,000	1,217,981	118,411	0	1,336,392	122,663	1,459,055	3.2%	
120 North Ottawa Community Hospital	33,136,929	829,661	99,292	0	928,953	90,895	1,019,848	3.1%	
121 McLaren General Hospital	197,186,004	5,460,445	-467,845	889,510	5,882,110	64,965	5,947,075	3.0%	
122 Herrick Memorial Hospital, Inc.	24,702,803	639,242	-19,171	0	620,071	124,325	744,396	3.0%	
123 Great Lakes Regional Rehab Hospital	8,858,572	265,400	-3,756	0	261,644	0	261,644	3.0%	
124 Deckerville Community Hospital	3,611,263	66,725	-22,386	0	44,339	59,640	103,979	2.9%	
125 St. Joseph Mercy Hospital - Ann Arbor	352,945,488	7,397,690	326,034	1,914,668	9,638,392	109,312	9,747,704	2.8%	
126 Kelsey Memorial Hospital	14,111,329	394,098	-114390	0	279,708	95,214	374,922	2.7%	
127 Clinton Memorial Hospital	17,229,995	403,408	23,887	0	427,295	15,887	443,182	2.6%	
128 Huron Valley - Sinai Hospital	82,346,373	1,753,429	43,535	139,695	1,936,659	107,150	2,043,809	2.5%	
129 Memorial Hospital, Owosso	50,973,625	1,598,680	-445,989	0	1,152,691	50,983	1,203,674	2.4%	
130 Madison Community Hospital	5,790,126	115,510		0	115,510	12,715	128,225	2.2%	
131 St. John - North Shores Hospital	17,273,486	371,558	-2,500	0	369,058	12,882	381,940	2.2%	
132 Chelsea Community Hospital	31,326,479	489,571	21,203	0	510,774	132,537	643,311	2.1%	
133 Doctors Hospital of Jackson	22,514,599	462,717	-68,605	0	394,112	57,884	451,996	2.0%	
134 Bon Secours Hospital	110,770,213	1,618,901	-213,104	476,570	1,882,367	25,672	1,908,039	1.7%	
135 William Beaumont Hospital - Troy	158,022,986	2,436,765	-21,030	158,310	2,574,045	28,186	2,602,231	1.6%	
136 Crittenton Hospital	104,613,098	1,792,975	-157,039	0	1,635,936	66,360	1,702,296	1.6%	
137 Eaton Rapids Medical Center	9,109,595	125,522		0	125,522	20,935	146,457	1.6%	
138 Standish Community Hospital	25,639,362	309,636		0	309,636	73,208	382,844	1.5%	
139 St. Joseph Mercy Hospital & Health Services	136,668,736	1,618,208	342,603	0	1,960,811	67,361	2,028,172	1.5%	
140 Southwestern Michigan Rehabilitation	4,886,394	59,193		0	59,193	2,357	61,550	1.3%	
141 St. Mary Mercy Hospital	145,332,690	1,341,905	7,777	0	1,349,682	34,848	1,384,530	1.0%	
142 Spectrum Health - Kent Community Campus	4,293,898	38,839		0	38,839	0	38,839	0.9%	
143 Leelanau Memorial Hospital	2,457,067	11,865		0	11,865	10,316	22,181	0.9%	
144 Kern Hospital & Medical Center	5,322,540	44,212		0	44,212	3,114	47,326	0.9%	
145 Zeeland Community Hospital	46,194,180	286,620		0	286,620	13,218	299,838	0.6%	
146 Harbor Beach Community Hospital	5,143,532	19,834		0	19,834	13,232	33,066	0.6%	
147 Saline Community Hospital	28,547,000	163,028		0	163,028	14,269	177,297	0.6%	
148 Straith Memorial Hospital	9,248,301	21,058		0	21,058	794	21,852	0.2%	
149 NextCare Hospital of Muskegon	892,478	0		0	0	0	0	0.0%	
150 Oakwood Hospital Seaway Center	<u>29,897,752</u>	<u>1,202,512</u>	<u>-2,349,858</u>	<u>0</u>	<u>-1,147,346</u>	<u>11,341</u>	<u>-1,136,005</u>	-3.8%	
TOTAL	\$13,115,754,135	\$957,643,224	\$-18,454,523	\$174,429,209	\$1,113,617,910	\$65,081,093	\$1,178,699,003	9.0%	

Source: Michigan Department of Community Health

Negative percentage for Oakwood Hospital Seaway Center reflects MIP adjustments including prior years.

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Hospital Surplus/Deficit and Medicaid Participation

Table 1 shows that hospital payments from Medicaid were almost evenly divided between fee for service payments made directly from the state and payments received from managed care organizations that use their per capita

Medicaid funding to purchase hospital care through agreements with individual hospitals. Where no agreement exists, MCOs pay the Medicaid fee for service rate. **Table 3** details the percentage of all hospital days represented

by Medicaid patients, both fee for service and managed care, and shows the surplus or deficit for the year. The financial results of hospitals do not reflect the percent of Medicaid days in any statistically meaningful way.

Table 3
Fee for Service and Managed Care Organization Medicaid Days as a Percent of Total Days for Michigan Hospitals and Hospital Year End Surplus(Deficit) Ranked by Percent of Medicaid Days Fiscal Year Ending September 30, 2000

Facility Name	Total Medicaid Fee for Service	Total Medicaid Managed Care	Total Medicaid	Managed Care Days as a Percent of Total		Total Hospital	Medicaid Percent of Total		Surplus (Deficit) 2000	
	Days	Days	Days	Medicaid Days	Rank	Days	Days	Rank		Rank
Children's Hospital of Michigan	19,430	19,723	39,153	50.4%	47	56,317	69.5%	1	37,019,811	5
Detroit Riverview Hospital	7,525	27,457	34,982	78.5%	5	76,235	45.9%	2	2,777,955	47
Mercy Hospital - Detroit	2,331	5,881	8,212	71.6%	11	18,796	43.7%	3	(15,433,581)	146
Harper University Hospital	36,290	27,303	63,593	42.9%	63	179,601	35.4%	4	(32,607,000)	148
Detroit Receiving Hospital	14,641	11,063	25,704	43.0%	62	72,943	35.2%	5	45,630,000	3
Hurley Medical Center	14,396	25,757	40,153	64.1%	22	121,732	33.0%	6	(876,281)	122
Sinai-Grace Hospital	21,701	20,595	42,296	48.7%	50	159,099	26.6%	7	(72,174,298)	149
Battle Creek Health System	2,253	7,775	10,028	77.5%	6	45,264	22.2%	8	(13,931,459)	145
Allegan General Hospital	540	678	1,218	55.7%	33	5,694	21.4%	9	1,947,600	53
Rehabilitation Institute	3,306	1,594	4,900	32.5%	92	24,610	19.9%	10	1,387,208	62
Spectrum Health - Butterworth Campus	21,914	11,975	33,889	35.3%	88	171,294	19.8%	11	18,518,905	11
Bronson Methodist Hospital	9,436	6,627	16,063	41.3%	67	81,285	19.8%	12	23,789,328	7
South Haven Community Hospital	467	491	958	51.3%	42	4,888	19.6%	13	1,874,091	55
Edward W. Sparrow Hospital	10,830	14,405	25,235	57.1%	30	129,560	19.5%	14	(741,347)	119
Schoolcraft Memorial Hospital	474	0	474	0.0%	119	2,446	19.4%	15	(173,801)	108
Lakeland Hospital - St. Joseph	5,936	6,634	12,570	52.8%	41	65,713	19.1%	16	7,213,774	27
Oakwood Hospital - Heritage Center	2,176	9,941	12,117	82.0%	2	63,459	19.1%	17	4,566,807	35
North Oakland Medical Center	4,149	4,737	8,886	53.3%	38	47,253	18.8%	18	(1,208,798)	129
Hackley Hospital	2,325	5,358	7,683	69.7%	12	41,657	18.4%	19	1,653,659	59
Covenant Medical Center, Inc.	8,988	14,764	23,752	62.2%	25	132,775	17.9%	20	5,458,605	29
Emma L. Bixby Hospital	1,916	705	2,621	26.9%	100	14,835	17.7%	21	(5,791,299)	141
Carson City Osteopathic Hospital	615	1,216	1,831	66.4%	19	11,044	16.6%	22	237,783	89
Mercy Hospital - Cadillac	1,602	1,026	2,628	39.0%	75	15,858	16.6%	23	307,074	85
Central Michigan Community Hospital	997	1,224	2,221	55.1%	34	13,433	16.5%	24	(904,354)	123
Lakeshore Community Hospital	456	0	456	0.0%	119	2,881	15.8%	25	364,357	84
Henry Ford Hospital	17,781	15,107	32,888	45.9%	56	209,173	15.7%	26	(91,118,290)	150
Healthsource Saginaw	200	1,359	1,559	87.2%	1	9,978	15.6%	27	(1,264,512)	131
Memorial Medical Center of West Michigan	1,362	776	2,138	36.3%	85	13,976	15.3%	28	1,186,875	65
Mid-Michigan Medical Center - Clare	638	670	1,308	51.2%	43	8,753	14.9%	29	1,162,263	66
Hayes Green Beach Memorial Hospital	462	332	794	41.8%	64	5,316	14.9%	30	(70,123)	106
Riverside Osteopathic Hospital	890	3,020	3,910	77.2%	7	27,705	14.1%	31	(1,634,535)	134
Mecosta County General Hospital	1,584	0	1,584	0.0%	119	11,374	13.9%	32	2,014,173	51
Gerber Memorial Hospital	840	771	1,611	47.9%	54	11,642	13.8%	33	1,833,339	57
Chippewa War Memorial Hospital	1,412	0	1,412	0.0%	119	10,266	13.8%	34	(61,530)	105
St. John Hospital	15,956	8,109	24,065	33.7%	90	175,125	13.7%	35	46,758,337	2
University Health System	17,979	11,068	29,047	38.1%	79	223,260	13.0%	36	318,006,184	1
Oakwood Hospital and Medical Center	16,641	4,757	21,398	22.2%	103	169,135	12.7%	37	(3,978,651)	140
Pontiac Osteopathic Hospital	1,644	2,144	3,788	56.6%	32	30,113	12.6%	38	(2,225,371)	136
Oakland General Hospital	2,606	2,695	5,301	50.8%	45	42,226	12.6%	39	13,937,250	13
Oakwood Hospital - Annapolis Center	3,756	923	4,679	19.7%	105	37,953	12.3%	40	5,150,809	32
St. Mary's Mercy Medical Center (Grand Rapids)	6,156	3,980	10,136	39.3%	73	82,988	12.2%	41	\$ 13,523,165	14
Keweenaw Memorial Medical Center	652	0	652	0.0%	119	5,354	12.2%	42	214,580	92
Genesys Reg. Med Ctr - Flint Osteo Campus	4,601	9,504	14,105	67.4%	16	115,913	12.2%	43	(10,532,973)	143
West Branch Regional Medical Center	961	969	1,930	50.2%	48	16,015	12.1%	44	(1,723,063)	135
Holland Community Hospital	2,586	482	3,068	15.7%	109	25,534	12.0%	45	12,173,590	19

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Table 3 (continued)

Facility Name	Total Medicaid Fee for Service	Total Medicaid Managed Care	Total Medicaid	Managed Care Days as a Percent of Total	Rank	Total Hospital Days	Medicaid Percent of Total	Rank	Surplus (Deficit) 2000	Rank
	Days	Days	Days	Medicaid Days			Days			
W.A. Foote Memorial Hospital	4,292	4,506	8,798	51.2%	44	73,848	11.9%	46	18,897,483	10
Francis Bell Memorial Hospital	598	0	598	0.0%	119	5,097	11.7%	47	3,056,075	44
Community Hospital - Watervliet	716	421	1,137	37.0%	83	9,764	11.6%	48	860,261	74
Ionia County Memorial Hospital	326	272	598	45.5%	58	5,258	11.4%	49	943,441	72
McKenzie Memorial Hospital	174	117	291	40.2%	71	2,608	11.2%	50	75,581	100
Forest Health Medical Center, Inc.	621	729	1,350	54.0%	36	12,241	11.0%	51	(17,296,594)	147
Marquette General Hospital	4,081	2,519	6,600	38.2%	77	59,920	11.0%	52	13,215,390	16
Mid-Michigan Medical Center - Midland	3,414	1,618	5,032	32.2%	93	46,201	10.9%	53	625,742	80
Mt. Clemens General Osteopathic Hospital	4,158	2,469	6,627	37.3%	82	60,944	10.9%	54	5,271,538	30
Mid-Michigan Medical Center - Gladwin	150	426	576	74.0%	8	5,358	10.8%	55	12,070,663	20
Community Health Center	693	960	1,653	58.1%	28	15,409	10.7%	56	3,131,407	43
Mercy General Health Partners	4,231	1,324	5,555	23.8%	102	51,803	10.7%	57	(7,133,521)	142
Northern Michigan Hospitals, Inc.	2,523	1,430	3,953	36.2%	86	36,866	10.7%	58	(793,591)	120
Grand View Hospital	780	0	780	0.0%	119	7,416	10.5%	59	192,902	94
St. John Northeast Community Hospital	2,761	3,197	5,958	53.7%	37	57,312	10.4%	60	(978,576)	124
St. Francis Hospital	1,383	31	1,414	2.2%	118	13,630	10.4%	61	(20,559)	103
Henry Ford Wyandotte Hospital	3,134	5,700	8,834	64.5%	21	86,020	10.3%	62	12,495,000	18
Alpena General Hospital	1,866	1,202	3,068	39.2%	74	30,102	10.2%	63	1,983,086	52
Bronson Vicksburg Hospital	538	74	612	12.1%	112	6,015	10.2%	64	1,227,376	63
Port Huron Hospital	2,115	2,387	4,502	53.0%	40	44,441	10.1%	65	2,521,761	48
Metropolitan Hospital - Grand Rapids	4,081	2,524	6,605	38.2%	76	66,949	9.9%	66	8,868,200	23
United Memorial Hospital	770	0	770	0.0%	119	7,819	9.8%	67	860,471	73
West Shore Medical Center	704	87	791	11.0%	113	8,160	9.7%	68	3,882,158	38
St. John River District Hospital	652	528	1,180	44.7%	60	12,594	9.4%	69	650,046	79
Mercy Hospital - Grayling	1,032	85	1,117	7.6%	116	12,176	9.2%	70	(737,021)	118
Otsego County Memorial Hospital	330	226	556	40.6%	69	6,061	9.2%	71	679,727	78
Lapeer Regional Hospital	1,882	719	2,601	27.6%	99	28,719	9.1%	72	1,926,375	54
McPherson Hospital	589	416	1,005	41.4%	66	11,376	8.8%	73	5,259,263	31
Cheboygan Memorial Hospital	300	454	754	60.2%	26	8,595	8.8%	74	219,629	90
Three Rivers Hospital	499	326	825	39.5%	72	9,425	8.8%	75	216,923	91
Herrick Memorial Hospital, Inc.	287	593	880	67.4%	15	10,119	8.7%	76	2,097,234	50
Spectrum Health - East Campus	4,057	2,464	6,521	37.8%	80	75,283	8.7%	77	18,358,000	12
Hillsdale Community Health Center	1,320	0	1,320	0.0%	119	15,330	8.6%	78	614,808	81
Borgess Hospital	4,090	3,804	7,894	48.2%	53	91,898	8.6%	79	25,665,658	6
Oaklawn Hospital	445	274	719	38.1%	78	8,411	8.5%	80	3,754,163	39
Sheridan Community Hospital	132	0	132	0.0%	119	1,548	8.5%	81	536,711	82
Munson Medical Center	5,272	2,281	7,553	30.2%	95	89,516	8.4%	82	13,082,694	17
Garden City Osteopathic Hospital	3,666	1,962	5,628	34.9%	89	66,959	8.4%	83	1,843,524	56
Lee Memorial Hospital	164	416	580	71.7%	10	7,059	8.2%	84	(1,418,618)	133
Mary Free Bed Guild	1,292	259	1,551	16.7%	106	19,232	8.1%	85	2,098,329	49
Providence Hospital	6,145	4,144	10,289	40.3%	70	128,346	8.0%	86	21,556,549	8
Spectrum Health - Reed City Campus	142	196	338	58.0%	29	4,244	8.0%	87	(2,243,941)	137
Standish Community Hospital	118	134	252	53.2%	39	3,191	7.9%	88	1,094,436	67
Portage Health Systems	385	141	526	26.8%	101	6,779	7.8%	89	1,439,865	61
Charlevoix Area Hospital	364	164	528	31.1%	94	6,810	7.8%	90	971,858	71
Trillium Hospital	126	328	454	72.2%	9	6,065	7.5%	91	(1,154,394)	128
Huron Memorial Hospital	633	0	633	0.0%	119	8,621	7.3%	92	754,465	77
Botsford General Osteopathic Hospital	3,401	2,871	6,272	45.8%	57	85,554	7.3%	93	1,038,517	68
St. John Macomb Hospital	2,268	4,042	6,310	64.1%	23	86,127	7.3%	94	4,344,096	37
Mercy Hospital - Port Huron	883	1,061	1,944	54.6%	35	26,893	7.2%	95	5,855,000	28
Ontonagon Memorial Hospital	157	0	157	0.0%	119	2,207	7.1%	96	\$ 299,940	86
St. Joseph Mercy Oakland	4,570	3,258	7,828	41.6%	65	110,845	7.1%	97	4,435,732	36
Gratiot Community Hospital	709	1,302	2,011	64.7%	20	28,665	7.0%	98	2,938,565	46
Sturgis Memorial Hospital	486	97	583	16.6%	107	8,353	7.0%	99	161,527	95
Ingham Regional Medical Center	3,483	1,991	5,474	36.4%	84	82,564	6.6%	100	8,746,403	24
Dickinson County Memorial Hospital	1,286	83	1,369	6.1%	117	20,651	6.6%	101	1,750,952	58
Oakwood Hospital - Seaway Center	721	102	823	12.4%	111	12,477	6.6%	102	(1,146,678)	127
Bay Medical Center	2,632	2,290	4,922	46.5%	55	76,290	6.5%	103	(2,796,142)	138
North Ottawa Community Hospital	320	262	582	45.0%	59	9,758	6.0%	104	3,143,812	42
Tawas St. Joseph Hospital	171	343	514	66.7%	18	8,628	6.0%	105	125,167	96

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Table 3 (continued)

Facility Name	Total Medicaid Fee for Service	Total Medicaid Managed Care	Total Medicaid	Managed Care Days as a Percent of Total	Rank	Total Hospital	Medicaid Percent of Total	Rank	Surplus (Deficit)	Rank
	Days	Days	Days	Medicaid Days		Days	Days		2000	
Pennock Hospital	871	0	871	0.0%	119	14,654	5.9%	106	3,016,689	45
St. Mary's Medical Center - Saginaw	1,360	2,786	4,146	67.2%	17	69,857	5.9%	107	7,857,006	26
Huron Valley - Sinai Hospital	1,257	864	2,121	40.7%	68	39,551	5.4%	108	(11,608,000)	144
Scheurer Hospital	41	89	130	68.5%	13	2,426	5.4%	109	1,206,069	64
Mercy Memorial Hospital	1,049	983	2,032	48.4%	51	38,675	5.3%	110	3,354,086	41
Caro Community Hospital	109	0	109	0.0%	119	2,302	4.7%	111	(501,814)	115
William Beaumont Hospital - Royal Oak	8,940	5,371	14,311	37.5%	81	304,766	4.7%	112	41,221,002	4
Iron County General Hospital	263	0	263	0.0%	119	5,669	4.6%	113	203,398	93
Clinton Memorial Hospital	59	122	181	67.4%	14	3,999	4.5%	114	20,109	102
Memorial Hospital - Owosso	963	182	1,145	15.9%	108	25,766	4.4%	115	776,956	76
McLaren General Hospital	2,440	1,227	3,667	33.5%	91	84,335	4.3%	116	9,602,776	22
St. Joseph Mercy Hospital - Ann Arbor	3,525	2,816	6,341	44.4%	61	149,877	4.2%	117	20,042,095	9
Hills & Dales General Hospital	76	71	147	48.3%	52	3,716	4.0%	118	466,885	83
Marlette Community Hospital	75	132	207	63.8%	24	5,807	3.6%	119	1,010,286	70
Helen Newberry Joy Hospital	80	0	80	0.0%	119	2,269	3.5%	120	(43,078)	104
Kern Hospital & Medical Center	11	0	11	0.0%	119	329	3.3%	121	(366,869)	111
Kalkaska Memorial Health Center	21	0	21	0.0%	119	643	3.3%	122	91,365	98
Bi-County Community Hospital	932	138	1,070	12.9%	110	33,170	3.2%	123	51,721	101
Munising Memorial Hospital	10	38	48	79.2%	4	1,514	3.2%	124	241,998	88
Chelsea Community Hospital	139	536	675	79.4%	3	21,869	3.1%	125	(676,004)	117
William Beaumont Hospital - Troy	1,180	649	1,829	35.5%	87	64,954	2.8%	126	10,428,788	21
Great Lakes Regional Rehab Hospital	294	0	294	0.0%	119	10,599	2.8%	127	(1,335,516)	132
Doctors Hospital of Jackson	210	0	210	0.0%	119	7,786	2.7%	128	(595,974)	116
Zeeland Community Hospital	174	67	241	27.8%	97	9,019	2.7%	129	1,034,821	69
Bon Secours Hospital	1,202	478	1,680	28.5%	96	63,101	2.7%	130	4,629,980	34
Madison Community Hospital	68	7	75	9.3%	114	2,856	2.6%	131	(3,015,067)	139
St. John - North Shores Hospital	331	0	331	0.0%	119	12,847	2.6%	132	282,161	87
Kelsey Memorial Hospital	50	73	123	59.3%	27	4,919	2.5%	133	(1,029,050)	125
Crittenton Hospital	701	666	1,367	48.7%	49	58,019	2.4%	134	13,505,926	15
Deckerville Community Hospital	21	0	21	0.0%	119	930	2.3%	135	(479,053)	114
Rogers City Rehabilitation Hospital	102	0	102	0.0%	119	4,982	2.0%	136	(188,499)	109
Cottage Hospital of Grosse Pointe	201	17	218	7.8%	115	10,778	2.0%	137	(1,263,870)	130
Southwestern Michigan Rehabilitation	89	0	89	0.0%	119	5,075	1.8%	138	90,914	99
Eaton Rapids Medical Center	33	0	33	0.0%	119	1,986	1.7%	139	809,493	75
St. Mary Mercy Hospital	377	387	764	50.7%	46	51,546	1.5%	140	3,598,622	40
St. Joseph Mercy Hospital & Health Services	1,133	433	1,566	27.7%	98	108,473	1.4%	141	4,958,886	33
Lake View Community Hospital	50	66	116	56.9%	31	8,942	1.3%	142	1,530,630	60
Paul Oliver Memorial Hospital	4	0	4	0.0%	119	359	1.1%	143	116,054	97
Leelanau Memorial Hospital	1	0	1	0.0%	119	126	0.8%	144	(407,246)	113
Mackinac Straits Hospital	2	0	2	0.0%	119	330	0.6%	145	(262,824)	110
Saline Community Hospital	24	6	30	20.0%	104	5,111	0.6%	146	7,874,000	25
Harbor Beach Community Hospital	4	0	4	0.0%	119	1,314	0.3%	147	(403,783)	112
Straith Memorial Hospital	6	0	6	0.0%	119	4,847	0.1%	148	(111,950)	107
Spectrum Health - Kent Community Campus	2	0	2	0.0%	119	7,059	0.0%	149	(1,048,598)	126
NextCare Hospital of Muskegon	0	0	0	0.0%	119	1,538	0.0%	150	(824,340)	121
Total	420,999	381,408	802,407	47.5%		5,959,711	13.5%		\$616,236,305	

Source: Michigan Department of Community Health

Note: Amended reports reflected in this Memorandum lowered the overall surplus(deficit) reported in *Memorandum 1060* from \$635.4 million to the \$616.2 million reflected here (see website for individual hospital changes).

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Medicaid Charges, Costs and Payments

Medicaid only hospital charges, costs and payments for both fee for service and managed care organization reimbursed care are shown in **Table 4**. Payments do not include the DSH amount totaling \$65.1 million. The website tables show results with and without DSH payments (see <http://www.crcmich.org/Almanac/Govtfinc/>

[HealthCare/memo1069tables.html](http://www.crcmich.org/Almanac/Govtfinc/HealthCare/memo1069tables.html)).

On the fee for service side, individual hospital payments in excess of costs range from a positive \$8.3 million to a negative \$6.2 million with 22 hospitals receiving payments in excess of costs and 142 receiving less than costs before DSH payments. Payments,

without DSH, through managed care organizations resulted in a range of payments exceeding costs by \$2.1 million to costs exceeding payments by \$21.2 million with 27 hospitals where payments were equal to or more than costs, 99 showing the reverse and 24 that did not have any MCO costs or payments.

Table 4
Michigan Hospitals Medicaid Costs and Payments for Fee for Service and Managed Care Organization Care to Persons Eligible for State Administered Federal Insurance Programs
Payments do not Reflect Disproportionate Share Amounts
(See Web Site for Table Including DSH Payments)
Fiscal Year Ending September 30, 2000

Hospital Name In 2000	Fee For Service			Rank	Managed Care Organization			Rank	Difference	
	Inpatient & Outpatient Costs	Total Final Payments	Difference Payments to Costs		Total Medicaid Costs	Total Medicaid Payments	Difference Payments to Costs		Rank	Combined
Sinai-Grace Hospital	\$15,238,420	\$23,528,278	\$8,289,858	1	\$40,857,036	\$42,741,533	\$ 1,884,497	2	\$10,174,355	1
University Health System	43,436,122	49,520,555	6,084,433	2	26,277,328	25,060,153	-1,217,175	127	4,867,259	2
Cottage Hospital of Grosse Pointe	274,935	117,643	-157,292	66	118,290	2,217,383	2,099,093	1	1,941,801	3
Detroit Riverview Hospital	8,928,367	9,482,207	553,840	6	30,715,815	31,553,423	837,608	6	1,391,448	4
William Beaumont Hospital - Royal Oak	11,965,211	13,304,209	1,338,998	4	8,337,079	8,369,482	32,403	26	1,371,401	5
Lapeer Regional Hospital	1,927,398	1,639,808	-287,590	86	703,755	2,186,678	1,482,923	3	1,195,333	6
Garden City Osteopathic Hospital	3,100,956	3,164,907	63,951	12	3,313,751	4,346,109	1,032,358	5	1,096,309	7
St. John Northeast Community Hospital	3,257,177	3,063,672	-193,505	71	5,507,176	6,634,439	1,127,263	4	933,758	8
Pontiac Osteopathic Hospital	3,435,726	3,623,838	188,112	9	5,340,795	5,606,792	265,998	17	454,110	9
Huron Memorial Hospital	583,027	485,337	-97,690	53	0	499,815	499,815	12	402,125	10
Bi-County Community Hospital	2,113,495	2,509,538	396,043	7	307,026	292,605	-14,421	54	381,623	11
Sturgis Memorial Hospital	674,561	688,045	13,484	20	462,255	778,686	316,431	15	329,915	12
Memorial Medical Center of West Michigan	1,546,636	1,216,350	-330,286	92	326,133	875,592	549,459	10	219,173	13
McKenzie Memorial Hospital	266,234	211,268	-54,966	36	221,410	425,295	203,885	18	148,919	14
Botsford General Osteopathic Hospital	4,871,404	4,419,262	-452,142	102	6,306,513	6,885,248	578,736	9	126,594	15
Keweenaw Memorial Medical Center	838,658	587,898	-250,760	79	0	367,892	367,892	14	117,132	16
Great Lakes Regional Rehab Hospital	190,907	261,644	70,737	11	0	0	0	32	70,737	17
Tawas St. Joseph Hospital	447,484	569,931	122,447	10	805,626	737,767	-67,859	69	54,588	18
Community Hospital, Watervliet	878,341	739,860	-138,481	62	963,515	1,138,997	175,482	19	37,001	19
Rehabilitation Institute	3,555,764	3,558,043	2,279	22	1,911,505	1,945,080	33,575	25	35,855	20
Spectrum Health - Kent Community Campus	13,750	38,839	25,089	18	0	0	0	49	25,089	21
NextCare Hospital of Muskegon	0	0	0	23	0	0	0	43	0	22
Straith Memorial Hospital	28,274	21,058	-7,216	24	0	0	0	51	-7,216	23
St. John - North Shores Hospital	376,962	369,058	-7,904	25	0	0	0	50	-7,904	24
Leelanau Memorial Hospital	24,755	11,865	-12,890	26	0	0	0	40	-12,890	25
Crittenton Hospital	1,022,953	1,048,699	25,746	16	620,880	576,774	-44,106	60	-18,360	26
Charlevoix Area Hospital	399,263	441,685	42,422	14	276,514	215,466	-61,048	65	-18,626	27
Rogers City Rehabilitation Hospital	191,093	164,416	-26,677	29	0	0	0	46	-26,677	28
Saline Community Hospital	101,738	73,765	-27,973	30	92,506	89,263	-3,243	53	-31,216	29
Zeeland Community Hospital	229,281	141,484	-87,797	47	93,602	145,136	51,534	24	-36,263	30
Cheboygan Memorial Hospital	414,024	439,489	25,465	17	706,576	643,774	-62,802	66	-37,337	31
Chippewa War Memorial Hospital	1,687,618	1,481,431	-206,187	73	233,134	399,870	166,736	20	-39,451	32
Munising Memorial Hospital	55,792	42,004	-13,788	27	132,139	91,050	-41,089	57	-54,877	33
Southwestern Michigan Rehabilitation	119,735	59,193	-60,542	38	0	0	0	48	-60,542	34
Clinton Memorial Hospital	196,292	202,739	6,447	21	292,035	224,556	-67,479	68	-61,032	35

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Table 4 (continued)

Hospital Name In 2000	Fee For Service				Managed Care Organization				Difference	
	Inpatient & Outpatient	Total Final	Difference Payments to	Rank	Total Medicaid	Total Medicaid	Difference Payments to	Rank	Combined	Rank
	Costs	Payments	Costs		Costs	Payments	Costs			
North Ottawa Community Hospital	\$ 563,297	\$ 540,680	\$ -22,617	28	\$ 431,566	\$ 388,273	\$ -43,293	59	\$ -65,910	36
Deckerville Community Hospital	112,793	44,339	-68,454	39	0	0	0	28	-68,454	37
Mackinac Straits Hospital	143,128	67,021	-76,107	40	0	0	0	41	-76,107	38
Spectrum Health - Reed City Campus	325,452	278,353	-47,099	35	609,138	562,120	-47,018	61	-94,117	39
Kalkaska Memorial Health Center	369,039	273,678	-95,361	50	0	0	0	37	-95,361	40
Ontonagon Memorial Hospital	402,426	305,913	-96,513	51	0	0	0	44	-96,513	41
Paul Oliver Memorial Hospital-Total	187,746	90,321	-97,425	52	0	0	0	45	-97,425	42
Caro Community Hospital	255,324	208,712	-46,612	34	164,287	108,005	-56,282	64	-102,894	43
Chelsea Community Hospital	220,305	189,885	-30,420	31	396,826	320,889	-75,937	70	-106,357	44
Madison Community Hospital	214,225	95,844	-118,381	57	8,538	19,666	11,128	27	-107,253	45
Community Health Center	1,105,657	1,019,350	-86,307	44	1,306,761	1,277,581	-29,180	55	-115,487	46
Kern Hospital & Medical Center	164,074	44,212	-119,862	58	0	0	0	38	-119,862	47
Bronson Vicksburg Hospital	507,640	413,103	-94,537	49	88,515	53,475	-35,040	56	-129,577	48
Marlette Community Hospital	151,110	120,379	-30,731	32	415,779	316,827	-98,952	75	-129,683	49
Iron County General Hospital	482,022	347,967	-134,055	60	0	0	0	36	-134,055	50
Scheurer Hospital	243,161	157,867	-85,294	43	300,633	250,312	-50,321	62	-135,615	51
Lakeshore Community Hospital	525,175	389,227	-135,948	61	0	0	0	39	-135,948	52
Mercy Hospital, Cadillac	2,385,869	2,328,911	-56,958	37	957,941	876,958	-80,983	71	-137,941	53
Harbor Beach Community Hospital	162,825	19,834	-142,991	63	0	0	0	33	-142,991	54
Helen Newberry Joy Hospital	480,391	329,829	-150,562	65	0	0	0	34	-150,562	55
St. Francis Hospital	1,693,959	1,897,206	203,247	8	836,434	480,179	-356,255	97	-153,008	56
Eaton Rapids Medical Center	298,850	125,522	-173,328	69	0	0	0	30	-173,328	57
Portage Health Systems	658,910	708,883	49,973	13	551,226	325,571	-225,655	87	-175,682	58
Hills & Dales General Hospital	205,014	123,744	-81,270	42	338,166	242,218	-95,948	73	-177,218	59
St. John River District Hospital	731,694	643,946	-87,748	46	805,937	706,432	-99,506	76	-187,254	60
St. Mary Mercy Hospital	801,694	652,910	-148,784	64	750,341	696,772	-53,569	63	-202,353	61
Healthsource Saginaw	176,812	133,384	-43,428	33	775,970	616,986	-158,984	80	-202,412	62
William Beaumont Hospital - Troy	1,699,792	1,387,034	-312,758	87	1,079,060	1,187,011	107,951	21	-204,806	63
Grand View Hospital	1,402,665	1,166,183	-236,482	76	0	0	0	31	-236,482	64
Memorial Hospital, Owosso	1,309,743	1,114,491	-195,252	72	80,110	38,200	-41,910	58	-237,162	65
Central Michigan Community Hospital	1,400,304	1,075,837	-324,467	90	1,141,987	1,222,645	80,658	22	-243,809	66
McPherson Hospital	922,051	678,435	-243,616	77	658,181	657,957	-224	52	-243,840	67
Schoolcraft Memorial Hospital	859,180	604,942	-254,238	80	0	0	0	47	-254,238	68
Sheridan Community Hospital	624,332	297,601	-326,731	91	0	69,165	69,165	23	-257,566	69
Mercy Hospital, Grayling	1,532,130	1,409,826	-122,304	59	567,028	429,420	-137,608	79	-259,912	70
Lake View Community Hospital	336,351	233,874	-102,477	54	474,385	306,688	-167,697	83	-270,174	71
Otsego County Memorial Hospital	610,403	631,532	21,129	19	486,390	185,026	-301,364	95	-280,235	72
Doctors Hospital of Jackson	680,003	394,112	-285,891	85	0	0	0	29	-285,891	73
United Memorial Hospital	963,147	732,752	-230,395	75	319,474	228,419	-91,055	72	-321,450	74
Oaklawn Hospital	848,501	587,510	-260,991	84	456,163	391,489	-64,674	67	-325,665	75
Kelsey Memorial Hospital	191,898	102,514	-89,384	48	447,901	177,194	-270,707	91	-360,091	76
Hayes Green Beach Memorial Hospital	372,471	266,162	-106,309	55	767,936	494,071	-273,865	92	-380,174	77
Pennock Hospital	1,416,198	737,929	-678,269	113	0	295,866	295,866	16	-382,403	78
Trillium Hospital	318,794	231,872	-86,922	45	770,262	469,277	-300,985	94	-387,907	79
Lee Memorial Hospital	362,922	395,910	32,988	15	864,356	420,211	-444,145	102	-411,157	80
Ionia County Memorial Hospital	471,106	299,681	-171,425	68	820,536	555,517	-265,019	89	-436,444	81
Standish Community Hospital	262,797	69,660	-193,137	70	493,850	239,976	-253,874	88	-447,011	82
Providence Hospital	8,586,371	7,601,868	-984,503	123	6,542,914	7,028,219	485,305	13	-499,198	83
St. John Macomb Hospital	2,620,432	2,304,146	-316,286	88	3,259,372	3,071,518	-187,854	85	-504,140	84
Hillsdale Community Health Center	1,918,446	1,404,545	-513,901	108	0	0	0	35	-513,901	85
Northern Michigan Hospitals, Inc.	3,407,950	3,328,528	-79,422	41	2,077,414	1,641,785	-435,629	101	-515,051	86
Alpena General Hospital	2,521,089	2,133,273	-387,816	96	1,866,535	1,699,667	-166,868	82	-554,684	87
Mid-Michigan Medical Center-Gladwin	291,094	-182,596	-473,690	105	692,600	588,733	-103,867	77	-577,557	88
Herrick Memorial Hospital, Inc.	473,633	212,960	-260,673	83	728,315	407,111	-321,204	96	-581,877	89
West Shore Medical Center	1,391,198	990,649	-400,549	99	462,802	246,138	-216,664	86	-617,213	90
St. Joseph Mercy Hospital & Health Services	1,906,117	1,441,741	-464,376	104	687,649	518,269	-169,380	84	-633,756	91
St. Mary's Medical Center - Saginaw	4,095,914	3,938,525	-157,389	67	4,442,047	3,949,140	-492,907	105	-650,296	92
Mecosta County General Hospital	2,305,808	1,652,587	-653,221	112	0	0	0	42	-653,221	93
Dickinson County Memorial Hospital	1,447,742	1,193,413	-254,329	81	752,537	335,080	-417,457	100	-671,786	94
St. Joseph Mercy Hospital - Ann Arbor	5,386,297	5,274,267	-112,030	56	4,979,633	4,364,125	-615,509	113	-727,539	95

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Table 4 (continued)

Hospital Name In 2000	Fee For Service				Managed Care Organization				Difference	
	Inpatient & Outpatient	Total	Difference	Rank	Total	Total	Difference	Rank	Payments to Combined	Rank
	Costs	Final Payments	Payments to Costs		Medicaid Costs	Medicaid Payments	Payments to Costs			
South Haven Community Hospital	\$ 794,344	\$ 549,236	\$ -245,108	78	\$ 1,158,324	\$ 643,530	\$ -514,794	107	\$ -759,902	96
Mercy Hospital, Port Huron	1,362,309	876,904	-485,405	107	1,703,933	1,428,918	-275,015	93	-760,420	97
Mercy Memorial Hospital	1,616,983	1,297,872	-319,111	89	1,863,796	1,415,750	-448,046	103	-767,157	98
Port Huron Hospital	2,783,420	2,394,334	-389,086	97	2,787,683	2,386,903	-400,780	99	-789,866	99
West Branch Regional Medical Center	1,130,960	919,603	-211,357	74	1,558,771	948,276	-610,495	111	-821,852	100
Mid-Michigan Medical Center - Clare	1,021,384	676,673	-344,711	95	1,302,258	741,110	-561,148	109	-905,859	101
Mercy General Health Partners	4,948,471	4,538,594	-409,877	100	3,886,616	3,351,369	-535,247	108	-945,125	102
St. Joseph Mercy Oakland	6,277,223	5,425,523	-851,700	119	5,935,278	5,838,813	-96,466	74	-948,166	103
Huron Valley - Sinai Hospital	1,931,525	1,475,448	-456,077	103	958,094	461,212	-496,882	106	-952,960	104
Mary Free Bed Guild	1,708,217	1,365,352	-342,865	94	613,294	0	-613,294	112	-956,159	105
Oakland General Hospital	3,404,989	2,521,774	-883,215	120	3,464,722	3,359,348	-105,374	78	-988,588	106
Allegan General Hospital	719,733	464,690	-255,043	82	1,037,260	244,594	-792,666	119	-1,047,709	107
Francis Bell Memorial Hospital	1,306,116	720,351	-585,765	110	823,565	359,119	-464,446	104	-1,050,211	108
Oakwood Hospital Annapolis Center	4,549,034	3,823,949	-725,085	117	2,317,034	1,947,355	-369,679	98	-1,094,764	109
Riverside Osteopathic Hospital	3,492,941	1,715,166	-1,777,775	137	1,977,442	2,659,541	682,099	7	-1,095,676	110
Covenant Medical Center, Inc.	9,959,333	10,975,611	1,016,278	5	16,962,774	14,843,879	-2,118,894	139	-1,102,617	111
Holland Community Hospital	2,770,227	2,327,739	-442,488	101	1,653,614	974,121	-679,493	116	-1,121,981	112
Mt. Clemens General Osteopathic Hospital	7,324,554	5,508,365	-1,816,189	138	5,234,501	5,766,491	531,990	11	-1,284,199	113
Three Rivers Hospital	1,303,668	606,597	-697,071	114	1,423,148	780,720	-642,428	115	-1,339,499	114
McLaren General Hospital	3,718,018	3,097,374	-620,644	111	3,577,003	2,784,736	-792,267	118	-1,412,911	115
Carson City Osteopathic Hospital	1,228,017	744,088	-483,929	106	1,573,632	620,919	-952,712	123	-1,436,641	116
Forest Health Medical Center, Inc.	1,057,045	355,590	-701,455	115	1,489,038	701,782	-787,256	117	-1,488,711	117
Marquette General Hospital	6,151,894	5,251,588	-900,306	121	3,037,224	2,431,505	-605,719	110	-1,506,025	118
Bon Secours Hospital	2,737,614	1,715,305	-1,022,309	124	962,530	167,062	-795,468	120	-1,817,777	119
Borgess Hospital	6,734,232	6,342,648	-391,584	98	8,608,247	7,052,358	-1,555,888	134	-1,947,472	120
Emma L. Bixby Hospital	1,616,018	910,048	-705,970	116	2,438,461	1,048,911	-1,389,550	130	-2,095,520	121
Edward W. Sparrow Hospital	16,347,644	13,584,293	-2,763,351	145	18,199,335	18,866,149	666,814	8	-2,096,538	122
MidMichigan Med Cntr - Midland	4,495,689	3,270,845	-1,224,844	126	3,312,624	2,433,340	-879,283	121	-2,104,128	123
W. A. Foote Memorial Hospital	5,671,741	4,439,770	-1,231,971	127	5,717,945	4,828,205	-889,740	122	-2,121,711	124
Munson Medical Center	7,933,246	6,762,581	-1,170,665	125	3,912,375	2,819,289	-1,093,086	126	-2,263,751	125
Gratiot Community Hospital	2,232,515	1,326,781	-905,734	122	2,500,209	1,051,883	-1,448,326	131	-2,354,060	126
Battle Creek Health System	4,436,078	3,618,772	-817,306	118	8,036,483	6,428,853	-1,607,630	136	-2,424,936	127
Gerber Memorial Hospital	2,415,999	1,032,169	-1,383,830	129	2,021,859	976,628	-1,045,231	124	-2,429,061	128
Hackley Hospital	3,349,538	3,013,670	-335,868	93	8,404,186	6,116,059	-2,288,127	140	-2,623,995	129
Genesys Regional Medical Center - Flint Osteo Campus	7,204,870	5,663,661	-1,541,209	131	15,448,535	14,364,669	-1,083,866	125	-2,625,075	130
Spectrum Health - East Campus	5,888,394	4,381,979	-1,506,415	130	5,165,780	3,880,524	-1,285,256	128	-2,791,671	131
Oakwood Hospital Seaway Center	1,325,481	-1,250,224	-2,575,705	144	369,432	102,878	-266,554	90	-2,842,259	132
Ingham Regional Medical Center	7,141,932	5,409,852	-1,732,080	134	3,925,687	2,577,591	-1,348,096	129	-3,080,177	133
Detroit Receiving Hospital	24,259,346	21,703,051	-2,556,295	143	21,988,286	21,361,694	-626,591	114	-3,182,886	134
St. John Hospital	23,068,340	19,972,842	-3,095,498	146	19,534,286	19,373,615	-160,671	81	-3,256,169	135
St. Mary's Mercy Medical Center (Grand Rapids)	7,496,187	5,633,628	-1,862,559	139	5,036,727	3,479,942	-1,556,785	135	-3,419,344	136
Bay Medical Center	3,580,302	3,006,127	-574,175	109	4,389,951	1,485,192	-2,904,760	141	-3,478,935	137
Henry Ford Wyandotte Hospital	4,427,400	2,465,296	-1,962,104	141	3,053,842	1,510,008	-1,543,834	133	-3,505,938	138
Lakeland Hospital - St. Joseph	7,251,348	5,237,634	-2,013,714	142	9,608,388	8,089,303	-1,519,085	132	-3,532,799	139
North Oakland Medical Center	6,619,919	4,919,017	-1,700,902	132	8,510,238	6,435,551	-2,074,687	138	-3,775,589	140
Oakwood Hospital Heritage Center	3,598,591	1,710,958	-1,887,633	140	5,062,352	3,170,028	-1,892,324	137	-3,779,957	141
Oakwood Hospital and Medical Center	18,507,735	17,227,836	-1,279,899	128	7,856,836	4,818,675	-3,038,161	142	-4,318,060	142
Bronson Methodist Hospital	15,648,304	13,931,242	-1,717,062	133	11,917,269	8,090,854	-3,826,414	144	-5,543,476	143
Hurley Medical Center	22,010,851	18,414,116	-3,596,735	148	45,023,179	41,961,989	-3,061,190	143	-6,657,924	144
Henry Ford Hospital	28,854,883	30,415,364	1,560,481	3	30,818,677	22,135,876	-8,682,801	147	-7,122,320	145
Metropolitan Hospital, Grand Rapids	9,367,725	7,624,089	-1,743,636	135	9,441,305	3,539,318	-5,901,987	145	-7,645,623	146
Spectrum Health-Butterworth Campus	26,516,169	24,751,845	-1,764,324	136	20,505,046	12,292,079	-8,212,968	146	-9,977,292	147
Mercy Hospital, Detroit	7,434,206	4,042,313	-3,391,893	147	19,703,147	1,705,243	-17,997,904	148	-21,389,797	148
Children's Hospital of Michigan	44,092,768	38,873,892	-5,218,876	149	56,555,356	37,738,813	-18,816,543	149	-24,035,541	149
Harper University Hospital	48,477,311	42,250,638	-6,226,673	150	59,920,101	38,744,607	-21,175,494	150	-27,402,167	150
Total	\$630,200,605	\$562,525,260	\$-67,675,345		\$673,867,564	\$546,846,217	\$-127,021,347		\$-194,696,692	

Source: Michigan Department of Community Health

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There are 16 hospital corporations that are designated as having affiliated hospitals. The number of affiliated hospitals in a system ranges from 1 to

9. Three systems showed payments above costs with and without DSH payments (See web site for tables including DSH amounts). The remain-

der received payments that were less than costs.

Table 5
Michigan Hospitals Medicaid Costs and Payments for Fee for Service and Managed Care Organization Care to Persons Eligible for State Administered Federal Insurance Programs For Affiliated Hospital Systems
Payments do not Reflect Disproportionate Share Amounts
(See Web Site for Table Including DSH Payments)
Fiscal Year Ending September 30, 2000

<u>Hospital Name in 2000</u>	<u>Number of System Hospitals in Memorandum</u>	<u>Fee For Service</u>			<u>Rank</u>	<u>Managed Care Organization</u>			<u>Rank</u>	<u>Difference Payments to Costs</u>	
		<u>Inpatient & Outpatient Costs</u>	<u>Total Final Payments</u>	<u>Difference Payments to Costs</u>		<u>Total Medicaid Costs</u>	<u>Total Medicaid Payments</u>	<u>Difference Payments to Costs</u>		<u>Rank</u>	<u>Combined</u>
Detroit-Macomb Hospital Corp.	1	\$ 8,928,367	\$ 9,482,207	\$ 553,840	2	\$30,715,815	\$31,553,423	\$ 837,608	3	\$ 1,391,448	1
William Beaumont Hospital Corp.	2	13,665,003	14,691,243	1,026,240	1	9,416,139	9,556,493	140,354	5	1,166,594	2
Bon Secours Cottage Health Services	2	3,012,549	1,832,948	-1,179,601	6	1,080,820	2,384,445	1,303,625	1	124,024	3
Mercy Health Services	3	4,840,050	4,417,172	-422,878	4	2,183,150	1,964,335	-218,815	7	-641,693	4
Horizon Health System	2	5,606,436	4,224,704	-1,381,732	8	2,284,468	2,952,147	667,678	4	-714,054	5
Sisters of St. Joseph Health System	3	4,513,645	3,534,778	-978,867	5	4,270,659	4,065,780	-204,879	6	-1,183,746	6
Munson Healthcare	2	8,120,992	6,852,902	-1,268,090	7	3,912,375	2,819,289	-1,093,086	9	-2,361,176	7
Genesys Regional Medical Center	1	7,204,870	5,663,661	-1,541,209	9	15,448,535	14,364,669	-1,083,866	8	-2,625,075	8
McLaren Health Care Corp.	1	7,141,932	5,409,852	-1,732,080	10	3,925,687	2,577,591	-1,348,096	10	-3,080,177	9
St. John Health System	4	37,532,320	32,942,528	-4,589,792	13	34,843,748	36,107,791	1,264,043	2	-3,325,749	10
Mid-Michigan Regional Medical Center	3	5,808,167	3,764,922	-2,043,245	12	5,307,482	3,763,183	-1,544,299	11	-3,587,544	11
Bronson Group	2	16,155,944	14,344,345	-1,811,599	11	12,005,784	8,144,329	-3,861,454	12	-5,673,054	12
Henry Ford Health System	2	33,282,283	32,880,660	-401,623	3	33,872,519	23,645,884	-10,226,635	14	-10,628,258	13
Oakwood Healthcare, Inc.	5	29,037,886	21,868,109	-7,169,777	15	17,094,692	10,740,718	-6,353,974	13	-13,523,751	14
Trinity Health/ Sisters of Mercy Health Corp.	9	38,244,203	30,136,676	-8,107,527	16	50,124,666	27,383,298	-22,741,368	15	-30,848,895	15
Detroit Medical Center	6	137,555,134	131,389,351	-6,165,783	14	182,190,378	142,992,939	-39,197,438	16	-45,363,222	16

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Health Systems Planning Areas

In the late 1960s, the state designated 8 health systems planning areas. **Table 6** reflects the percent of Medicaid days and the financial results for these areas with the City of Detroit separated from the southeast area. City of Detroit hospitals provided 27.4 percent of their total hospital days to Medicaid eligible

persons, while the remainder of Southeast provided 7.9 percent. The statewide figure was 13.5 percent. Individual hospitals sorted by health systems planning areas are shown in a table available on the website. Over half of the \$821.8 million statewide loss in net income from services to pa-

tients occurred in the City of Detroit and the city shows the only deficit amount. While a high percentage of Medicaid days does not appear to predict individual hospital financial results, it does correlate somewhat with health system area results.

Table 6
Percent Medicaid Days and Hospital Net Patient Income
and Surplus(Deficit) by Health System Areas
Fiscal Year Ending September 30, 2000

<u>Health System Area</u>	<u>Area Name</u>	<u>Percent Medicaid Days</u>	<u>Net Income from Services To Patients</u>	<u>Surplus (Deficit)</u>
	Southeast without Detroit	7.9	\$ (107,605,867)	\$482,619,440
	City of Detroit	27.4	(418,415,822)	(78,738,434)
Area 1	Southeast	13.9	(526,021,689)	403,881,006
Area 2	Mid-South	13.2	(41,035,547)	23,986,787
Area 3	Southwest	14.2	(20,577,575)	56,028,270
Area 4	West	12.7	(132,497,701)	67,944,563
Area 5	Genesee	16.2	(32,464,936)	1,907,139
Area 6	East Central	11.6	(43,882,486)	23,227,944
Area 7	North Central	9.6	(20,042,056)	19,207,288
Area 8	Upper Peninsula	10.0	<u>(5,242,954)</u>	<u>20,053,308</u>
Total - All Areas		13.5	\$ (821,764,944)	\$616,236,305

Source: Michigan Department of Community Health

Note: Amended reports reflected in this Memorandum lowered the overall surplus(deficit) reported in *Memorandum 1060* from \$635.4 million to the \$616.2 million reflected here (see website for individual hospital changes).

Summary

Payments by the State of Michigan for state administered federal health insurance programs fell short of costs incurred by Michigan hospitals in 2000 by \$201.4 million of which \$194.7 million was in the Medicaid

program if DSH payments are not included. If DSH is included the shortfall totals \$136.3 million of which \$129.6 million is Medicaid. Had the state reimbursed hospitals so that payments and costs were equal,

hospitals would have had a collective loss in net patient income of \$620.4 million rather than \$821.8 million and collective surpluses would have been \$817.6 million compared to \$616.2 million.

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Glossary

Medicaid. A state administered federal health insurance program for persons with low incomes established by Title XIX of the Social Security Act.

Maternal and Child Health (MCH). Federal block grant funds are available under the terms of Title V of the Social Security Act and are to be used for: preventive and primary care services for pregnant women, mothers, and infants up to age one; preventive and primary care services for children; and services for children with special health care needs.

MiChild is the Michigan name for the federal State Children's Health Insurance Program (SCHIP) established by Title XXI of the Social Security Act. It provides a broad range of health services to persons under the age of 19 in low-income families. Benefits include: regular medical checkups; immunizations; emergency care; dental care; pharmacy; hospital care; prenatal care and delivery; vision and hearing; mental health; and, substance abuse services.

Disproportionate Share Hospital Payments (DSH). In 1981, Congress established the Medicaid DSH program to provide financial relief to hospitals serving the poor and to maintain hospital access for this group. Payments must be made to hospitals that have a Medicaid inpatient use rate at least one standard deviation above the mean for the state or a low-income use rate of 25 percent or more. States may make DSH payments to hospitals with Medicaid inpatient use rates as low as 1 percent. There are other aspects of DSH payments, but it is this that is reflected in this Memorandum.

Fee for Service (FFS) Payments. Hospitals receive Medicaid payments directly from the Michigan Department of Community Health based on invoices received. Payments are based on rates established by the state.

Managed Care Payments. Managed care organizations now pay for about one-half of Medicaid hospital services. Payments are made on the basis of rates negotiated between the hospital and a managed care organization or at the fee for service rate if no agreement exists.

Graduate Medical Education (GME). Teaching hospitals receive separate Medicaid payments for the cost of providing medical education programs for interns and residents.

Primary Care Education Pool (PCP). Payments are made from the Primary Care Pool to hospitals on the basis of providing medical education to physicians preparing to practice primary care as opposed to specialty care.

About the Michigan Data

The preceding tables, charts and analyses are based on information filed for the state fiscal year 2000. One hundred seventy hospitals filed cost reports for the periods in this series of memoranda. Twenty of them are not included. Of these, 6 are psychiatric hospitals, 6 closed between 1998 and 2000 and 8 did not have complete data for both years. A listing of these hospitals can

be found on page 9 of Memorandum 1060 or on the CRC website.

The 2000 data is for the period October 1, 1999 through September 30, 2000. Hospital fiscal years end at different times (most are either December 31 or June 30) so that the impact of a particular federal or state policy change or reimbursement alteration or change in economic

climate can be reflected unevenly in the data of different hospitals.

Cost, payment and hospital day figures come from Indigent Volume reports filed with the Michigan Department of Community Health. Net income from services to patients and surplus/deficit amounts are taken from annual cost reports filed with the same department.

Data Characteristics

Michigan hospitals are required to file an Indigent Volume report along with the Medicaid cost report every year. The information in this report has been used to calculate a payment of some \$45.0 million to 46 hospitals provid-

ing a disproportionate share of care to indigent persons. In 2000, special one-time additional payments of \$20.1 million were made using this data resulting in all but 5 hospitals receiving funds (See **Table 2**). Not all

reports have been independently audited, it is possible that information is not as accurate as it might otherwise be. The data has been submitted to the state by each facility and represents information in hospital files.

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This *CRC Memorandum* contains several references to related material found on our website, www.crcmich.org. The website provides the Citizens Research Council of Michigan with the ability to make available data and analyses that are either too lengthy or, while possibly interesting, may not be central to the basic points being made in the report. It also eliminates the delay between the time a CRC report is released and the time the printed form is received in the mail and offers 24/7 access to CRC reports and analyses and links to hundreds of other public policy and governmental websites.

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NOTE CRC MAIN OFFICE ADDRESS CHANGE

Please note that the main office of the Citizens Research Council of Michigan has moved, effective October 1, 2002. The new address is:

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Only the suite number has changed. Everything else remains the same.