

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

**METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT;
MEDICAL ASSISTANCE-GRANT (MAG) and MEDICAL ASSISTANCE-NO GRANT (MANG)**

10/02 XV. Critical Hospital Adjustment Payments (CHAP)

Critical Hospital Adjustment Payments (CHAP) shall be made to all eligible hospitals excluding county-owned hospitals, as described in Chapter XVI A.1.a.i, unless otherwise noted in this Chapter XV, and hospitals organized under the University of Illinois Hospital Act, as described in Chapter XVI A.1.a.ii for inpatient admissions occurring on or after July 1, 1998, in accordance with this Chapter.

07-07 A. Trauma Center Adjustments (TCA)

The Department shall make a trauma center adjustment (TCA) to Illinois hospitals recognized, ~~as of the first day of July in the CHAP rate period,~~ as a Level I or Level II trauma center by the Illinois Department of Public Health (IDPH), in accordance with the provisions of 1 through 34 of this Chapter. For purposes of a TCA, a children's hospital, as defined under Section II.C.3., operating under the same license as a hospital designated as a trauma center shall be deemed to be a trauma center.

1. Level I Trauma Center Adjustment (TCA).

- a. Criteria. Illinois hospitals that, on the first day of July in the CHAP rate period are recognized as a Level I trauma center by the ~~Illinois Department of Public Health~~ IDPH shall receive the Level I trauma center adjustment. Hospitals qualifying under subsection A.2. are not eligible for payment under this subsection.
- b. Adjustment. Illinois hospitals meeting the criteria specified in 1.a. of this Chapter shall receive an adjustment as follows:
 - i. Hospitals with Medicaid trauma admissions equal to or greater than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. of this Chapter shall receive an adjustment of \$21,365.00 per Medicaid trauma admission in the CHAP base period.
 - ii. Hospitals with Medicaid trauma admissions less than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. of this Chapter shall receive an adjustment of \$14,165.00 per Medicaid trauma admission in the CHAP base period.

07-07 2. Level I Trauma Center Adjustment for Illinois hospitals located in the same city, that alternate their Level I trauma center designation.

- a. Criteria. Illinois hospitals that are located in the same city and participate in an agreement in effect as of July 1, 2007, whereby their designation as a Level I trauma center by the Illinois Department of Public Health is rotated among qualifying hospitals from year to year or during a year, that are in the following classes:
 - i. A children's hospital – All children's hospitals as defined in II.C.3., in a given city, qualifying under subsection A.2.a shall be considered one entity for the purposes of calculating the adjustment in subsection A.2.b.
 - ii. A general acute care hospital – All general acute care adult hospitals, in a given city, affiliated with a children's hospital, as defined in subsection A.2.a.i., qualifying under subsection A.2.a., shall be considered one entity for the purposes of calculating the adjustment in subsection A.2.b.
- b. Adjustment. Hospitals meeting the criteria specified in subsection A.2.a., shall receive an adjustment as follows:

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- i. If the sum of Medicaid trauma center admissions within either class, as described in subsection A.2.a., is equal to or greater than the mean Medicaid trauma admissions for the 2 classes under subsection A.2.a. of this Section, then each member of that class shall receive an adjustment of \$5,250.00 per Medicaid trauma admission for that class, in the CHAP base period.
- ii. If the sum of Medicaid trauma center admissions within either class, as described in subsection A.2.a., is less than the mean Medicaid trauma admissions of the 2 classes under subsection A.2.a. of this Section, then each member of that class shall receive an adjustment of \$3,625.00 per Medicaid trauma admission for that class, in the CHAP base period.

07-07

- 2.3 Level II Rural Trauma Center Adjustment (TCA). Illinois rural hospitals, as defined in Chapter XVI B.3, that, on the first day of July in the CHAP rate period, are recognized as a Level II trauma center by the Illinois Department of Public Health shall receive an adjustment of \$11,565.00 per Medicaid trauma admission in the CHAP base period.

07-07

- 3 4. Level II Urban Trauma Center Adjustment (TCA). Illinois urban hospitals, as described in Chapter XVI B.4, that, on the first day of July in the CHAP rate period, are recognized as Level II trauma centers by the Illinois Department of Public Health (IDPH) shall receive an adjustment of \$11,565.00 per Medicaid trauma admission in the CHAP base period, provided that such hospital meets the following criteria: ~~described in this Chapter.~~

- a. The hospital is located in a county with no Level I trauma center; and
- b. The hospital is located in a Health Professional Shortage Area, as of the first day of July in the CHAP rate period and has a Medicaid trauma admission percentage at or above the mean of the individual facility values determined in A.34.a of this Chapter or the hospital has a Medicaid trauma admission percentage that is at least the mean plus one standard deviation of the individual facility values determined in subsection A.34.a of this Chapter; and
- c. The hospital does not qualify under subsection A.2.

B. Rehabilitation Hospital Adjustment (RHA)

Illinois hospitals that, on the first day of July in the CHAP rate period, qualify as rehabilitation hospitals, as defined Section C.2 of Chapter II, and are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), shall receive a rehabilitation hospital adjustment in the CHAP rate period that consists of the following three components:

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1. Treatment Component. All hospitals defined in Section B. of this Chapter shall receive \$4,215.00 per Medicaid Level I rehabilitation admission in the CHAP base period.
2. Facility Component. All hospitals defined in Section B. of this Chapter shall receive a facility component that shall be based upon the number of Medicaid Level I rehabilitation admissions in the CHAP base period as follows:

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- a. Hospitals with fewer than 60 Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$229,360.00 in the CHAP rate period.
- b. Hospitals with 60 or more Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$527,528.00 in the CHAP rate period.

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07/02 3. Health Professional Shortage Area Adjustment Component. Hospitals defined in Section B. of this Chapter, that are located in an HPSA as of the first day of July in the CHAP rate period, shall receive \$276.00 per Medicaid Level I rehabilitation inpatient day in the CHAP base period.

C. Direct Hospital Adjustment (DHA) Criteria

1. Qualifying Criteria

07/07 Hospitals may qualify for the DHA under this subsection under the following categories, unless the hospital did not provide Comprehensive emergency treatment services as defined in subsection 5(C) below, on or after July 1, 2006, but did provide such services on January 1, 2006, unless the hospital provider operates within 1 mile of an affiliate hospital provider, that is owned and controlled by the same governing body that operates a comprehensive emergency room and the provider operates a standby emergency room that functions as an overflow emergency room for its affiliate hospital provider.

- a. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals and long term stay hospitals, all other hospitals located in Health Service Area (HSA) 6 that either:
 - i. were eligible for Direct Hospital Adjustments under the CHAP program as of July 1, 1999, and had a Medicaid inpatient utilization rate (MIUR) equal to or greater than the statewide mean in Illinois on July 1, 1999;
 - ii. were eligible under the Supplemental Critical Hospital Adjustment Payment (SCHAP) program as of July 1, 1999, and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999; or
 - iii. were county-owned hospitals as defined in Section C.8 of Chapter II, and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999.
- b. Illinois Hospitals located outside of HSA 6 that have a MIUR greater than 60 percent on July 1, 1999, and an average length of stay less than ten days. The following hospitals are excluded from qualifying from this criteria: children's hospitals; psychiatric hospitals; rehabilitation hospitals; and long term stay hospitals.
- c. Children's hospitals, as defined under Section II.C.3, on July 1, 1999.
- d. Illinois Teaching hospitals with more than 40 graduate medical education programs, on July 1, 1999, not qualifying in subsections C.1.a, b. or c. of this Chapter.

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- 07/07
- G. Critical Hospital Adjustment Limitations. Hospitals that qualify for trauma center adjustments under Section A. above shall not be eligible for the total trauma center adjustment if, during the CHAP rate period, the hospital is no longer recognized by the Illinois Department of Public Health as a Level I trauma center as required for the adjustment described in A.1. above, or a Level II trauma center as required for the adjustment described in ~~A.2 or A.3.~~ A.4. of this Chapter. In these instances, the adjustments calculated shall be pro-rated, as applicable, based upon the date that such recognition ceased. This limitation does not apply to hospitals qualifying under section A.2.
- H. Critical Hospital Adjustment Payment Definitions
1. "Alzheimer days" means total paid days contained in the Department's paid claims database with a ICD-9-CM diagnosis code of 331.0 for dates of service occurring in State fiscal year 2001 and adjudicated through June 30, 2002
 2. "CHAP base period" means State Fiscal Year 1994, for CHAP payments calculated for the July 1, 1995, CHAP rate period, State Fiscal Year 1995 for CHAP payments calculated for the July 1, 1996, CHAP rate period, etc.
 3. "CHAP rate period" means, beginning July 1, 1995, the 12- month period beginning on July 1 of the year and ending June 30 of the following year.
 4. "Combined MIUR" means the sum of Medicaid Inpatient Utilization Rate (MIUR) as of July 1, 1999, plus the Medicaid obstetrical inpatient utilization rate, as of July 1, 1999, both of which are defined in Chapter VI.C.8.
 5. "Medicaid general care admission" means hospital inpatient admissions, which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, excluding admissions for normal newborns, Medicare/Medicaid crossover admissions, psychiatric and rehabilitation admissions.
 6. "Medicaid Level I rehabilitation admissions" means those claims billed as Level I admissions which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, with an occurrence code of 63 when applicable and an ICD-9-CM principal diagnosis code of: 054.3, 310.1 through 310.2, 320.1, 336.0 through 336.9, 344.0 through 344.2, 344.8 through 344.9, 348.1, 801.30, 803.10, 803.84, 806.0 through 806.19, 806.20 through 806.24, 806.26, 806.29 through 806.34, 806.36, 806.4 through 806.5, 851.06, 851.80, 853.05, 854.0 through 854.04, 854.06, 854.1 through 854.14, 854.16, 854.19, 905.0, 907.0, 907.2, 952.0 through 952.09, 952.10 through 952.16, 952.2, and V57.0 through V57.89, excluding admissions for normal newborns.

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- d. Hospitals that have a Combined MIUR that is equal to or greater than two standard deviations above the Statewide mean Combined MIUR will receive \$142.00 per day for hospitals that do not provide obstetrical care and \$179.00 per day for hospitals that do provide obstetrical care.
- 04/05 2. Hospitals qualifying under subsection C.1.a. of this Chapter will also receive the following rates:
 - a. County owned hospitals as defined in Section C.8 of Chapter II, with more 30,000 Total days will have their rate increased by \$455.00 per day.
 - b. Hospitals that are not a county owned with more than 30,000 total days will have their rate increased by \$330.00 per day.
 - c. Hospitals with more than 80,000 Total days will have their rate increased by an additional \$423.00 per day.
 - d. Hospitals with more than 4,500 Obstetrical days will have their rate increased by \$101.00 per day.
 - e. Hospitals with more than 5,500 Obstetrical days will have their rate increased by an additional \$194.00 per day.
 - f. Hospitals with an MIUR rate greater than 74 percent will have their rate increased by \$147.00 per day.
 - g. Hospitals with an average length of stay less than 3.9 days will have their rate increased by \$41.00 per day.
 - h. Hospitals with a MIUR greater than the statewide mean plus one standard deviation that are designated a Perinatal Level 2 Center and have one or more obstetrical graduate medical education programs as of July 1, 1999, will have their rate increased by \$227.00 per day.
 - 07/06 i. Hospitals receiving payments under subsection (D)(1)(b) that have an average length of stay less than 4 days will have their rate increased by \$528.00 per day.
 - 07/06 j. Hospitals receiving payments under subsection (D)(1) that have a MIUR greater than 60 percent will have their rate increased by \$320.50 per day.
 - k. Hospitals receiving payments under subsection (D)(1)(d) that have a Medicaid inpatient utilization rate greater than 70 percent and have more than 20,000 days will have their rate increased by \$98.00 per day.
 - 07/06 l. Hospitals with a Combined MIUR greater than 75 percent, that have more than 20,000 total days, have an average length of stay less than five days and have at least on graduate medical program will have their rate increased by \$148.00 per day.

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