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State/Territory Name: IL

State Plan Amendment (SPA) #: 08-0019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



SEP 16 2014

Ms. Julie Hamos, Director
Illinois Department of Healthcare and Family Services
Prescott E Bloom Building
201 South Grand Avenue East
Springfield IL 62763-0002

RE: Illinois State Plan Amendment (SPA) 08-19

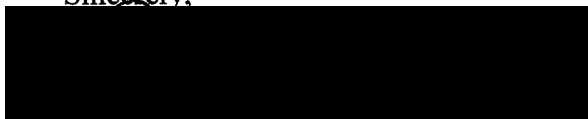
Dear Ms. Hamos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 08-19. Effective for inpatient hospital services on or after December 1, 2008, this amendment allows out of state trauma centers to be eligible for Trauma Center Adjustments; limits the Medicaid Percentage Adjustment payment to \$155 per day for a children's hospital and \$215 for all other hospitals other than those hospitals organized under the University of Illinois Act; limits Direct Hospital Adjustment payments to \$69 per day for Illinois teaching hospitals with 25 or more graduate medical programs that are affiliated with a Regional Alzheimer's Disease Assistance Center designated by the Alzheimer's Disease Assistance Act, that has an MIUR less than 25% on July 1, 1999, and provided 75 or more Alzheimer days for patients diagnosed as having the disease; and corrects several references throughout the plan pages.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 08-19 is approved effective December 1, 2008. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Michelle Beasley at (312) 353-3746 or via email at Michelle.Beasley@cms.hhs.gov.

Sincerely,



Cindy Mann
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 08-19	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: December 1, 2008	

5. TYPE OF PLAN MATERIAL (Check One)
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT


COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1902 of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 2009 \$ 0.45 million b. FFY 2010 \$ 0.45 million
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, pages 49, 122, 123, 124, 127, 147, 153, 154	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, pages 49, 122, 123, 124, 127, 147, 153, 154
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10. SUBJECT OF AMENDMENT:
Methods and standards for establishing inpatient rates for hospital reimbursement — Trauma Center Adjustments
Other technical corrections to hospital inpatient rates methodologies


11. GOVERNOR'S REVIEW (Check One)
 GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 4 DAYS OF SUBMITTAL
 OTHER, AS SPECIFIED: Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO: Department of Healthcare and Family Services Bureau of Program and Reimbursement Analysis Attn: Frank Kopel, Chief 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME: Barry S. Maram	
14. TITLE: Director of Healthcare and Family Services	
15. DATE SUBMITTED December 22, 2008	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: SEP 16 2014
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PLAN APPROVED—ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: Dec. 1, 2008	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME Penny Thompson	22. TITLE: Deputy Director, Policy, Financial Mgt. CMCS
23. REMARKS:	

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)

-
- 10/93 D) Hospitals with a Medicaid inpatient utilization rate that is equal to or greater than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$90 plus \$2 for each one percent that the hospital's Medicaid inpatient utilization rate exceeds 1.5 standard deviations above the mean Medicaid inpatient utilization rate.
- 07/08 iii. (Reserved).
- 12/08 iv. ~~(Reserved)~~ The Medicaid percentage adjustment payment, calculated in accordance with this Section, to a hospital, other than hospitals organized under the *University of Illinois Hospital Act*, as described in Section A.1.a.ii of Chapter XVI, shall not exceed \$155 per day for a children's hospital, as described in Section C.1.e of this Chapter, and shall not exceed \$215 per day for all other hospitals.
- 03/95 v. The amount calculated pursuant to Section C.7.b.ii through C.7.b.iv above shall be adjusted on October 1, 1993, and annually thereafter, by a percentage equal to the lesser of:
- 10/92 A) The increase in the national hospital market basket price proxies (DRI) hospital cost index for the most recent 12 month period for which data are available; or

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**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.

12/08 A. Trauma Center Adjustments (TCA)

The Department shall make a trauma center adjustment (TCA) to Illinois hospitals recognized, 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 4 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.

12/08 1. Level I Trauma Center Adjustment (TCA).

- a. Criteria. ~~Illinois hospitals~~ Hospitals that, on the first day of July in the CHAP rate period are recognized as a Level I trauma center by the 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~~ 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.

12/08 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~~ 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.
- 12/08

3. ~~Level II Rural Trauma Center Adjustment (TCA). Illinois rural Rural~~ hospitals, as defined in Section 148.25(g)(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.
- 12/08

4. ~~Level II Urban Trauma Center Adjustment (TCA). Illinois urban 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:

 - a. The hospital is located in a county with no Level I trauma center;
 - 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.4.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.4.a of this Chapter; and
 - c. The hospital does not qualify under subsection A.2.
- 12/08

5. In determining annual payments that are pursuant to the Trauma Center Adjustments as described in this Section, for the CHAP rate period occurring in State fiscal year 2009, total payments will equal the methodologies described in this Section. For the period December 1, 2008 to June 30, 2009, payment will equal the State fiscal year 2009 amount less the amount the hospital received for the period July 1, 2008 to November 30, 2008.
- 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:
- 07/02

 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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**METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT;
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- 07/05
- 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.
- 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.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT

- 07/05 c. Hospitals located in Illinois and inside HSA 6, that have a Medicaid inpatient utilization rate greater than 80 percent, will have their rate increased by \$573.00 per day.
- 07/05 d. Hospitals that are not located in Illinois that have a Medicaid inpatient utilization rate greater than 45 percent will have their rate increased by \$32.00 per day for hospitals that have less than 4,000 total days; or \$246.00 per day for hospitals that have greater than 4,000 total days but less than 8,000 total days; or \$178.00 per day for hospitals that have greater than 8,000 total days.
- 01/06 e. Hospitals with more than 3,200 Total admissions will have their rate increased by \$328.00 per day.
5. Hospitals qualifying under subsection C.1.d. of this Section will receive the following rates:
- 07/02 a. Hospitals will receive a rate of \$41.00 per day.
- b. Hospitals with a MIUR between 18 percent and 19.75 percent will have their rate increased by an additional \$14.00 per day.
- 07/06 c. Hospitals with a MIUR equal to or greater than 19.75 percent will have their rate increased by an additional \$110.25 per day.
- d. Hospitals with a combined MIUR that is equal to or greater than 35 percent will have their rates increased by an additional \$41.00 per day.
- 07/05 6. Hospitals qualifying under subsection C1.e above will receive \$188.00 per day.
7. Hospitals qualifying under subsection C.1.f. of this Section will receive a rate of \$55.00 per day.
- 12/08 8. Hospitals that qualify under subsection(c)(1)(G) of this Section will receive the following rates:
- a. Hospitals with an MIUR equal to or less than 19.75 percent will receive a rate of \$11.00 per day.
- b. Hospitals with an MIUR greater than 19.75 but equal to or less than 20.00 percent will receive a rate of \$69.00 per day.
- ~~c. Hospitals with an MIUR greater than 20.00 percent will receive a rate of \$110.00 per day.~~
- 10/03 9. Hospitals qualifying under subsection (c)(1)(H) of this Section will receive a rate of \$268.00 per day.

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12/08 XXII. High volume adjustment payment.

- A. **Qualifying criteria.** With the exception of a LARGE PUBLIC HOSPITAL, this payment shall be made to each GENERAL ACUTE CARE HOSPITAL that provided and was paid for more than 20,500 MEDICAID INPATIENT DAYS.
- B. **Payment.** Qualifying hospitals shall receive an annual payment that is the product of the hospital's MEDICAID INPATIENT DAYS and:
 - 1. \$350—for a hospital with a CASE MIX INDEX greater than or equal to the 85th percentile for all qualifying hospitals.
 - 2. \$100—for any other hospital.

TN # 08-19
Supersedes
TN# 08-06

Approval date: **SÉP 16 2014**

Effective date: 12/01/2008

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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

12/08 XXVIII. Crossover care payment.

- A. **Qualifying criteria.** With the exception of a LARGE PUBLIC HOSPITAL, a GENERAL ACUTE CARE HOSPITAL that had a ratio of crossover days to total Medical Assistance inpatient days (utilizing information from 2005 Illinois Medical Assistance paid claims) greater than 0.5000 and the hospital's CASE MIX INDEX is equal to or greater than the 65th percentile of all CASE MIX INDICES.
- B. **Payment.** A qualifying hospital shall receive an annual payment that is the product of \$1,125 and the number patient days provided to individuals eligible Medicaid, as recorded in the department's paid claims data.

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State: Illinois

**METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT;
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12/08 XXIX. Magnet hospital payment.

- A. Qualifying criteria. With the exception of a LARGE PUBLIC HOSPITAL, a GENERAL ACUTE CARE HOSPITAL or a FREESTANDING CHILDREN'S HOSPITAL qualifies for this payment if it meets both of the following criteria:
1. Was, as of February 1, 2008, designated as a "magnet hospital" by the American Nurses' Credentialing Center.
 2. A CASE MIX INDEX that is equal to or greater than the 75th percentile for all hospitals.
- B. Payment. A qualifying hospital shall receive an annual payment that is the product of the hospital's (a) MEDICAID INPATIENT DAYS, (b) ELIGIBILITY GROWTH FACTOR, and
1. \$450—for a hospital that has a CASE MIX INDEX equal to or greater than the 75th percentile of all hospitals and an ELIGIBILITY GROWTH FACTOR that is greater than the mean ELIGIBILITY GROWTH FACTOR for counties in which a hospital is located.
 2. \$225—for a hospital that has an ELIGIBILITY GROWTH FACTOR that is less than or equal to the mean ELIGIBILITY GROWTH FACTOR for counties in which a hospital is located.

TN # 08-19

Supersedes
TN# 08-06

Approval date: / **SEP 16 2014** Effective date: 12/01/2008