

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



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

JUL 09 2013

RE: Illinois State Plan Amendment (SPA) 11-003

Dear Ms. Hamos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-003. Effective for services on or after January 1, 2011, this amendment revises payment methodologies for inpatient hospital services. Specifically, this amendment proposes to increase the outlier threshold for purposes of determining eligibility for outlier payments; clarifies that no new Critical Hospital Adjustment Payment (CHAP) program payment or rate increase shall take effect unless the qualifying hospital also meets the definition of a Coordinated Care Participating Hospital; revises methodology for rehabilitation hospital adjustment (RHA) supplemental payments to include an increase for hospitals designated as "magnet hospitals"; increases direct hospital adjustment (DHA) supplemental payments; adds qualifying criteria and increases the rates for certain safety net hospital adjustment program supplemental payments.

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 11-003 is approved effective January 1, 2011. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at (312) 353-9860.

Sincerely yours,

A handwritten signature in black ink that reads "Cindy Mann". The signature is written in a cursive, flowing style.

Cindy Mann
Director

Enclosure