

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)**

- 10/92 a. Distinct Part Psychiatric Units. A distinct part psychiatric unit is a hospital, with a functional psychiatric unit, that is enrolled with the Department to provide inpatient psychiatric services (category of service 21) 10/92
- b. Distinct Part Rehabilitation Units . A distinct part rehabilitation unit is a hospital, with a functional rehabilitation unit, that is enrolled with the Department to provide inpatient rehabilitation services (category of service 22).
- 10/93 4. A major teaching hospital is defined as a hospital having four or more graduate medical education programs accredited by the American Accreditation Council for Graduate Medical Education, the American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation. Except, in the case of a hospital devoted exclusively to physical rehabilitation, as defined in Section C.2 of Chapter II., or in the case of a children's hospital, as defined in Section C.3 of Chapter II, only one certified program is required to be so classified.
- 0/92 5. Except as provided in Section A.4 above, a teaching hospital is defined as a hospital having at least one, but no more than three, graduate medical education programs accredited by the American Accreditation Council for Graduate Medical Education, American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation.
6. A non-teaching hospital is defined as:
- 0/92 a. A hospital that reports teaching costs on the Medicare or Medicaid cost reports but has no graduate medical education programs; or
- 10/92 b. A hospital that reports no teaching costs on the Medicare or Medicaid cost reports and that has no graduate medical education programs.
- 04/9804/12 7. For the purpose of disproportionate share hospital adjustments, the term "hospital" shall, in addition to the definition in Sections A.1 and A2 of Chapter XVI, mean the facilities operated by the Department of Human Services that meet Medicare certification requirements necessary to be classified as a psychiatric hospital, ~~including facilities that are accredited by the Joint Commission on Accreditation of Health Organizations (JCAHO).~~

OS Notification

State/Title/Plan Number: Illinois 12-012
Type of Action: SPA Approval
Required Date for State Notification: September 27, 2012
Fiscal Impact:
FY 2012 \$0
FY 2013 \$0

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail: Effective for services on or after April 1, 2012, this amendment revises the definition of "hospital" for disproportionate share hospital (DSH) payment purposes. Specifically, the definition is changed to clarify that facilities that meet the definition shall include facilities operated by the State that meet Medicare certification requirements necessary to be classified as a psychiatric hospital. The State met public process and tribal consultation requirements.

One of the recommendations from an OIG audit was for Illinois to ensure that Federal matching funds for inpatient psychiatric service and DSH payments are claimed only for psychiatric hospitals that can demonstrate compliance with the special Medicare conditions of participation, the medical record requirements at 42 CFR 482.61 and the staff requirements at 42 CFR 482.62. Since their current plan language requires only Joint Commission accreditation, they felt the best way to ensure compliance with the special Medicare COPs was to require Medicare certification.

Other Considerations:

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

Recovery Act Impact:

The Regional office has reviewed this state plan amendment in conjunction with the Recovery Act and, based on the available information provided by the State regarding 1) MOE; 2) local match; 3) prompt pay; 4) rainy day funds, and 5) eligible expenditures, the Regional Office believes that the State is not in violation of the Recovery Act requirements noted above.

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