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State/Territory Name: IL

State Plan Amendment (SPA) #: 13-005

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



JUN 17 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) 13-005

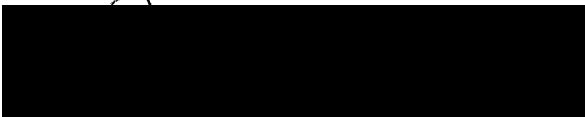
Dear Ms. Hamos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-005. Effective for inpatient hospital services March 3, 2013, this amendment increases the Safety Net Hospital Adjustment payments for certain hospitals through December 31, 2014.

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 13-005 is approved effective March 3, 2013. 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 13-005	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: March 3, 2013	

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 2013 \$ 1.6 Million b. FFY 2014 \$ 1.0 Million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 131 B2, 131 B3 Attachment 4.19-A, Pages 131D, 131D1 and 131E	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): 131 B2, [REDACTED] Attachment 4.19-A, Pages 131D, 131D1 and 131E

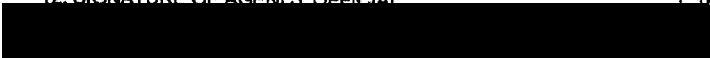
10. SUBJECT OF AMENDMENT:

Adjustments to inpatient supplemental payments for certain hospitals.

11. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- OTHER, AS SPECIFIED: Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL:



13. TYPED NAME: **Julie Harnos**

14. TITLE: **Director of Healthcare and Family Services**

15. DATE SUBMITTED **3/29/13**

16. RETURN TO:

**Department of Healthcare and Family Services
Bureau of Program and Reimbursement Analysis
Attn: Theresa Eagleson
201 South Grand Avenue East
Springfield, IL 62763-0001**

FOR REGIONAL OFFICE USE ONLY

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

19. EFFECTIVE DATE OF APPROVED MATERIAL: MAR 03 2013	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME Penny Thompson	22. TITLE: Deputy Director, Policy & Financial Mgt. CMBS
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)**

- 02/08 xi. A qualifying hospital that provided greater than 35,000 days in the safety net hospital base year—\$43.25.
- xii. A qualifying hospital with two or more graduate medical education programs, as listed in the “2000-2001 Graduate Medical Education Directory”, with an average length of stay less than 4 days—\$48.00.
- 03/13 b. For a hospital qualifying under Section (1)(b) of these rules, the rate shall be \$123.00 for dates of service through March 2, 2103. The rate shall be increased by \$41.00 to \$164 for dates of service on or after March 3, 2013 through December 31, 2014. For dates of service on or after January 1, 2015, the rate is \$123.00.
- c. For a hospital qualifying under Section (1)(c) of these rules, the rate is the sum of the amounts for each of the following for which it qualifies:
- i. A qualifying hospital—\$40.
- ii. If it has an average length of stay less than 4.00 days and:
- A. More than 150 licensed beds —\$20.
- B. Fewer than 150 licensed beds—\$40.
- iii. The eligible hospital with the lowest average length of stay—\$15.
- iv. It has a CMIUR greater than 65 per centum—\$35.
- v. It has fewer than 25 total admissions in the safety net hospital adjustment base period—\$160.
- 07/08 d. For a hospital qualifying under subsection (1)(d) the rate shall be \$110.
- e. For a hospital qualifying under subsection (1)(e), the rate is the sum of the amounts for each of the following for which it qualifies divided by the hospital’s total days:
- i. The hospital that has the highest number of obstetrical care admissions—\$30,840.
- ii. The greater of:
- A. The product of \$115 multiplied by the number of obstetrical care admissions.
- B. The product of \$11.50 multiplied by the number of general care admissions.
- 07/08 f. For a hospital qualifying under subsection (1)(f), the rate is \$56.00.
- 07/12 g. For a hospital qualifying under subsection (1)(g) of this Section, the rate is \$315.50 through December 31, 2014. For dates of service on or after January 1, 2015, the rate is \$210.50.
- 07/12 h. For a hospital qualifying under subsection (1)(h) of this Section, the rate is \$124.50.

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- 07/12 i. For a hospital qualifying under subsection (1)(i) of this Section, the rate is \$133.00. For dates of service on or after July 1, 2010 through December 31, 2014, this rate shall be increased by \$72.00 to \$205.00. For dates of service on or after January 1, 2015, the rate is \$85.50.
- 07/12 j. For a hospital qualifying under subsection (1)(j) of this Section, the rate is \$13.75. For dates of service on or after July 1, 2010 through December 31, 2014, this rate shall be increased by \$25.00 to \$38.75.
- 07/12 k. For a hospital qualifying under subsection (1)(k) of this Section, the rate is \$421.00 through December 31, 2014. For dates of service on or after January 1, 2015, the rate is \$39.50.
- 07/08 l. For a hospital qualifying under subsection (1)(l) of this Section, the rate is \$240.50.
- 04/09 m. For a hospital qualifying under subsection (1)(m) of this Section, for dates of service on or after April 1, 2009, the rate is \$815.00.
- 07/08 n. For a hospital qualifying under subsection (1)(n) of this Section, the rate is \$445.75.
- 07/08 o. (Reserved.)
- 02/08 p. For a hospital qualifying under subsection (1)(p) of this Section, the rate is \$39.50.
- 07/08 q. For a hospital qualifying under subsection (1)(q) of this Section, the rate is \$69.00.
- 07/12 r. For a hospital qualifying under subsection (1)(r) of this Section, the rate is \$56.00 through December 31, 2014. For dates of service on or after January 1, 2015, the rate is \$16.00.
- 07/12 s. For a hospital qualifying under subsection (1)(s) of this Section, for dates of service on or after April 1, 2009, the rate is \$229.00. For dates of service on or after July 1, 2010 through December 31, 2014, this rate shall be increased by \$113.00 to \$342.00. For dates of service on or after January 1, 2015, the rate is \$145.00.
- 07/12 t. For a hospital qualifying under subsection (1)(t) of this Section, the rate is \$71.00 through December 31, 2014. For dates of service on or after January 1, 2015, the rate is \$0.00.
- 03/13 u. For a hospital qualifying under subsection (1)(u) of this Section, the rate is \$1986.00 for dates of service on or after March 3, 2013 through June 30, 2013. For dates of service on or after July 1, 2013, the rate is \$0.00.

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)**

4. Payment to a Qualifying Hospital
- a. The total annual payments to a qualifying hospital shall be the product of the hospital's rate multiplied by two multiplied by total days.
- 07/08 b. Total payments will equal the sum of amounts calculated under the methodologies described in this subchapter K and shall be paid to the hospital during the safety net adjustment period in installments on, at least, a quarterly basis.
5. Definitions
- a. "Average length of stay" means, for a given hospital, a fraction, in which the numerator is the number of total days and the denominator is the number of total admissions.
- b. "Combined MIUR" means the sum of Medicaid Inpatient Utilization Rate (MIUR), plus the Medicaid obstetrical inpatient utilization rate, determined as of October 1, 2001, both of which are defined in Chapter VI.C.8.
- 07/06 c. "Comprehensive emergency treatment services" means hospital emergency services with;
- i. at least one licensed physician shall be in the emergency department at all times;
- ii. physician specialist representing the major specialties, and sub-specialties such as plastic surgery, dermatology, ophthalmology, etc., shall be available within minutes, and
- iii. ancillary services including laboratory and x-ray shall be staffed at all times. Pharmacy shall be staffed or "on call" at all times.
- d. "General care admissions" means, for a given hospital, the number of hospital inpatient admissions for recipients of medical assistance under Title XIX of the *Social Security Act*, as tabulated from the Department's claims data for admissions occurring in the safety net hospital base year that were adjudicated by the Department by June 30, 2001, excluding admissions for: obstetrical care, as defined in paragraph (g); for normal newborns; for psychiatric care; for physical rehabilitation; and, those covered in whole or in part by Medicare (Medicaid/Medicare crossover admissions)
- e. "HSA" means Health Service Area, as defined by the Illinois Department of Public Health.
- f. "Licensed beds" means, for a given hospital, the number of licensed beds, excluding long term care and substance abuse beds, as listed in the July 25, 2001, Illinois Department of Public Health report entitled "Percent occupancy by service in year 2000 for short stay, non-federal hospitals in Illinois."

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State: Illinois

**METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT;
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- 07/08
- r. The hospital meets all of the following criteria in the safety net base year:
 - i. Does not already qualify under subsections (a)(1) through (a)(17) of this Section.
 - ii. Located outside HSA 6.
 - iii. Has an MIUR greater than 16 percent.
 - iv. Has licensed beds greater than 475.
 - v. Has an average length of stay less than 5 days.
 - s. The hospital meets all of the following criteria in the safety net base year:
 - i. Provided greater than 5,000 obstetrical care days.
 - ii. Has a Combined MIUR greater than 80 percent.
- 04/09
- t. The hospital meets all of the following criteria in the safety net base year:
 - i. Does not already qualify under subsections 1(a) through 1(s) of this Section.
 - ii. Has a CMIUR greater than 28 percent.
 - iii. Is designated a perinatal Level II center by the Illinois Department of Public Health.
 - iv. Has licensed beds greater than 320.
 - v. Had an occupancy rate greater than 37 percent in the safety net hospital base year.
 - vi. Has an average length of stay less than 3.1 days.
- 01/11
- u. The hospital meets all of the following criteria in the safety net base year:
 - i. Does not already qualify under subsections 1(a) through 1(t) of this Section.
 - ii. Is a general acute care hospital.
 - iii. Is designated a perinatal Level II center by the Illinois Department of Public Health.
 - iv. Provided greater than 1,000 rehabilitation days in the safety net hospital base year.
- 7/12
- v. The hospital meets all of the following criteria in the safety net base year:
 - i. Qualifies as a children's hospital under section 3.a.iii.
 - ii. Has an average length of stay less than 3.25 days.
 - iii. Provided more than 1,000 total days in the safety net hospital base year.

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- 04/09 2. The following five classes of hospitals are ineligible for safety net hospital adjustment payments associated with the qualifying criteria listed in 1(a) through 1(d), 1(f) through 1(h), 1(j) through 1(p), and 1(r) through 1(t) of this section:
- a. Hospitals located outside of Illinois.
 - b. County-owned hospitals, as described in Section A.1.a.i. of Chapter XVI.
 - c. Hospitals organized under the *University of Illinois Hospital Act*, as described in Section A.1.a.ii. of Chapter XVI.