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State/Territory Name: IL

State Plan Amendment (SPA) #: 14-0014B

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
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



January 9, 2015

Julie Hamos, Director
Illinois Department of Healthcare and Family Services (HFS)
Prescott E. Bloom Building
201 South Grand Avenue East
Springfield, Illinois 62763-0001

ATTN: Theresa Eagleson

RE: TN 14-0014B

Dear Ms. Hamos:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

Transmittal #14-0014B - Approves Illinois' request to revise payment methodologies for supplemental hospital payments.

--Effective Date: March 1, 2014

If you have any questions, please have a member of your staff contact Cathy Song at (312) 353-5184 or by email at Catherine.Song1@cms.hhs.gov. We note that the payments described within the SPA are subject to the final and annual upper payment limit calculations for inpatient and outpatient hospital services in accordance with 42 CFR 447.272 and 447.321. CMS continues to review the state's 2014 UPL submission and additional changes to the calculation may be required.

Sincerely,

/s/

Alan Freund
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

cc: Mary Doran, HFS
Teresa Hursey, HFS
Sara Barger, HFS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 14-0014B	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: Title XIX of the <i>Social Security Act</i> (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: March 1, 2014	

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 1905(a)(1) and 1905(a)(2)(A of the <i>Social Security Act</i>	7. FEDERAL BUDGET IMPACT a. FFY 2014 \$156,807,975 b. FFY 2015 \$426,791,901
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B pg 60j Attachment 4.19-A 171	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>if Applicable</i>):

10. SUBJECT OF AMENDMENT:
Hospital Inpatient and Outpatient Reimbursement

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: 	16. RETURN TO: Department of Healthcare and Family Services Bureau of Program and Reimbursement Analysis Attn: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME <i>J</i> Julie Hamos	
14. TITLE: Director of Healthcare and Family Services	
15. DATE SUBMITTED 1/7/15	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 1/7/15	18. DATE APPROVED: 1/9/15
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: March 1, 2014	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME Alan Freund	22. TITLE: Acting Associate Regional Administrator
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)**

03/14 [XLIV. Increases in Supplemental Payments Made Under Chapters XXI thru XXIX and Chapters XXXIV-XXXIX of this Attachment](#)

[Effective March 1, 2014 through June 30, 2018, the Department shall increase supplemental payments to recognize new inpatient hospital volume for beneficiaries newly enrolled in the New Adult Group established by the Affordable Care Act.](#)

[The Department will calculate a percentage increase based on fee for service inpatient hospital facility paid claims that have been adjudicated within the state's MMIS for the New Adult Group compared to the adjudicated inpatient hospital facility paid claims of Title XIX \(non New Adult Group\) for the preceding quarter with dates of service on or after March 1, 2014. The payments defined in chapters XXI thru XXIX and chapters XXXIV-XXXIX of this attachment will be increased by the calculated percentage. These payments are subject to the upper payment limits at 42 CFR 447.272 and the increased amounts may be reduced, as necessary, to comply with the applicable limit.](#)

[These payments will be paid monthly beginning the second month of the next quarter.](#)

[All payments under this section are supplemental to fee for service payments that providers receive for inpatient hospital care to Medicaid beneficiaries within the payment year. Only providers that rendered services to Medicaid beneficiaries within the payment year may receive payments under this section.](#)

[Definitions:](#)

[Calculated percentage: Using the Enterprise Data Warehouse which is the State's data repository for all the adjudicated MMIS fee for service claims data, the State will calculate the percentage once a quarter, two weeks after the quarter's close by dividing the total Inpatient hospital fee for service paid claims adjudicated in the MMIS for the New Adult group for dates of service on and after March 1, 2014 by the total Medicaid \(Non-New Adult Group\) Inpatient hospital fee for service paid claims as adjudicated in the MMIS with dates of service on or after March 1, 2014.](#)

[Quarter means the quarter of the calendar year in which the claim data is adjudicated by the department for the New Adult Group with the exception of the period March 1, 2014 thru June 30, 2014 which will include 4 months for that quarter.](#)

[New Adult Group means the Medicaid eligibility group at section 1905\(y\)\(2\)\(A\) of the Social Security Act that are newly eligible.](#)

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**

03/14 47. Increases in Supplemental Payments Made Under Chapter 32 and Chapters
40 thru 45 of this Attachment

Effective March 1, 2014 through June 30, 2018, the Department shall increase
supplemental payments to recognize new outpatient hospital volume for beneficiaries newly
enrolled in the New Adult Group established by the Affordable Care Act.

The Department will calculate a percentage increase based on fee for service outpatient hospital
facility paid claims that have been adjudicated within the state's MMIS for the New Adult Group
compared to the adjudicated outpatient hospital facility paid claims of Title XIX (non New Adult
Group) for the preceding quarter with dates of service on or after March 1, 2014. The payments
defined in chapter 32 and chapters 40 thru 45 of this attachment will be increased by the
calculated percentage. These payments are subject to the upper payment limits at 42 CFR
447.321 and the increased amounts may be reduced, as necessary, to comply with the
applicable limit.

These payments will be paid monthly beginning the second month of the next quarter.

All payments under this section are supplemental to fee for service payments that providers
receive for outpatient hospital care to Medicaid beneficiaries within the payment year. Only
providers that rendered services to Medicaid beneficiaries within the payment year may receive
payments under this section."

Definitions:

Calculated percentage: Using the Enterprise Data Warehouse which is the State's data
repository for all the adjudicated MMIS claims data, the State will calculate the percentage once
a quarter, two weeks after the quarter's close by dividing the total outpatient hospital fee for
service paid claims as adjudicated in the MMIS for the New Adult group for dates of service on
and after March 1, 2014 by the total Medicaid (Non-New Adult Group) outpatient hospital fee
for service paid claims as adjudicated in the MMIS for dates of service on and after March 1,
2014.

Quarter means the quarter of the calendar year in which the claim data is adjudicated by the
department for the New Adult Group with the exception of the period March 1, 2014 thru June
30, 2014 which will include 4 months for that quarter.

New Adult Group means the Medicaid eligibility group at section 1905(y)(2)(A) of the
Social Security Act that are newly eligible.

TN# 14-0014B
Supersedes
TN# New PAge

Approval date: 01/09/15

Effective date: 03/01/2014