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State/Territory Name: IL

State Plan Amendment (SPA) #: 14-032

This file contains the following documents in the order listed:

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

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Financial Management Group

JAN 13 2016

Felicia Norwood, 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) 14-032

Dear Ms. Norwood:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 14-032. Effective July 1, 2014, this SPA increases the RUG-IV nursing base per diem from $83.49 to $85.25; implements a per diem add-on to the RUGS methodology of $0.63 for each resident that scores 14200 Alzheimer's Disease or 14800 non-Alzheimer's Dementia and $2.67 for each resident that scores "1" or "2" in any items S1200A and through S12001 and also scores in the RUG groups PA1, PA2, BA1, and BA2; effective 1/1/15 implements a per diem add-on of $5.00 for each resident with TBI; and increases the support component of a nursing facility's rate for facilities licensed under the Nursing Home Care Act or intermediate care facilities by 8.17%.

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 14-032 is approved effective July 1, 2014. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Fredrick Sebree, of my staff, at (217) 492-4122 or by e-mail at Fredrick.sebree@cms.hhs.gov.

Sincerely,

[redacted]

Kristin Fan
Director

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTER FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 14-0032	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: July 1, 2014	

5. TYPE OF PLAN MATERIAL *(Check One)*

[ ] NEW STATE PLAN [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN [X] AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION: Section 1932(a) of the *Social Security Act*	7. FEDERAL BUDGET IMPACT a. FFY 2014 $12,500,000 b. FFY 2015 $50,480,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D pages 17,18 , 80, 120 and 121	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Attachment 4.19-D pages 17,18 , 80, and 120

10. SUBJECT OF AMENDMENT:
Long Term Care facility 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
[X] OTHER, AS SPECIFIED: Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: [redacted]	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: Julie Hamos	
14. TITLE: Director of Healthcare and Family Services	
15. DATE SUBMITTED 9/22/14	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: JAN 13 2016

PLAN APPROVED—ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2014	20. SIGNATURE OF REGIONAL OFFICIAL: [redacted]
21. TYPED NAME Kristin Fan	22. TITLE: Director, FMCo

23. REMARKS:

FORM CMS-179 (07/92) *Instructions on Back*

4. Nursing and Program Costs

a. Effective January 1, 2014, an evidence-based payment methodology will be used for the reimbursement of nursing services. The methodology takes into consideration the needs of individual residents, as assessed and reported by the most current version of the nursing facility Minimum Data Set (MDS), adopted and in use by the federal government.

i. This Section establishes the method and criteria used to determine the resident reimbursement classification based upon the assessments of residents in nursing facilities. Resident reimbursement classification shall be established utilizing the 48-group, Resource Utilization Groups IV (RUG-IV) classification scheme and weights as published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS). An Illinois specific default group is established in subsection (v)(C) of this Section and identified as AA1 with an assigned weight equal to the weight assigned to group PA1.

ii. The statewide RUG-IV nursing base per diem rate effective on:

A) January 1, 2014, shall be $83.49.

B) July 1, 2014, shall be $85.25.

iii. For services provided on or after January 1, 2014:

A) The Department shall compute and pay a facility-specific nursing component of the per diem rate as the arithmetic mean of the resident-specific nursing components assigned to Medicaid-enrolled residents on record, as of 30 days prior to the beginning of the rate period, in the Department's Medicaid Management Information System (MMIS), or any successor system, as present in the facility on the last day of the second quarter preceding the rate period. The RUG-IV nursing component per diem for a nursing facility shall be the product of the statewide RUG-IV nursing base per diem rate, the facility average case mix index to be calculated quarterly, and the regional wage adjustor. Transition rates for services provided between January 1, 2014 and December 31, 2014, shall be as follows:

1) The transition RUG-IV per diem nursing rate for nursing facilities whose rate calculated in this subsection is greater than the nursing component rate in effect July 1, 2012, shall be paid the sum of:

a) The nursing component rate in effect July 1, 2012; plus

b) The difference of the RUG-IV nursing component per diem calculated for the current quarter minus the nursing component rate in effect July 1, 2012, multiplied by 0.88.

2) The transition RUG-IV per diem nursing rate for nursing facilities whose rate calculated in this subsection is less than the nursing component rate in effect July 1, 2012, shall be paid the sum of:

a) The nursing component rate in effect July 1, 2012; plus

b) The difference of the RUG-IV nursing component per diem calculated for the current quarter minus the nursing component rate in effect July 1, 2012, multiplied by 0.13.

B) Effective for dates of service on or after July 1, 2014, a per diem add-on to the RUGS methodology will be included as follows:

1) $0.63 for each resident that scores I4200 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

2) $2.67 for each resident that scores "1" or "2" in any items S1200A through S1200I and also scores in the RUG groups PA1, PA2, BA1, and BA2.

CB) The Department shall determine the group to which resident is assigned using the 48-group RUG-IV classification scheme with an index maximization approach. A resident for whom RUGs resident identification information is missing, or inaccurate, or for whom there is no current MDS record for that quarter, shall be assigned to default group AA1. A resident for whom a MDS assessment does not meet the CMS edit requirements as described in the Long Term Care Resident Assessment Instrument (RAI) Users Manual or for whom a MDS assessment has not been submitted timely shall be assigned to default group AA1.

DC) The assessment used for the purpose of rate calculation shall be identified as an Omnibus Budget Reconciliation Act (OBRA) assessment on the MDS following the guidance in the RAI Manual.

ED) The MDS used for the purpose of rate calculation shall be determined by the Assessment Reference Date (ARD) identified on the MDS assessment.

vi. The Department shall provide each nursing facility with information that identifies the group to which each resident has been assigned.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
REIMBURSEMENT TO LONG TERM CARE FACILITIES

01/14

d. Tier II reimbursement includes residents who have reached a plateau in rehabilitation ability, but still require services related to the TBI. The payment amount is $486.49 per day and cannot exceed twelve months. This tier includes residents who have reached a plateau in rehabilitation ability, but still require services related to the TBI. A resident must score a Level IV-VII on the Rancho Los Amigos Cognitive Scale, and score the following on the MDS 3.0.

   i. C0500: BIMS is less than 13 or C1000=2 or 3; cognitive skills for decision making are moderately to severely impaired;

   ii. E0300=1 or E1000=1; resident has behaviors, and E0500A-C=1; these behaviors impact resident or E0600A-C=1; impact others;

   iii. Section G: 3 or more ADL require extensive assistance;

   iv. Two or more of the following restoratives: O0500D=1; Bed Mobility, O0500E=1; Transfer, O0500F=1; Walking, O0500G=1; Dressing/Grooming, O0500H=1; Eating or O0500J=1; Communication; and

   v. O0400E2>1; Psychological or O0400F2>1; Recreational Therapy at least two or more days a week.

e. Tier III reimbursement includes acutely diagnosed residents with high rehabilitation needs. The payment amount is $767.46 per day and cannot exceed nine months. This tier includes residents with an injury resulting in a TBI diagnosis within the prior six months that are acutely diagnosed with high rehabilitation needs. A resident must score a Level IV-VII on the Rancho Los Amigos Cognitive Scale, and score the following on the MDS 3.0.

   i. C0500; cognition-MMIS is less than 13 or C1000=2 or 3; cognitive skills for decision making are moderately to severely impaired;

   ii. O400; Rehabilitation Therapy (OT, PT or ST) received at least 500 minutes per week and at least 1 rehab discipline 5 days a week; and O0400E2>1; Psychological Therapy at least 2 days per week.

f. Effective for services on or after January 1, 2015, facilities licensed by the Department of Public Health under the Nursing Home Care Act and meeting all the care and services requirements of this Part, will receive a per diem add-on of $5.00 for each resident scoring as TBI on the MDS 3.0 but otherwise not qualifying for Tier 1, 2, or 3.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
REIMBURSEMENT TO LONG TERM CARE FACILITIES

08/08 Notwithstanding any other provision of this Section, the socio-development component for facilities that are classified as institutions for mental diseases shall equal 6.6% of the facility's nursing component rate as of January 1, 2006, multiplied by a factor of 3.53.

05/11 Notwithstanding the provisions set forth for maintaining rates at the levels in effect on January 18, 1994, for services beginning May 1, 2011, facilities that are federally defined as Institutions for Mental Disease (IMD) will have the nursing component of their rate calculated using the MDS methodology, and will also receive an increase to their socio-development component rate. The socio-development component rate increase will be equal to two-thirds of the difference between the highest nursing rate among the Medicaid certified IMD facilities and the individual IMD's nursing rate.

07/12 Notwithstanding any other provisions of the Section, for dates of service on or after July 1, 2012, the nursing facilities not otherwise designated as ICF/DDs, including skilled nursing facilities for persons under 22 years of age (SNF/Ped), shall have rates effective May 1, 2011, reduced as follows:

1. Individual nursing rate for residents classified as Resource Utilization Groups IV (RUG-IV), PA1, PA2, BA1, and BA2, during the quarter ending March 31, 2012, shall be reduced by 10 percent.
2. Individual nursing rates for residents classified in all other RUG-IV groups shall be reduced by 1.0 percent.
3. Facility rates for support and capital components shall be reduced by 1.7 percent.
4. The portion of the rate or payment paid to a provider that is operated by a unit of local government and provides the non-federal share of such services, shall not be further reduced.

07/12 Notwithstanding any other provisions of this Section, for dates of service on or after July 1, 2012, nursing facilities designated as Institutions for Mental Disease and facilities licensed under the Specialized Mental Health Rehabilitation Act shall have their nursing, socio-development, capital and support components of their rate effective May 1, 2011, reduced in total by 2.7%.

07/14 Notwithstanding any other provisions of this Section, for services provided on or after July 1, 2014, the support component of a nursing facility's rate for facilities licensed under the Nursing Home Care Act as skilled or intermediate care facilities (SNF/ICF) shall be the rate in effect on June 30, 2014, increased by 8.17%.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: Illinois

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
REIMBURSEMENT TO LONG TERM CARE FACILITIES**

01/99 VII. Public Notice Process

01/99 The Department has in place a public process, which complies with the requirements of Section 1902(a)(13)(A) of the *Social Security Act*.