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State/Territory Name: IL

State Plan Amendment (SPA) #: 15-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



October 17, 2016

Felicia Norwood, Director
Illinois Department of Healthcare and Family Services
Prescott E. Bloom Building
201 South Grand Avenue East
Springfield, Illinois 62763-0001

Attn: Teresa Hursey

Dear Ms. Norwood:

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

Transmittal #15-0007 – Physician, APN, Laboratory, and X-ray Rate Reductions
– Effective Dates: May 1, 2015 for Physician, APN, and Lab Rates
May 2, 2015 for X-ray Rates

If you have any questions, please have a member of your staff contact Courtenay Savage at 312-353-3721 or via email at Courtenay.Savage@cms.hhs.gov.

Sincerely,

/s/

Ruth A. Hughes
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

cc: Sara Barger, HFS
Kimberley Cox, HFS
Mary Doran, HFS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 15-0007	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: May 1, 2015	

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 2015 (\$4,596,249.00) b. FFY N/A
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 33 and 33A	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 33 and 33A

10. SUBJECT OF AMENDMENT:
Laboratory and physician services – Rate Modifications

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: Felicia F. Norwood	
14. TITLE: Director of Healthcare and Family Services	
15. DATE SUBMITTED 5/22/15	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **May 22, 2015** 18. DATE APPROVED: **October 17, 2016**

PLAN APPROVED—ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: May 1, 2015	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME Ruth A. Hughes	22. TITLE: Associate Regional Administrator
23. REMARKS:	

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**

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5. OVER-THE-COUNTER DRUGS: Effective February 1, 2012, pharmacies will be reimbursed for over-the-counter drugs at the lower of:
- The pharmacy's usual and customary charge to the general public.
 - The wholesale acquisition cost plus 25 percent.
 - The State upper limit.
- 07/12 6. OTHER LABORATORY AND X-RAY SERVICES: Lesser of the usual and customary charge to the general public or statewide maximums established by the Department not to exceed the upper limits specified in federal regulations. Reimbursement is based upon the applicable modifier billed by the provider, and will be either for the technical component, the professional component or a global amount.
- 05/15 Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Other Laboratory and X-ray services. The agency's fee schedule rate was set as of July 1, 2012, and is effective for services provided on or after that date. All rates are published on the Department's website in Practitioner Fee Schedule located at www.hfs.illinois.gov/feeschedule/
<http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/>
Clinic diagnostic laboratory services comply with Section 1903(i)(7) of the Social Security Act, which limits Medicaid payments for clinical diagnostic lab services to the amount paid by Medicare for those services on a per test basis.
- 05/15 Effective for dates of service May 1, 2015 through June 30, 2015, laboratory reimbursement rates are reduced by 16.75% with the exception of governmental providers.
- 05/15 Effective for dates of service May 2, 2015 through June 30, 2015, x-ray services reimbursement rates are reduced by 16.75% with the exception of governmental providers.
- 04/09 7. PHYSICIAN'S SERVICES: Reimbursement for physician services are at the physician's usual and customary charges, not to exceed the maximum established by the Department. ~~Initially, maximum fee for service rates were established in 1978 when the Department reviewed the average charges for each of the allowable services. The Department agreed to set the statewide maximum amount at 70 percent of the average charge by physician. Annually the Department analyzes cost information and procedure code utilization of physician bills presented for Medicaid reimbursement of services rendered. The rate maximums are periodically adjusted based upon the above factors.~~
- ~~07/12~~05/15 Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Physician services. The agency's fee schedule rate was set as of July 1, 2012, and is effective for services provided on or after that date. All rates are published on the Department's website in the Practitioner Fee Schedule located at www.hfs.illinois.gov/feeschedule/
<http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/>
- Providers, including practitioners working under the supervision of the physician and billing under the physician's name and provider number, statewide who meet the participation requirements for the Maternal and Child Health Program receive enhanced reimbursement rates for services provided to pregnant women and children through age 20 who are participants in the MCH Program. The enhanced rates, which are detailed on the practitioner fee schedule and paid in combination with the maximum fee-for-service rates, include:

State: Illinois

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*
**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT**

- payment for performing a prenatal risk assessment (\$15);
- payment for performing risk assessments on children (\$15);
- increased reimbursement for deliveries (\$400 additional);
- a \$10 increase in the EPSDT screening rate; and
- an 8 percent increase in the reimbursement rate for office visits for children.

04-09 The rate for all physician services provided on or after July 1, 2002, shall be the rate in effect June 30, 2002, less 2.6 percent.

05/15 Effective for dates of service May 1, 2015 through June 30, 2015, physician services reimbursement rates are reduced by 16.75%, with the exception of preventive services for children 0-18 years of age and governmental providers.

04-09 Physicians employed by government-operated entities other than hospitals, long term care facilities, and cost-reporting clinics.

For services provided by salaried physicians employed by a government-operated entity that is not a hospital, long term care facility, or cost-reporting clinic, the State or local government agency operating that entity may elect to enter into an interagency or intergovernmental agreement, as appropriate, with the Department that specifies the responsibilities of the two parties with respect to physician services provided by the entity and the funding thereof, including supplemental payments to universities for certain physician services. This methodology also applies to podiatric services in item 10 and chiropractic services in item 11.

- a. Effective April 1, 2009, supplemental payments are available for services, eligible under Title XIX of the *Social Security Act*, that are provided by physicians who are employed by either the Medical Practice Plan – Physicians at the University of Illinois College of Medicine at Chicago, the Medical Practice Plan – Physicians at the University of Illinois College of Medicine at Rockford, the Medical Practice Plan – Physicians at the University of Illinois College of Medicine at Peoria, or the SIU Physicians and Surgeons, Inc at the Southern Illinois University School of Medicine at Springfield.
 - i. Physician services eligible for supplemental payments shall include:
 - A. services provided by an Advanced Practice Nurse (APN) or Physician’s Assistant (PA) when billed under the collaborating physician’s name and provider ID, and
 - B. services provided by interns and residents when billed under the teaching physician’s name and provider ID.
 - ii. Physician services eligible for supplemental payments shall not include services provided by contracting physicians nor any other non physician not specified in the state plan.
 - iii. Such supplemental payments will be made on a quarterly basis as described below.
- b. Definitions
 - i. Average Commercial Fee Schedule means, the average commercial fee schedule paid to the university for practitioner services, including patient share amounts, for each CPT code. This average shall be based on the participating university's payments from the five largest private insurance carriers for the CPT services.