

## **Table of Contents**

**State/Territory Name: IL**

**State Plan Amendment (SPA) #: 22-0022**

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

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**Financial Management Group**

December 15, 2022

Theresa Eagleson, Director  
Illinois Department of Healthcare and Family Services  
201 South Grand Avenue East, 3rd Floor  
Springfield, IL 62763-0001

RE: Illinois State Plan Amendment (SPA) 22-0022

Dear Ms. Eagleson:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 22-0022 to increase inpatient per diem rates for Children's Specialty hospitals and to continue psychiatric add-ons for certain freestanding psychiatric hospitals.

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 implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2022. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at [Fredrick.sebree@cms.hhs.gov](mailto:Fredrick.sebree@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER 2 2 — 0 0 2 2	2. STATE IL
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2022	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.10	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2022 \$ 812,500 b. FFY 2023 \$ 3,250,000	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A, Page 69.1, 70.1 and 74C	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A, Page 69.1, 70.1 and 74C	

9. SUBJECT OF AMENDMENT  
Children's specialty hospital rates and freestanding psychiatric facility add-ons

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Department of Healthcare and Family Services Bureau of Program and Policy Coordination Attn: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001
12. TYPED NAME THERESA EAGLESON	
13. TITLE Director of Healthcare and Family Services	
14. DATE SUBMITTED 9/29/2022	

**FOR CMS USE ONLY**

16. DATE RECEIVED 9/29/2022	17. DATE APPROVED December 15, 2022
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL 7/1/2022	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. 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)**

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- d. Distinct part psychiatric unit. Payment for psychiatric services provided by a distinct part psychiatric unit, as defined in Chapter VII:
  - i. For which the Department had no inpatient base period paid claims data, shall be the product of the following:
    - A) 80 percent of the arithmetic mean transition rate for psychiatric distinct part units, and
    - B) The length of stay, as defined in subsection A.1.c.i.B. above.
  - ii. For which the Department had inpatient base period paid claims data, shall be the product of the following:
    - A) The lesser of:
      - 1) The greater of:
        - a) The distinct part psychiatric unit rate, as determined in subsection A.1.f of this Chapter, and
        - b) 80 percent of the arithmetic mean psychiatric rate for psychiatric distinct part units.
      - 2) The arithmetic mean rate for psychiatric distinct part units plus the value of two standard deviations of the psychiatric rate for psychiatric distinct part units.
- e. The psychiatric rate is calculated as the sum of:
  - i. The per diem rate for psychiatric services in effect on June 30, 2014.
  - ii. The quotient, rounded to the nearest hundredth, of the psychiatric provider's allocated static payments divided by the psychiatric provider's inpatient covered days in the inpatient base period paid claims data.
- 07/22 f. Psychiatric hospital adjustors for dates of service beginning on or after July 1, 2014 through June 30, 2018 and July 1, 2022 forward. For Illinois freestanding psychiatric hospitals, defined in Chapter VII, who were not children's hospitals as defined in Chapter VII in FY 2013 and whose Medicaid covered days were 90% or more for individuals under 20 years of age in FY 2013, the Department shall pay a per day add-on of \$48.25.
- g. Effective June 9, 2021, for safety net hospitals as defined in subsection F-1.4. of Chapter IV, the per diem rate for psychiatric services is the greater of the rate in subsection A.2.e. of this Chapter, or \$630.
- 01/22 h. Effective January 1, 2022, for general acute care hospitals that provide more than 9,500 inpatient psychiatric days in a calendar year, the per diem rate for psychiatric services is the greater of the rate in subsection A.2.e. of this Chapter, or \$630.

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

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01/22      ih. Effective January 1, 2022, payment for long-acting injectable antipsychotics drugs and long-acting injectable substance use disorder drugs administered in the inpatient psychiatric setting will be reimbursed at the agency's fee schedule rate. All rates are published on the Department's website in the Practitioner Fee Schedule located at: <https://www2.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/default.aspx>

jg. Definitions

“Allocated static payments” means the State plan approved adjustment payments in Chapter XV effective during State fiscal year 2011, excluding those payments that continue after July 1, 2014, allocated to general acute services based on the ratio of general acute claim charges to total inpatient claim charges determined using inpatient base period claims data.

“Inpatient base period paid claims data” means State fiscal year 2011 inpatient Medicaid fee-for-service paid claims data, excluding Medicare dual eligible claims, for psychiatric payment for services provided in State fiscal years 2015 and 2016.

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

State: **Illinois**

**METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT;  
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4. Reimbursement Methodologies for Children's Specialty Hospitals

- 01/21 a. Inpatient general acute care services provided by a Children's Specialty Hospital located in Illinois as defined in Chapter VII.D. and with fewer than 50 total inpatient beds and excluded from the DRG PPS shall per day of covered inpatient care be reimbursed as follows:
- i. For a hospital that would not have met the definition of a children's specialty hospital as of July 1, 2013, \$1,400.00 per day.
  - ii. For a hospital that would have met the definition of a children's specialty hospital as of July 1, 2013, a rate equal to the per diem base rate in place on July 1, 2013, multiplied by a factor of 1.37.
  - iii. The total payment for inpatient stay will equal the sum of:
    - A) The payment determined in this Section; and
    - B) Any applicable adjustments to payment specified in Chapters VI, VIII, XV and XL.
- 07/20 b. Effective July 1, 2018, rates in subsection 4.a. above are increased by 10.5 percent.
- 01/21 c. Effective February 1, 2021, rates in subsection 4.a. above shall be increased by an additional 8 percent.
- 07/22 d. For cost reporting hospitals located outside of Illinois that meet the definition of a Children's specialty hospitals as defined in Chapter VII as of June 30, 2014, for inpatient general acute care and rehabilitation services, the hospital shall have a per diem amount equal to the rate in place with the Department as of June 30, 2014. Effective with dates of service on or after July 1, 2022, the hospital shall have a per diem amount equal to \$1,821.03. The total payment for inpatient stay will equal the sum of the payment determined in this Subsection and any applicable adjustments to payments specified in Chapters VI, VIII, XV and XL.