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Territory Name: ILLINOIS

State Plan Amendment (SPA) #: 23-0005

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



FINANCIAL MANAGEMENT GROUP

Division of Reimbursement Review

March 1, 2023

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

RE: State Plan Amendment 23-0005

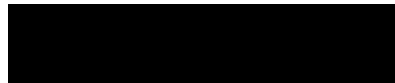
Dear Ms. Eagleson:

We have reviewed the proposed amendment to your Medicaid State plan submitted under transmittal number IL - 23-0005. This amendment provides for a rate adjustments for Outpatient Hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 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 January 1, 2023.

If you have any questions, please contact Debi Benson at Deborah.Benson@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3 — 0 0 0 5</u>	2. STATE <u>IL</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
4. PROPOSED EFFECTIVE DATE January 1, 2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.20	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>18,450,000</u> b. FFY <u>2024</u> \$ <u>24,600,000</u>
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Pages 16.1 & 17.1	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Pages 16.1 & 17.1

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES


9. SUBJECT OF AMENDMENT

Outpatient hospital rates

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


12. TYPED NAME
Theresa Eagleson

13. TITLE
Director of Healthcare and Family Services

14. DATE SUBMITTED **1/27/23**

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

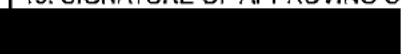
FOR CMS USE ONLY

16. DATE RECEIVED January 30, 2023	17. DATE APPROVED March 1, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2023

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

19. SIGNATURE OF APPROVING OFFICIAL


21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. 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**

1.1. Reimbursement for Hospital Outpatient and Provider-Based Clinic Services Effective for Services on or after July 1, 2014.

- iv. The discounting factor will be 1.5000 if the following criteria are met:
 - A. The service has been designated with a Bilateral Procedure Discounting flag by the EAPG grouper under default EAPG settings; and
 - B. The service has not been designated with a Multiple Procedure Discounting flag, the Repeat Ancillary Discounting flag or Terminated Procedure Discounting flag by the EAPG grouper under default EAPG settings; or if the Multiple Procedure Discounting flag is present, the service has the highest EAPG weighting factor among other services with a Multiple Procedure Discounting flag provided on the same day.
- f. Policy adjustments. Claims for services by providers that meet certain criteria shall qualify for further adjustments to payment. If a claim qualifies for more than one policy adjustment, then the EAPG PPS payment will be multiplied by both factors.

01/23

- i. The services for High Outpatient Volume hospitals are effective on or January 1, 2023:
 - A. The hospital is a High Outpatient Volume hospital, as defined as:
 - 1. Illinois hospital for which the high outpatient volume is at least two times the mean regional high outpatient volume;
 - 2. Illinois hospital for which the high outpatient volume is at least one and one-half standard deviations above the mean statewide high outpatient volume;
 - 3. Illinois Safety-Net hospital as defined in subsection F-1.4.b. of Chapter IV of Attachment 4.19-A; or
 - 4. Illinois small public hospital defined as any publicly owned hospital that is not a large public hospital.
 - B. Upon any update of EAPG groupers, the policy adjustment factor is set so that expenditures attributed to the adjustment factor on claims in the base period is equal to the expenditures attributed to the adjustment factor on the same claims under the new grouper.

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**

- ii. Crossover Adjustment Factor
 - A. Acute EAPG standardized amounts, as defined in subsection d.iv., shall be reduced by a Crossover Adjustment factor such that:
 - 1. The absolute value of the total simulated payment reduction that occurs when applying the Crossover Adjustment factor to simulated EAPG payments, including Policy Adjustments, using general acute hospital outpatient base period paid claims data, is equal to:
 - 01/23 2. The difference of total simulated EAPG payments using general acute hospital outpatient crossover paid claims data, and general acute hospital outpatient crossover paid claims data total reported Medicaid net liability.
 - 01/23 iii. If a claim does not qualify for a Policy Adjustment described in subsection f.i. through f.ii. of this Section, the policy adjustment factor is 1.0.