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State/Territory Name: IL

State Plan Amendment (SPA) #: 22-0002

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

Financial Management Group

November 1, 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) 22-0002

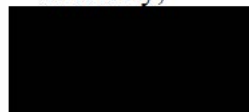
Dear Ms. Eagleson:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 22-0002 proposing to increase the inpatient, per diem rate for general acute care hospitals that provide more than 9,500 inpatient psychiatric days annually to \$630 for inpatient psychiatric services.

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 April 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.

Sincerely,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER

2 2 — 0 0 0 2

2. STATE

IL

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT



XIX



XXI

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

4. PROPOSED EFFECTIVE DATE

April 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.10

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 675,000

b. FFY 2023 \$ 1,350,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, Page 69.1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)

Attachment 4.19-A, Page 69.1

9. SUBJECT OF AMENDMENT

Increase the inpatient per diem rate for general acute care hospitals to \$630 for inpatient psychiatric services

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:

12. TYPED NAME

Theresa Eagleson

13. TITLE

Director of Healthcare and Family Services

14. DATE SUBMITTED

06/07/2022

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

06/07/2022

17. DATE APPROVED

November 1, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

04/01/2022

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)**

- 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.
- f. Psychiatric hospital adjustors for dates of service beginning on or after July 1, 2014 through June 30, 2018. 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.
- h. Effective April 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.