

## **Table of Contents**

**State/Territory Name: IL**

**State Plan Amendment (SPA) #: 21-0012**

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**

September 29, 2021

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) 21-0012

Dear Ms. Eagleson:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 21-0012 titled "Repeal of 3.5% rate reduction to reimbursement for hospital services effective with inpatient admissions and outpatient services on or after July 1, 2021."

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, 2021. 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,



For  
Rory Howe  
Acting Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER <b>21-0012</b>	2. STATE: <b>ILLINOIS</b>
	3. PROGRAM IDENTIFICATION: <b>Title XIX of the Social Security Act (Medicaid)</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: <b>July 1, 2021</b>	

5. TYPE OF PLAN MATERIAL (Check One)

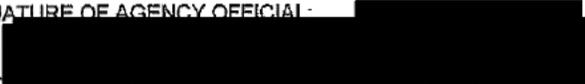
NEW STATE PLAN  AMENDMENT TO BE CONSIDERED AS NEW PLAN  AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION: <b>Section 1905 of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT a. FFY 2021 - \$16,625,000 b. FFY 2022 - \$62,500,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-A, Page 168 Attachment 4.19-B, Page 601</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-A, Page 168 Attachment 4.19-B, Page 601</b>

10. SUBJECT OF AMENDMENT:  
**3.5% reduction sunset for hospitals**

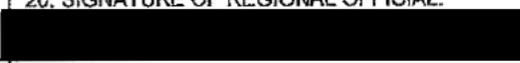
11. GOVERNOR'S REVIEW (Check One)  
 GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL  
 OTHER, AS SPECIFIED: Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO: <b>Department of Healthcare and Family Services Bureau of Program and Policy Coordination Attn: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001</b>
13. TYPED NAME: <b>Director of Healthcare and Family Services</b>	
14. TITLE: <b>Director of Healthcare and Family Services</b>	
15. DATE SUBMITTED <b>7/27/2021</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: <b>7/27/2021</b>	18. DATE APPROVED: <b>9/29/2021</b>
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PLAN APPROVED—ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>7/1/2021</b>	20. SIGNATURE OF REGIONAL OFFICIAL:  For
21. TYPED NAME <b>Rory Howe</b>	22. TITLE: <b>Acting Director</b>

23. 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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07/2142 XL. ~~Reserved. Rate Reductions~~

~~07/14 For dates of service on or after July 1, 2012, all inpatient payment methodologies described in this attachment shall be reduced by 3.5%, for the rates that were otherwise in effect on July 1, 2012 and with implementation of this Attachment on July 1, 2014, except for payments to Long Term Acute Care Hospitals as defined under Chapter VIII(A)(3) which shall have their reimbursement rates reduced by 3.5% from rates that were otherwise in effect on October 1, 2010. Rates reductions defined in this chapter shall not apply to:~~

- ~~1. Rates or payments for hospital services delivered by a hospital defined as a safety-net hospital under Section XV(K)(1) of this attachment.~~
- ~~2. Rates or payments for hospital services delivered by a hospital defined as a Critical Access Hospital that is an Illinois hospital designated by Illinois Department of Public Health in accordance with 42 CFR 485 Subpart F.~~
- ~~3. Rates or payments for hospital services delivered by a hospital that is operated by a unit of local government or state university that provides some or all of the non-federal share of such services.~~
- ~~4. Rates or payments for hospital inpatient services defined in Chapters XXXV through XXXIX.~~

~~07/14 5. Transitional payment authorized under Chapter XV-O.~~

XLI. Payment Limitations

07/12 A hospital that is located in a county of the State in which the Department of Healthcare and Family Services mandates some or all of its beneficiaries of the medical assistance program residing in the county to enroll in a care coordination program, shall not be eligible for any non-claims based payments for which it would otherwise be entitled to receive, unless the hospital is a coordinated care participating hospital no later than August 14, 2012, or 60 days after the first mandatory enrollment of a beneficiary in a coordinated care program. This payment limitation does not apply to inpatient payments defined in Chapters XXII through XXIX, or Chapters XXXV through XXXIX.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—

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OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT

07/2144 46. ~~Reserved. Hospital Rate Reductions~~

~~For dates of service on or after July 1, 2012, outpatient reimbursement methodologies paid to hospitals as described in this attachment shall be reduced by 3.5%, for the rates that were otherwise in effect on July 1, 2012. For dates of service on and after July 1, 2014, the 3.5 percent rate reduction extends to Chapter 1.1 of this Attachment. Rate reductions defined in this chapter shall not apply to:~~

- ~~a. Rates or payments for hospital services delivered by a hospital defined as a safety net hospital under Section XV (K) (1) of Attachment 4.19 A.~~
- ~~b. Rates or payments for hospital services delivered by a hospital defined as a Critical Access Hospital that is an Illinois hospital designated by Illinois Department of Public Health in accordance with 42 CFR 485 Subpart F.~~
- ~~c. Rates or payments for hospital services delivered by a hospital that is operated by a unit of local government or state university that provides some or all of the non-federal share of such services.~~
- ~~d. Rates or payments for hospital outpatient services defined in Chapters 40 through 45 of this attachment.~~