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State/Territory Name: IL

State Plan Amendment (SPA) #: 21-0013

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

September 9, 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) 21-0013

Dear Ms. Eagleson:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 21-0013 to increase the inpatient, per diem rate for safety-net hospitals 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 June 9, 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.

Sincerely,



Rory Howe
Acting Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 21-0013	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: June 9, 2021

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 2021 - \$2.3 million b. FFY 2022 - \$7.5 million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 69.1 & 72.1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable): Attachment 4.19-A, Page 69.1 & 72.1

10. SUBJECT OF AMENDMENT:

The Department is proposing to increase the inpatient, per diem rate for safety-net hospitals to \$630 for inpatient psychiatric services. Technical changes.

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 Policy Coordination Attn: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME:	
14. TITLE: Director of Healthcare and Family Services Director	
15. DATE SUBMITTED 6/28/21	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 6/28/2021	18. DATE APPROVED: 9/9/2021
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PLAN APPROVED—ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 6/9/2021	20. SIGNATURE OF REGIONAL OFFICIAL:  For
21. TYPED NAME Rory Howe	22. TITLE: Acting Director, Financial Management Group
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)**

- 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.

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 rehabilitation unit. Payment for inpatient rehabilitation services provided by a distinct part rehabilitation 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) The arithmetic mean rate for rehabilitation distinct part units.
 - 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 product of the following:
 - A). The lesser of:
 - 1) The greater of:
 - a) The distinct part rehabilitation unit rate, as determined in subsection A.2.e. of this Chapter, and
 - b) 80% of the-arithmetic mean rate for rehabilitation distinct part units
 - 2) The arithmetic mean rehabilitation rate for rehabilitation distinct part units plus the value of one standard deviation of the rehabilitation rate for rehabilitation distinct part units.
- e. The rehabilitation rate is calculated as the sum of:
 - i. The rehabilitation rate as in effect on July 1, 2011.
 - ii. The quotient, rounded to the nearest hundredth, of the rehabilitation provider's allocated static payments divided by the rehabilitation provider's inpatient covered days in the inpatient base period paid claims data.
 - iii Effective July 1, 2018, plus \$96.00.