

## 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)**

3. In the case of a new hospital (not previously owned or operated), a hospital that has significantly changed its case-mix profile so that it meets the definition of a long term stay hospital in Section C.4. of Chapter II (e.g., a general acute care hospital changing its case mix to reflect a predominance of long term care patients), or an out-of-state non-cost-reporting hospital, reimbursement for inpatient services shall be as follows:
- 07/07
- a. For general acute care hospitals, reimbursement for inpatient services: shall be at the average payment rate calculated under Section B.1 or B.2 above for those hospitals reimbursed under the DRG PPS.
    - i. Provided before July 1, 2007, shall be at the average payment rate calculated under Chapter VIII. B.1 or B.2 for those hospitals that would otherwise be reimbursed under the DRG PPS.
    - ii. Provided on or after July 1, 2007, at the request of the hospital, shall be at either
      - A. The Federal/Regional blended rate described in Chapter IV. B.2 or
      - B. The average payment rate calculated under Chapter VIII.B.1 or B.2 for those hospitals that would otherwise be reimbursed under the DRG PPS.
    - iii. Provided by out of state hospitals shall be at the average payment rate calculated under Chapter VIII.B.1 or B.2, as applicable, for those hospitals that would otherwise be reimbursed under the DRG PPS.
  - b. For psychiatric hospitals, as defined in Section C.1 of Chapter II, reimbursement for inpatient psychiatric services shall be at the average rate calculated under Section A.2 of this Chapter for those hospitals defined in Section C.1 of Chapter II.
  - c. For rehabilitation hospitals, as defined in Section C.2 of Chapter II, reimbursement for inpatient rehabilitation services shall be at the average rate calculated under Section A.2 of this Chapter for those hospitals defined in Section C.2 of Chapter II.
  - d. For long term stay hospitals, as defined in Section C.4. of Chapter II, reimbursement for inpatient services shall be at the average rate calculated under Section A.2 of this Chapter for those hospitals defined in Section C.4 of Chapter II.
- ==07/98
- e. For children's hospitals, as defined in Section C.3. of Chapter II, reimbursement for inpatient services:
    - ==07/98
      - i. Provided before August 1, 1998, shall be at the average rate calculated under subsection B.1; or
      - ii. Provided on or after August 1, 1998, for a children's hospital that was licensed as such by a municipality after June 30, 1995, shall be equal to the average rate calculated in Chapter VIII.C.2. for children's hospitals in existence before June 30, 1995, with an average length of stay that was less than 14 days as determined from the hospital's fiscal year 1994 cost report.