

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. Hospitals that have a Combined MIUR that is equal to or greater than two standard deviations above the Statewide mean Combined MIUR will receive \$142.00 per day for hospitals that do not provide obstetrical care and \$179.00 per day for hospitals that do provide obstetrical care.
- 04/05 2. Hospitals qualifying under subsection C.1.a. of this Chapter will also receive the following rates:
- a. County owned hospitals as defined in Section C.8 of Chapter II, with more than 30,000 Total days will have their rate increased by \$455.00 per day.
- 04/09 b. Hospitals that are not a county owned with more than 30,000 total days will have their rate increased by \$354.00 per day for dates of service on or after April 1, 2009.
- c. Hospitals with more than 80,000 Total days will have their rate increased by an additional \$423.00 per day.
- d. Hospitals with more than 4,500 Obstetrical days will have their rate increased by \$101.00 per day.
- e. Hospitals with more than 5,500 Obstetrical days will have their rate increased by an additional \$194.00 per day.
- f. Hospitals with an MIUR rate greater than 74 percent will have their rate increased by \$147.00 per day.
- 12/09 g. Hospitals with an average length of stay less than 3.9 days will have their rate increased by ~~\$131.00~~ \$385.00 per day for dates of service on or after April 1, 2009 through June 30, 2012. For dates of service on or after July 1, 2012, the rate is \$131.00.
- 04/09 h. Hospitals with a MIUR greater than the statewide mean plus one standard deviation that are designated a Perinatal Level 2 Center and have one or more obstetrical graduate medical education programs as of July 1, 1999, will have their rate increased by \$360.00 per day for dates of service on or after April 1, 2009.
- 04/09 i. Hospitals receiving payments under subsection (D)(1)(b) that have an average length of stay less than 4 days will have their rate increased by \$650.00 per day for dates of service on or after April 1, 2009.
- 07/06 j. Hospitals receiving payments under subsection (D)(1) that have a MIUR greater than 60 percent will have their rate increased by \$320.50 per day.
- 04/09 k. Hospitals receiving payments under subsection (D)(1)(d) that have a Medicaid inpatient utilization rate greater than 70 percent and have more than 20,000 days will have their rate increased by \$185.00 per day for dates of service on or after April 1, 2009.

TN #09-09

Supersedes  
TN #09-02

Approval date: NOV - 2 2010 Effective date: 12/10/2009

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)**

---

- 07/06
1. Hospitals with a Combined MIUR greater than 75 percent, that have more than 20,000 total days, have an average length of stay less than five days and have at least one graduate medical program will have their rate increased by \$148.00 per day.
- 12/09
3. Hospitals qualifying under subsection C.1.b. of this Chapter will receive the following rates:
    - a. Qualifying hospitals will receive a rate of \$421.00 per day.
    - b. Qualifying hospitals with the more than 1,500 Obstetrical days will have their rate increased by ~~\$600.00~~ \$824.00 per day for dates of service on or after April 1, 2009 through June 30, 2010. For dates of service on or after July 1, 2010, the rate is \$369.00.
- 07/02
4. Hospitals qualifying under subsection C.1.c. of this Chapter will receive the following rates:
    - a. Hospitals will receive a rate of \$28.00 per day.
    - b. Hospitals located in Illinois and outside of HSA 6 that have a Medicaid inpatient utilization rate greater than 60 percent, will have their rate increased by \$55.00 per day.

TN #09-09  
Supersedes  
TN #09-02

Approval date: NOV - 2 2010 Effective date: 12/10/2009

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**

---

- 07/05 c. Hospitals located in Illinois and inside HSA 6, that have a Medicaid inpatient utilization rate greater than 80 percent, will have their rate increased by \$573.00 per day.
- 07/05 d. Hospitals that are not located in Illinois that have a Medicaid inpatient utilization rate greater than 45 percent will have their rate increased by:
- i. \$32.00 per day for hospitals that have less than 4,000 total days; or
  - ii. ~~\$246.00 per day~~ \$303.00 per day for dates of service through June 30, 2012, for hospitals that have greater than 4,000 total days but less than 8,000 total days, for dates of service on or after July 1, 2012, the increase is \$246.00 per day; or
  - iii. ~~\$178.00 per day~~ \$295.00 per day for dates of service through June 30, 2012, for hospitals that have greater than 8,000 total days, for dates of service on or after July 1, 2012, the increase is \$178.00 per day.
- 01/06 e. Hospitals with more than 3,200 Total admissions will have their rate increased by \$328.00 per day.
5. Hospitals qualifying under subsection C.1.d. of this Section will receive the following rates:
- 07/02 a. Hospitals will receive a rate of \$41.00 per day.
- b. Hospitals with a MIUR between 18 percent and 19.75 percent will have their rate increased by an additional \$14.00 per day.
- 04/09 c. Hospitals with a MIUR equal to or greater than 19.75 percent will have their rate increased by an additional \$191.00 per day for dates of service on or after April 1, 2009.
- d. Hospitals with a combined MIUR that is equal to or greater than 35 percent will have their rates increased by an additional \$41.00 per day.
- 07/05 6. Hospitals qualifying under subsection C.1.e above will receive \$188.00 per day.
7. Hospitals qualifying under subsection C.1.f. of this Section will receive a rate of \$55.00 per day.
- 12/08 8. Hospitals that qualify under subsection(c)(1)(G) of this Section will receive the following rates:
- a. Hospitals with an MIUR equal to or less than 19.75 percent will receive a rate of \$11.00 per day.
  - b. Hospitals with an MIUR greater than 19.75 percent will receive a rate of \$69.00 per day.
- 10/03 9. Hospitals qualifying under subsection (c)(1)(H) of this Section will receive a rate of \$268.00 per day.

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)**

- 07/0812/09 g. For a hospital qualifying under subsection (1)(g) of this Section, the rate is ~~\$214.50~~ \$315.50 through June 30, 2012. For dates of service on or after July 1, 2012, the rate is \$219.50.
- 07/06 h. For a hospital qualifying under subsection (1)(h) of this Section, the rate is \$124.50.
- 07/0612/09 i. For a hospital qualifying under subsection (1)(i) of this Section, the rate is ~~\$85.50~~ \$133.00 through June 30, 2012. For dates of service on or after July 1, 2012, the rate is \$85.50.
- 07/08 j. For a hospital qualifying under subsection (1)(j) of this Section, the rate is \$13.75.
- 04/0912/09 k. For a hospital qualifying under subsection (1)(k) of this Section, the rate is ~~\$121.00~~ \$200.00 for dates of service on or after April 1, 2009 through June 30, 2012. For dates of service on or after July 1, 2012, the rate is \$39.50.
- 07/08 l. For a hospital qualifying under subsection (1)(l) of this Section, the rate is \$240.50.
- 07/08 m. For a hospital qualifying under subsection (1)(m) of this Section, for dates of service on or after April 1, 2009, the rate is \$815.00.
- 07/08 n. For a hospital qualifying under subsection (1)(n) of this Section, the rate is \$445.75.
- 07/08 o. (Reserved.)
- 02/08 p. For a hospital qualifying under subsection (1)(p) of this Section, the rate is \$39.50.
- 07/08 q. For a hospital qualifying under subsection (1)(q) of this Section, the rate is \$69.00.
- 07/0812/09 r. For a hospital qualifying under subsection (1)(r) of this Section, the rate is \$56.00 through June 30, 2012. For dates of service on or after July 1, 2012, the rate is \$16.00.
- 04/0912/09 s. For a hospital qualifying under subsection (1)(s) of this Section, for dates of service on or after April 1, 2009, the rate is \$229.00 through June 30, 2012. For dates of service on or after July 1, 2012, the rate is \$145.00.
4. Payment to a Qualifying Hospital
- 07/08 a. The total annual payments to a qualifying hospital shall be the product of the hospital's rate multiplied by two multiplied by total days.
- b. Total payments will equal the sum of amounts calculated under the methodologies described in this subchapter K and shall be paid to the hospital during the safety net adjustment period in installments on, at least, a quarterly basis.

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)**

---

12/09 XXXIII. Hospital Medicaid Stimulus Payments

One-time payments shall be made to all eligible Illinois hospitals for inpatient Medicaid services occurring on or after December 10, 2009, in accordance with this Chapter. The total payment shall be the sum of the following payment methodologies:

A. Obstetrical Care Severity and Volume Stimulus Adjustment (OCSVSA)

1. Qualifying Criteria. With the exception of a large public hospital, a hospital designated as of July 1, 2009, by the Illinois Department of Public Health as a Perinatal Level III facility, that provided more than 2,000 Medicaid obstetrical days.
2. Payment. Hospitals meeting the qualifying criteria shall receive a supplemental inpatient payment equal to the product of:
  - i. The hospital's "Medicaid obstetrical days" and
  - ii. \$175.00

B. Illinois Trauma Center Stimulus Adjustment (ITCA)

1. Qualifying Criteria. With the exception of a large public hospital, a hospital designated as of July 1, 2009, by the Illinois Department of Public Health as a Level I Trauma Center. For the purposes of this payment, hospitals located in the same city, that alternate their Level I Trauma Center designation in accordance with Section A.2. of Chapter XV, shall each be deemed eligible for the payment under this subsection.
2. Payment. Hospitals meeting the qualifying criteria shall receive a supplemental inpatient payment equal to the product of:
  - i. The hospital's "Medicaid inpatient days" and
  - ii. \$22.00

C. Acute Care Across the Board Stimulus Adjustment (ABSA)

1. Qualifying Criteria. An Illinois hospital, with the exception of a large public hospital and a hospital identified in Section C.4. of Chapter II.
2. Payment. Hospitals meeting the qualifying criteria shall receive a supplemental inpatient payment equal to the product of:
  - i. The hospital's "Medicaid inpatient days" and
  - ii. \$37.00

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. High Volume Medicaid Dependent Provider Stimulus Adjustment (HIVMDA)
1. Qualifying Criteria. With the exception of a large public hospital and hospitals identified in Sections C.1., C.2. or C.4. of Chapter II, an Illinois hospital qualifying for designation under Section C. of Chapter VI for the rate year beginning October 1, 2009, and ending Sept. 30, 2010.
  2. Payment. Hospitals meeting the qualifying criteria shall receive a supplemental inpatient payment equal to the product of:
    - i. The hospital's "Medicaid inpatient days" and
    - ii. \$35.00
- E. Adjustments and Limitations
1. The provisions of this Chapter shall be in effect as long as the payments under Chapters XXIII through XXIX remain in effect, but shall not extend beyond December 31, 2010.
  2. No hospital shall be eligible for payment under this Chapter that:
    - i. Ceases operations prior to federal approval of, and adoption of administrative rules necessary to effect, payments under this Chapter; or
    - ii. Has filed for bankruptcy or is operating under bankruptcy protection under any Chapter of Title 11 of the United States Bankruptcy Code; or
    - iii. Discontinues providing a service recognized by one of the payments for which it qualifies; or
    - iv. Surrenders a license or designation recognized by one of the payments; or has a designation or certification revoked by the authorizing agency or entity;
- F. Definitions. Unless otherwise indicated, the following definitions apply to the terms used in this section.
1. "Hospital" means any facility located in Illinois that is required to submit cost reports as mandated in Section G of Chapter VIII.
  2. "Large public hospital" means a county-owned hospital, as described in Section A.1.a.i. of Chapter XVI, a hospital organized under the University of Illinois Hospital Act, as described in Section A.1.a.ii. of Chapter XVI, or a hospital owned or operated by a State agency, as described in Section A.7. of Chapter XVI.

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. "Medicaid inpatient days" means, for a given hospital, the sum of days of inpatient hospital service provided to recipients of medical assistance under Title XIX of the federal Social Security Act, excluding days for individuals eligible for Medicare under Title XVIII of the Act (Medicaid/Medicare crossover days), for admissions occurring during State fiscal year 2005 as adjudicated by the Department through March 23, 2007.
  4. "Medicaid obstetrical days" means, for a given hospital, the sum of days of inpatient hospital service provided to Illinois recipients of medical assistance under Title XIX of the federal Social Security Act, assigned a diagnosis related group code of 370 through 375, excluding days for individuals eligible for Medicare under Title XVIII of the Act (Medicaid/Medicare crossover days), for admissions occurring during State fiscal year 2005, adjudicated by the Department through March 23, 2007.
- G. Rate Reviews.
1. A hospital shall be notified in writing of the results of the payment determination pursuant to this Chapter.
  2. Hospitals shall have a right to appeal pursuant to the provisions of Section C.2 of Chapter XXI.

**OS Notification**

**State/Title/Plan Number:** Illinois 09-009

**Type of Action:** SPA Approval

**Required Date for State Notification:** December 9, 2010

<b>Fiscal Impact:</b>	<b>FY 2010</b>	<b>\$68,900,000</b>
	<b>FY 2011</b>	<b>\$7,800,000</b>

**Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0**

**Number of Potential Newly Eligible People: 0**

**Eligibility Simplification: No**

**Provider Payment Increase: Yes**

**Delivery System Innovation: No**

**Number of People Losing Medicaid Eligibility: No**

**Reduces Benefits: No**

**Detail:** Effective for services on or after December 10, 2009, this amendment increases certain supplemental payment rates for inpatient hospital services as well as establishes a new stimulus payment for hospital inpatient services based on the sum of components for obstetrical care, trauma center, acute care, and high volume. Funding the non-Federal share comes from State appropriations which includes a permissible provider (hospital) tax. UPL demonstration was acceptable.

A good portion of the funding of all these supplemental payments is from a hospital tax that we reviewed and approved back in 2008. As part of the RAI for 09-009, we asked for the State to identify the hospitals and estimated payment amounts that were affected by this SPA. We analyzed that data in conjunction with data we received from the State back in 2008 as part of the original review of the hospital tax. It didn't appear that there were any hold harmless concerns.

The proposed supplemental payment rate increases are only temporary and will end June 30, 2012. After June 30, 2012, most of the rates will be returned to their previous amount, however some will be decreased even more.

**Illinois is proposing these supplemental payment rate increases and new stimulus payment in an effort to address the economic conditions facing Illinois hospitals and their continuing ability to maintain access for Medicaid recipients. They are confident that reimbursement rates prior to this amendment, and prior to the economic recession, were adequate to assure access. This proposed amendment is deliberately temporary to address temporary economic conditions. Thus, the State feels that returning to original rates should be adequate to assure compliance with 1902(a)(30).**

**Representatives from the Illinois Hospital Association and other hospital organizations were present at the public hearing regarding these proposed changes. They did not provide any comments or express concerns that access to care and services would be limited when the rates return to their original amounts in July, 2012.**

**Other Considerations:**

**This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor. This OSN has been reviewed in the context of the ARRA and approval of the OSN is not in violation of ARRA provisions.**

**CMS Contact:            Todd McMillion (608) 441-5344  
                                 National Institutional Reimbursement Team**