

## **Table of Contents**

**State/Territory Name: IL**

**State Plan Amendment (SPA) #: 13-008**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Additional Companion letter (delete if not applicable)
- 3) CMS 179 Form/Summary Form (with 179-like data)
- 4) Approved SPA Pages

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



July 17, 2014

Julie Hamos, Director  
Illinois Department of Healthcare and Family Services (HFS)  
Prescott E. Bloom Building  
201 South Grand Avenue East  
Springfield, Illinois 62763-0001

ATTN: Theresa Eagleson

RE: TN 13-008

Dear Ms. Hamos:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

Transmittal #13-008 - Approves Illinois' request to allow freestanding birth centers to provide medical services and establishes the reimbursement rate for these services.

--Effective Date: May 1, 2013

If you have any questions, please have a member of your staff contact Cathy Song at (312) 353-5184 or by email at [Catherine.Song1@cms.hhs.gov](mailto:Catherine.Song1@cms.hhs.gov).

Sincerely,

/s/

Alan Freund  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

cc: Jacquetta Ellinger, HFS  
Ann Lattig, HFS  
Mary Doran, HFS  
Teresa Hursey, HFS

July 17, 2014

Julie Hamos, Director  
Illinois Department of Healthcare & Family Services  
Prescott E. Bloom Building  
201 South Grand Avenue East  
Springfield, IL 62763-0001

Dear Ms. Hamos:

This letter is being issued as a companion to our approval for state plan amendment (SPA) 13-008 submitted June 27, 2013 by the Illinois Department of Healthcare and Family Services. This SPA proposes to add coverage and reimbursement for freestanding birth centers in compliance with Section 2301 of the Affordable Care Act. We are requesting a SPA submission to resolve our same page reimbursement issues related to religious nonmedical healthcare institutions (formerly Christian Science Nurse), screening services, Supplemental Incentives for Training and Education (SITE) and personal care services for Attachment 4.19-B on page 48 and identified in this letter. With the SPA submission, we recommend the public notice for any of the services that could require a reimbursement methodology revision.

Several of the items on page 48 are not comprehensive reimbursement methodologies, because the items lack the effective date for services or a descriptive reimbursement methodology that is currently accepted by the Centers for Medicare & Medicaid Services (CMS) or both. CMS developed effective date language to meet the comprehensiveness requirements of 42 CFR 430.10. Using the model language assures the State of compliance to regulation 42 CFR 430.10 which requires the state plan be a comprehensive written statement containing “all information necessary for CMS to determine whether the plan can be approved as a basis for Federal Financial Participation (FFP) in the state program.”

Specifically, Item 26, religious nonmedical healthcare institutions (formerly Christian Science Nurse), Item 27, screening services and Item 24, personal care services require a SPA submission to amend the language to add effective date fee schedule language. The State may use 1/1/2006 which is the date of the current state plan page. Our recommended language for these items is as follows.

**“Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of (ex. case management for persons with chronic mental illness). The agency’s fee schedule rate was set as of (insert date here) and is effective for services provided on or after that date. All rates are published (ex. on the agency’s website).”**

During our review of SPA 07-013, we identified the corresponding issue for Item 27, Screening Services. Question C of the SPA 07-013 Request for Additional Information asked the State to specify the rate at which both screening and preventive services are reimbursed. At this time, page 48

only describes the reimbursement for screening mammograms as “payment shall be made at the same rate as the Department-established rate for a bilateral x-ray.” We recommend amending the line to read, “payment shall be the lesser of the charge or the maximum fee screen for a bilateral x-ray.” Additionally, please comprehensively describe the payment methodology on the page for any other screening services.

CMS would like to discuss the SITE payments with you to understand more fully what these payments represent. It appears from the SPA page that these payments have been in existence since 1998. Please respond to the questions below. We may have further questions and requests for you after receiving your responses.

- a. Please clarify if these payments are still being made.
- b. Are these payments graduate medical education payments? What is the provider type that receives these payments - clinics? If the payments are made to clinics, please define these clinics.
- c. Please clarify on what line these payments are claimed on the CMS-64.
- d. Please identify the type of funding for SITE payments and if the providers are governmental or private providers. Based on your response, we may have further questions about how the State determines direct costs associated with providing Medicaid services.
- e. For Item 30.b, please clarify if direct cost is defined as the actual IDPH payment.
- f. For Item 30.b, please add to the state plan how the State derives the percent of annual services.
- g. Item 30.c. New. Please add an item c. that describes the timing of the distribution of the SITE payments.

The State has 90 days from the date of this letter to address the issues described above. Within that period the State may submit SPAs to address the inconsistencies or submit a corrective action plan describing in detail how the State will resolve the issues identified above in a timely manner. Failure to respond may result in the initiation of a formal compliance process. During the 90 days, CMS will provide any required technical assistance.

If you have any questions concerning this SPA, please contact Catherine Song, at (312) 353-5184 for more information.

Sincerely,

/s/

Alan Freund  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

cc: Jacquetta Ellinger, HFS  
Ann Lattig, HFS  
Mary Doran, HFS  
Teresa Hursey, HFS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>13-008</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>May 1, 2013</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 1902 of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT a. FFY 2013 \$0.0 Million b. FFY 2014 \$0.0 Million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A, Page 10 A Attachment 3.1-B, Page 9 A Appendix to Attachment 3.1-A, Page 2(A) 19 <del>Attachment 4.19-B, Page 48</del> <b>Attachment 4.19-B, Page 48A &amp; Page 48B</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <del>Attachment 3.1-A, Page 10</del> New Page <del>Attachment 3.1-B, Page 9</del> New Page Appendix to Attachment 3.1-A, Page 2(A) 19 <del>Attachment 4.19-B, Page 48</del> <b>New Page 5</b>
10. SUBJECT OF AMENDMENT: <b>Freestanding Birth Centers</b>	

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 Reimbursement Analysis Attn: Theresa Eagleson 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME: <b>Julie Hamos</b>	
14. TITLE: <b>Director of Healthcare and Family Services</b>	
15. DATE SUBMITTED <b>6-27-13</b>	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: <b>6/27/13</b>	18. DATE APPROVED: <b>7/17/14</b>
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>May 1, 2013</b>	20. SIGNATURE OF REGIONAL OFFICIAL: <b>/s/</b>
21. TYPED NAME <b>Alan Freund</b>	22. TITLE: <b>Acting Associate Regional Administrator</b>
23. REMARKS:	

Continuation of #8.

Continuation of #9

Attachment 3.1-A, Page 9  
Attachment 3.1-B, Page 8  
Appendix to Attachment 3.1-A, Page 18

Attachment 3.1-A, Page 9  
Attachment 3.1-B, Page 8  
Appendix to Attachment 3.1-A, Page 18

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND  
SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

---

24. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.
- a. Transportation.  
☒ Provided:   ☐ No Limitations   ☒ With Limitations\*   ☐ Not Provided
  - 05/13 b. Services provided in Religious Non-medical Health Care Institutions.  
☒ Provided:   ☐ No limitations.   ☒ With limitations.\*   ☒ Not provided.
  - c. Reserved.
  - d. Nursing facility services for patients under 21 years of age.  
☒ Provided:   ☐ No Limitations   ☒ With Limitations\*   ☐ Not Provided
  - e. Emergency hospital services.  
☒ Provided:   ☒ No limitations.   ☐ With limitations.\*   ☐ Not provided.
  - f. Personal care services in recipient's home prescribed in accordance with a plan of treatment and provided by a qualified person under supervision of a registered nurse.  
☐ Provided:   ☐ No limitations.   ☐ With limitations.\*   ☒ Not provided.

\* Description provided on attachment.

State: Illinois

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE  
AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

---

05/13 28. Freestanding Birth Center Services.

i. Licensed or Otherwise State-Approved Freestanding Birth Centers

Provided: ☐ No limitations ☒ With limitations\* ☐ None licensed/approved

Please describe any limitations: Limitations are described in Appendix to Attachment 3.1-A.

ii. Licensed or Otherwise State-Recognized covered professionals providing services in the Freestanding Birth Center

Provided: ☐ No limitations ☒ With limitations\* ☐ None licensed/approved

Please check all that apply:

☒ (a) Practitioners furnishing mandatory services described in another benefit category and otherwise covered under the State plan (i.e., physicians and certified nurse midwives).

☒ (b) Other licensed practitioners furnishing prenatal, labor and delivery, or postpartum care in a freestanding birth center within the scope of practice under State law whose services are otherwise covered under 42 CFR 440.60 (i.e., lay midwives, certified professional midwives (CPMs), and any other type of licensed midwife).\*

☒ (c) Other health care professionals licensed or otherwise recognized by the State to provide these birth attendant services (i.e., doulas, lactation consultant, etc.).\*

\* For (b) and (c) above, please list and identify below each type of professional who will be providing birth center services:

Pursuant to Department of Public Health's 77 Ill. Adm. Code 265 licensing free standing birth centers a birth assistant shall: be licensed or certified in Illinois in a health-related field and under the supervision of the physician or certified nurse midwife in attendance; have specialized training in labor and delivery techniques and care of newborns, and; receive planned and ongoing training as needed to perform assigned duties effectively.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED MEDICALLY NEEDY GROUP (S): ALL

---

22. Respiratory care services (in accordance with section 1902(e)(9)(A) through(C) of the Act.)

☒ Provided: ☐ No Limitations ☒ With Limitations\* ☐ Not Provided

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.

a. Transportation:

☒ Provided: ☐ No Limitations ☒ With Limitations\* ☐ Not Provided

05/13

b. Services provided in Religious Non-medical Health Care Institutions.

☒ Provided: ☐ No Limitations ☒ With Limitations\* ☒ Not provided

c. Reserved

d. Nursing facility services for patients under 21 years of age.

☒ Provided: ☐ No Limitations ☒ With Limitations\* ☐ Not Provided

e. Emergency hospital services.

☒ Provided: ☐ No Limitations ☒ With Limitations\* ☐ Not Provided

f. Personal care services in recipient's home prescribed in accordance with a plan of treatment and provided by a qualified person under supervision of a registered nurse.

☐ Provided: ☐ No Limitations ☐ With Limitations\* ☒ Not Provided.



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

AMOUNT, DURATION, AND SCOPE OF SERVICES PROVIDED MEDICALLY  
NEEDY GROUP(S): ALL-SPECIFIED IN ITEM C OF ATTACHMENT 2.2.-A

---

5/13 27. Freestanding Birth Center Services.

i. Licensed or Otherwise State-Approved Freestanding Birth Centers

Provided: ☐ No limitations ☒ With limitations\* ☐ None licensed/approved

Please describe any limitations: Limitations are described in Appendix to Attachment 3.1-B.

ii. Licensed or Otherwise State-Recognized covered professionals providing services in the Freestanding Birth Center

Provided: ☐ No limitations ☒ With limitations\* ☐ None licensed/approved

Please check all that apply:

- ☒ (a) Practitioners furnishing mandatory services described in another benefit category and otherwise covered under the State plan (i.e., physicians and certified nurse midwives).
- ☒ (b) Other licensed practitioners furnishing prenatal, labor and delivery, or postpartum care in a freestanding birth center within the scope of practice under State law whose services are otherwise covered under 42 CFR 440.60 (i.e., lay midwives, certified professional midwives (CPMs), and any other type of licensed midwife).\*
- ☒ (c) Other health care professionals licensed or otherwise recognized by the State to provide these birth attendant services (i.e., doulas, lactation consultant, etc.).\*

\* For (b) and (c) above, please list and identify below each type of professional who will be providing birth center services:

Pursuant to Department of Public Health's 77 Ill. Adm. Code 265 licensing free standing birth centers a birth assistant shall: be licensed or certified in Illinois in a health-related field and under the supervision of the physician or certified nurse midwife in attendance; have specialized training in labor and delivery techniques and care of newborns, and; receive planned and ongoing training as needed to perform assigned duties effectively.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

AMOUNT, DURATION, AND SCOPE OF SERVICES

24. RESPIRATORY CARE SERVICES

01/01 Respiratory services or treatment which are required to correct or lessen health problems detected by a screening process as medically necessary must be provided to individuals under age 21.

05/13 24a. TRANSPORTATION

- Ambulance Service: Requires prior approval except in case of emergency, or transfer from one hospital to a second hospital for services not available at the sending hospital. another hospital for admission or for clients who reside in long term care facilities.
- Medicar, service car, taxi, private auto: Requires prior approval. except for clients who reside in long term care facilities.
- Other (bus, train, airplane, etc.): Requires prior approval.
- Limits on services or treatments are not applicable to EPSDT (Healthy Kids) clients. All services or treatments, which are medically necessary to correct or lessen health problems detected or suspected by the screening process, must be provided to individuals under age 21.

05/13 24b. (Reserved.) RELIGIOUS NONMEDICAL HEALTHCARE INSTITUTIONS

~~40/94 Religious non-medical healthcare institutions are limited to individuals, age birth through twenty when the service is medically necessary, and required to treat a condition identified as the result of screening or diagnosis.~~

24c. (Reserved.)

24d. SKILLED NURSING FACILITY SERVICES FOR PATIENTS UNDER 21 YEARS OF AGE

Preadmission screening is required.

Limits on services or treatments are not applicable to EPSDT (Health Kids) clients. All services or treatments, which are medically necessary to correct or lessen health problems detected or suspected by the screening process, must be provided to individuals under age 21

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

AMOUNT, DURATION, AND SCOPE OF SERVICES

25. Advanced Practice Nurse Services

An Advanced Practice Nurse (APN) means a person who is licensed as a registered professional nurse, holds a valid license in the state of practice and is legally authorized under state law or rule to practice as an advanced practice nurse, so long as that practice is not in conflict with the Illinois Nursing and Advanced Practice Nursing Act, the Illinois Medical Practice Act of 1987. Categories of APNs include:

- Certified Registered Nurse Anesthetist (CRNA);
- Certified Nurse Midwife (CNM);
- Certified Nurse Practitioner (CNP); and
- Clinical Nurse Specialist (CNS).

05/13 26. Reserved

05/13 27. Reserved.

05/13 28. FREESTANDING BIRTH CENTER

Freestanding birth center is an alternative healthcare delivery model licensed by the Illinois Department of Public Health pursuant to 77 Ill. Adm. Code 265.1250 that has no more than ten beds and is exclusively dedicated to serving the childbirth-related needs of women and their newborns. A birth center is a designated site in which births are planned to occur following a normal, uncomplicated, and low-risk pregnancy that is away from the mother's usual place of residence. Freestanding birth centers ~~shall be reimbursed for coverage~~ includes the following:

- a) Essential delivery services, not otherwise excluded or limited, which are provided by a birth center in compliance with birth center licensure standards defined at Part 265 of 77 Ill. Adm. Code.
- b) Skilled observation services, the need for which must be documented in the medical record.
- e) ~~Facility transfer fee when a woman must be transferred to a hospital due to complications arising prior to delivery.~~

State: Illinois

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—  
OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT

---

05/13 30. FREESTANDING BIRTH CENTERS

Effective for dates of service on or after May 1, 2013:

- a. Facility services provided by a birth center will be reimbursed at the lower of billed charges or 75 percent of the statewide average facility payment rate made to a hospital for an uncomplicated vaginal birth.
- b. Observation services provided by a birth center will be reimbursed at the lower of billed charges or at 75 percent of the rate established by the Department for the number of hours of observation billed under one of three categories:
  - i. at least 60 minutes, but less than six hours and 31 minutes;
  - ii. at least six hours and 31 minutes, but less than 12 hours; or
  - iii. at least 12 hours and 31 minutes or more of observation services.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of birth center services. The agency's fee schedule rate was set as May 1, 2013 and is effective for services provided on or after that date. All rates are published on the agency's website.

- c. Transfer fees will be reimbursed to a birth center at the lower of billed charges or 15 percent of the statewide average facility payment rate made to a hospital for an uncomplicated vaginal birth.

Effective for dates of service on or after November 16, 2013:

- a. Facility services provided by a birth center located in Cook County will be reimbursed at the lower of billed charges or 75 percent of the average facility payment made to a hospital located in Cook County for an uncomplicated vaginal birth.
- b. Facility services provided by a birth center located outside of Cook County will be reimbursed at the lower of billed charges or 75 percent of the statewide average facility payment rate made to a hospital located outside of Cook County for an uncomplicated vaginal birth.
- c. Observation services provided by a birth center will be reimbursed at the lower of billed charges or at 75 percent of the rate established by the Department for the number of hours of observation billed under one of three categories:
  - i. at least 60 minutes, but less than six hours and 31 minutes;
  - ii. at least six hours and 31 minutes, but less than 12 hours; or
  - iii. at least 12 hours and 31 minutes or more of observation services.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of birth center services. The agency's fee schedule rate was set as July 1, 2013 and is effective for services provided on or after that date. All rates are published on the agency's website.

State: **Illinois**

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—  
OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT**

---

*# 30. Freestanding Birth Centers continued.*

- d. Transfer fees for a birth center located in Cook County will be reimbursed at the lower of billed charges or 15 percent of the average facility payment rate made to a hospital located in Cook County for an uncomplicated vaginal birth.
- e. Transfer fees for a birth center located outside of Cook County will be reimbursed at the lower of billed charges or 15 percent of the statewide average facility payment rate made to a hospital located outside of Cook County for an uncomplicated vaginal birth.