

## **Table of Contents**

**State/Territory Name: IL**

**State Plan Amendment (SPA) #: 17-0015**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Companion Letter
- 3) CMS 179 Form
- 4) Approved SPA Pages

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



February 6, 2018

Felicia Norwood, Director  
Illinois Department of Healthcare and Family Services  
Prescott E. Bloom Building  
201 South Grand Avenue East  
Springfield, Illinois 62763-0001

Attn: Teresa Hursey

Dear Ms. Norwood:

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

Transmittal #17-0015 – Extension of Enhanced Payments for Certain Psychiatric  
Services  
– Effective Date: January 1, 2018  
– Approval Date: February 6, 2018

If you have any questions, please have a member of your staff contact Courtenay Savage at 312-353-3721 or via email at [Courtenay.Savage@cms.hhs.gov](mailto:Courtenay.Savage@cms.hhs.gov).

Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Sara Barger, HFS  
Kimberley Cox, HFS  
Mary Doran, HFS



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February 6, 2018

Felicia F. Norwood, Director  
Department of Healthcare and Family Services  
Bureau of Program and Reimbursement Analysis  
201 South Grand Avenue East  
Springfield, IL 67763-001

ATTN: Teresa Hursey

RE: Transmittal Number (TN) 17-0015

Dear Ms. Norwood:

This letter is sent as a companion to our approval of Illinois state plan amendment (SPA) TN 17-0015, submitted December 12, 2017, for the extension of enhanced payments for certain psychiatric services. As part of our companion review, we verify that payments on the submitted page comply with our regulations. Because Attachment 4.19-B, page 33C contains pharmacy benefit payments for physician-administered drugs, we direct the state to the Centers for Medicare and Medicaid Services' (CMS) Division of Pharmacy, which reviews drug compliance with the Covered Outpatient Drug final rule (CMS-2345-FC). To resolve the same page review, please respond to the CMS Division of Pharmacy request for additional information issued for TN 17-0006 on September 28, 2017.

The state has 90 days from the date of this letter to address the issue described above. Within that period the state may either submit a SPA to address the inconsistency or submit a corrective action plan describing in detail how the state will resolve the issue 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, please have a member of your staff contact Courtenay Savage at 312-353-3721 or via email at [Courtenay.Savage@cms.hhs.gov](mailto:Courtenay.Savage@cms.hhs.gov).

Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

cc: Sara Barger, HFS  
Kimberley Cox, HFS  
Mary Doran, 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>17-0015</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>January 1, 2018</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 2018 - \$3,437,500 b.
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-B, Page 33C and 37B</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-B, Page 33C and 37B</b>

10. SUBJECT OF AMENDMENT:  
**Enhanced payments for certain psychiatric services**

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 Reimbursement Analysis Attn: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001</b>
13. TYPED NAME: <b>Felicia F. Norwood</b>	
14. TITLE: <b>Director of Healthcare and Family Services</b>	
15. DATE SUBMITTED <b>12-12-17</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: <b>December 12, 2017</b>	18. DATE APPROVED: <b>February 6, 2018</b>
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>January 1, 2018</b>	20. SIGNATURE OF REGIONAL OFFICIAL: <b>/s/</b>
21. TYPED NAME <b>Ruth A. Hughes</b>	22. TITLE: <b>Associate Regional Administrator</b>
23. REMARKS:	

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**

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7. Physician Services, Continued:

04/12      Effective April 1, 2012, the reimbursement for the cost of drugs provided by a non-pharmacy provider shall be at a rate equal to the lowest of the provider's usual and customary charge to the public, or:

- The Average Sales Price (ASP) plus 6 percent; or
- Beginning July 21, 2012, the state upper limit.
- In cases in which ASP is not available, and beginning July 21, 2012, no state upper limit has been developed, the Department's lowest maximum allowable price for all covered NDC's assigned to the HCPCS billing code determined in accordance with Section 4(a) of this attachment.

All rates are published on the Department's website in the Practitioner Fee Schedule located at <http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/FeeSchedule/>

07/4701/18      Effective for dates of service ~~July 1, 2017~~ January 1, 2018 through ~~December 31, 2017~~ June 30, 2018, physicians and APNs partnering with participating providers of Mental Health Rehabilitative Services and who bill the Mental Health Rehabilitative service provider's National Provider Identification (NPI) as their payee will receive an add-on payment. The procedure codes and reimbursement rates subject to the add-on payment are published on the Practitioner Fee Schedule located at <http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/FeeSchedule/>

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

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21. REHABILITATIVE SERVICES

Mental Health Services, continued

07/4701/18 Effective for dates of service ~~July 1, 2017~~ January 1, 2018 through ~~December 31, 2017~~ June 30, 2018, providers of Mental Health Rehabilitative Services will receive an add-on payment. The procedure codes and reimbursement rates subject to the add-on payment are published in the Service Definition and Reimbursement Guide located at <http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/CMHP.aspx>