

## **Table of Contents**

**State/Territory Name: IL**

**State Plan Amendment (SPA) #: 17-0016**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

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 #17-0016 – Extension of the Medicare-Medicaid Alignment Initiative  
Demonstration  
– 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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>17-0016</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 - \$675 Million b. FFY 2019 - \$900 Million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 3.1-F, Page 45</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 3.1-F, Page 45</b>

10. SUBJECT OF AMENDMENT:  
**Medicare-Medicaid Alignment Initiative Demonstration Extension**

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 PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

MANDATORY ENROLLMENT IN MANAGED CARE ENTITIES

Citation	Condition or Requirement
	V. MCO-Medicare Medicaid Alignment Initiative (MMAI)
1932(a)(1)(A) 01/18	<p>A. <u>Section 1932(a)(1)(A) of the Social Security Act.</u></p> <p>The Centers for Medicare &amp; Medicaid Services (CMS) and State of Illinois will establish a Federal-State partnership to implement the Medicare-Medicaid Alignment Initiative (Demonstration) to better serve individuals eligible for both Medicare and Medicaid (Medicare-Medicaid Enrollees). The Federal-State partnership will include a Three-way Contract with Demonstration Plans that will provide integrated benefits to Medicare-Medicaid Enrollees in the targeted geographic areas. The Demonstration will begin on February 1, 2014 and will continue until December 31, 2019. The initiative is testing an innovative payment and service delivery model to alleviate the fragmentation and improve coordination of services for Medicare-Medicaid Enrollees, enhance quality of care, and reduce costs for both the State and the Federal government. The Demonstration will be voluntary with passive enrollment of those Medicare-Medicaid Enrollees that do not select a health plan. Participants can opt out of the demonstration at any time. Passive enrollment will be in compliance with the requirements of 42 CFR 438.50 (f), "enrollment by default" - for recipients who do not choose an MCO during their enrollment period, the State must have a default enrollment process for assigning those recipients to contracting MCOs.</p>
	<p>B. <u>General Description of the Program and Public Process.</u></p> <p>For B.1 and B.2, place a check mark on any or all that apply.</p>
1932(a)(1)(B)(i) 1932(a)(1)(B)(ii) 42 CFR 438.50(b)(1)	<p>1. The State will contract with an</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> i. MCO</li> <li><input type="checkbox"/> ii. PCCM (including capitated PCCMs that qualify as PAHPs)</li> <li><input type="checkbox"/> iii. Both</li> </ul>
42 CFR 438.50(b)(2) 42 CFR 438.50(b)(3)	<p>2. The payment method to the contracting entity will be:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> i. fee for service;</li> <li><input checked="" type="checkbox"/> ii. capitation;</li> <li><input type="checkbox"/> iii. a case management fee;</li> <li><input checked="" type="checkbox"/> iv. a bonus/incentive payment;</li> <li><input type="checkbox"/> v. a supplemental payment; or</li> <li><input type="checkbox"/> vi. other. (Please provide a description below).</li> </ul> <p><u>Bonus/Incentive Payment- Quality Withhold;</u> Both CMS and the Department will withhold a percentage of their respective components of the Capitation Rate, with the exception of the Part D Component amounts. The quality withhold will be 1% of the capitation in the first year of the demonstration. This amount will</p>