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State/Territory Name: IL

State Plan Amendment (SPA) #: 19-0004

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
233 N. Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



Regional Operations Group

August 15 2019

Theresa Eagleson, Director
Illinois Department of Healthcare and Family Services
201 South Grand Avenue East, 3rd Floor
Springfield, IL 62763-0001

Attn: Douglas Elwell

Dear Ms. Eagleson:

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

Transmittal #19-0004	-Outpatient Services Reimbursement at Critical Access Hospitals
	-Effective Date: May 10, 2019
	-Approval Date: August 15, 2019

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.

Sincerely,

/s/

Ruth Hughes
Deputy Director
Center for Medicaid and CHIP Services
Regional Operations Group

Enclosure

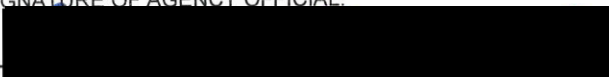
cc: Sara Barger, HFS
Mary Doran, HFS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 19-0004	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: May 10, 2019 <i>SSB</i>

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: Section 1902 of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 2019 \$0 b.
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 13.1 Attachment 4.19-B, Page 14.1A	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 13.1
10. SUBJECT OF AMENDMENT: Critical Access Hospitals administrative state plan update	
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> 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: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME: Theresa Eagleson	
14. TITLE: Medicaid Director of Healthcare and Family Services	
15. DATE SUBMITTED 5-24-19	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: May 24, 2019	18. DATE APPROVED: August 15, 2019
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: May 10, 2019	20. SIGNATURE OF REGIONAL OFFICIAL: <i>/s/</i>
21. TYPED NAME Ruth A. Hughes	22. TITLE: Deputy Director
23. REMARKS:	

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**

- 1.1. Reimbursement for Hospital Outpatient and Provider-Based Clinic Services Effective for Services on or after July 1, 2014.
- d. EAPG standardized amount. The standardized amount established by the Department as the basis for EAPG conversion factor differs based on the provider type:
 - i. County-operated large public hospital EAPG standardized amount. For a large public hospital, as defined at Chapter VII. of Attachment 4.19-A, Page 65.1, the EAPG standardized amount is determined in Chapter 33 of this Attachment.
 - ii. University-operated large public hospital EAPG standardized amount. For a large public hospital, as defined in at VII. of Attachment 4.19-A, Page 65.1, the EAPG standardized amount is determined in Chapter 33 of this Attachment.
 - iii. Critical access hospital EAPG standardized amount. For critical access hospitals, that is an Illinois hospital designated by Illinois Department of Public Health in accordance with 42 CFR 485 Subpart F., the EAPG standardized amounts are determined separately for each critical access hospital such that:
 - A. Simulated EAPG payments using outpatient base period paid claim data plus payments as defined in Chapter 32 of this Attachment, net of tax costs are equal to:
 - B. Estimated costs of outpatient base period claims data with a rate year cost inflation factor applied.
 - 07/18 C. Effective July 1, 2018 through ~~June 30, 2020~~ May 9, 2019, simulated EAPG payments using outpatient base period paid claim data plus payments as defined in Chapter 49 of this Attachment, net of tax costs equal to estimated costs as described in subsection d.iii.B. of this Section
 - 05/19 D. Effective May 10, 2019 through June 30, 2020, simulated EAPG payments using outpatient base period paid claim data results in a 23% increase compared to the sum of the hospital outpatient base period claims allowed amount.
 - iv. Acute EAPG standardized amount.
 - A. Qualifying criteria. General acute hospitals and freestanding emergency centers, excluding providers in subsections.d.i. through d.iii. in this Section, freestanding psychiatric hospitals, psychiatric distinct part units, freestanding rehabilitation hospitals, and rehabilitation distinct part units.
 - B. The acute EAPG standardized amount is based on a single statewide amount determined such that:
 - 1. Simulated EAPG payments, without rate reductions defined in Chapter 46 of this Attachment or policy adjustments defined in subsection f., using general acute hospital outpatient base period paid claims data, results in approximately a \$75 million increase compared to:
 - 2. The sum of general acute hospital base period paid claims data reported payments and allocated outpatient static payments.
 - 07/18 3. Effective July 1, 2018 through June 30, 2020, in-state hospital simulated EAPG payment using general acute hospital outpatient base period claims data, less the rate reductions defined in Chapter 46 of this Attachment and less the increase in payment from d.3.C. above, results in a \$238 million increase inclusive of add-on payments as defined in subsection k. of this Section, compared to the sum of the acute hospital outpatient based period claims allowed amount.

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**

05/19

viii. Supplemental Payment

Effective May 10, 2019, a one-time supplemental payment will be made to a critical access hospital, that is an Illinois hospital designated by Illinois Department of Public Health in accordance with 42 CFR 485 Subpart F, for outpatient discharges occurring in state fiscal year 2019 in which the outpatient claims were priced and paid under the methodology approved in Section 1.1 d. iii. C. of state plan amendment 18-0005.

The amount of the supplemental payment will be equal to the difference of:

- a) The payment amount of each claim calculated using the critical access hospital EAPG standardized amount set to equal a 23% increase in simulated EAPG payments using base period paid claims data; and
- b) The payment amount of each claim calculated using the critical access hospital EAPG standardized amount in effect on July 1, 2018.

Payment will be made to eligible critical access hospitals by the end of the 1st quarter of SFY 2020.