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State/Territory Name: IL

State Plan Amendment (SPA) #: 21-0023

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

Financial Management Group

March 15, 2022

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

RE: Illinois State Plan Amendment (SPA) 21-0023

Dear Ms. Eagleson:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 21-0023 to establish an adjusted inpatient payment rate for previously closed hospital facilities.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of December 16, 2021. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at Fredrick.sebree@cms.hhs.gov.

Sincerely,



Rory Howe
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 1 - 0 0 2 3</u>	2. STATE <u>IL</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE December 10, 2021 December 16, 2021	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.10	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2022</u> \$ <u>2,042,000</u> b. FFY <u>2023</u> \$ <u>2,450,000</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A, Page 63 and 63A	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A, Pages 63 and 63A	

9. SUBJECT OF AMENDMENT

Adjustment payments for previously closed hospital facilities.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

Theresa Eagleson

13. TITLE

Director of Healthcare and Family Services

14. DATE SUBMITTED

12/20/21

15. RETURN TO

Department of Healthcare and Family Services
Bureau of Program and Policy Coordination
Attn: Mary Doran
201 South Grand Avenue East
Springfield, IL 62763-0001

FOR CMS USE ONLY

16. DATE RECEIVED

12/21/2021

17. DATE APPROVED

March 15, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

12/16/2021

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director

22. REMARKS

Effective date in block 4 updated from 12/10/2021 to 12/16/2021 at states request on 3/8/2022

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)**

- iii. Illinois hospitals that, on July 1, 1991, had an MIUR, as defined in Section C.8.d., that was at least the mean Medicaid inpatient utilization rate, as defined in Section C.8.c., and that were located in a planning area with one-third or fewer excess beds as determined by the Illinois Health Facilities Planning Board and that, as of June 30, 1992, were located in a federally designated Health Manpower Shortage Area (42 CFR 5 [1989])
- iv. Illinois hospitals that meet the following criteria:
 - A. Have an MIUR, as defined in Section C.8.d., that is at least the mean Medicaid inpatient utilization rate, as defined in Section C.8.c.
 - B. Have a Medicaid obstetrical inpatient utilization rate, as defined in subsection G.1.h.iii of this Section that is at least one standard deviation above the mean Medicaid obstetrical inpatient utilization rate, as defined in subsection G.1.h.ii. of this Section.
- v. Any children's hospital, as defined in Chapter VII of this Attachment.
- vi. Out of state hospitals meeting the criteria in Chapter VI.C.5.
- vii. A hospital that re-opens a previously closed hospital facility within 3 calendar years of the previous hospital's closure, if the previous hospital qualified for payments under paragraph (c) at the time of closure.

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- b. In making the determination described in subsections G.1.a.i. and G.1.a.iv. of this Section, the Department shall utilize the data described in Section C.3. and received in compliance with Section C.6 of this Chapter.
- c. Hospitals that qualified as a Medicaid Percentage Adjustment hospital under subsection G.1.a.ii. of this Section for the Medicaid percentage determination year beginning October 1, 2013, may apply annually to become qualified under G.1.a.ii. by submitting audited certified financial statements as described in C.4. and received in compliance with Section C.6 of this Chapter.

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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. Medicaid Percentage Adjustments for hospitals defined in Chapter XVI, Sections A.1. and A.2., excluding hospitals defined in Section A.1.a.i. of Chapter XVI.
 - i. The payment adjustment shall be calculated based upon the hospital's MIUR, as defined in Section C.8.d. of this Chapter, and subject to subsection e. of this Section, as follows:
 - A. Hospitals with a MIUR below the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$25;
 - B. Hospitals with an MIUR that is equal to or greater than the mean Medicaid inpatient utilization rate but less than one standard deviation above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$25 plus \$1 for each one percent that the hospital's MIUR exceeds the mean Medicaid inpatient utilization rate;
 - C. Hospitals with an MIUR that is equal to or greater than one standard deviation above the mean Medicaid inpatient utilization rate but less than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$40 plus \$7 for each one percent that the hospital's MIUR exceeds one standard deviation above the mean Medicaid inpatient utilization rate; and
 - D. Hospitals with an MIUR that is equal to or greater than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$90 plus \$2 for each one percent that the hospital's MIUR exceeds 1.5 standard deviations above the mean Medicaid inpatient utilization rate.
 - E. [Hospitals qualifying under Section G.1.vii of this Section shall have the rate assigned to the previously closed facility at the date of closure, until utilization data for the new facility is available for the Medicaid inpatient utilization rate calculation.](#)
 - ii. Reserved.

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