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State/Territory Name: Illinois

State Plan Amendment (SPA) #: 23-0034

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

May 28, 2024

Elizabeth Whitehorn, 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) 23-0034

Dear Director Whitehorn:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0034. This SPA increases the Prospective Payment System rates for Federally Qualified Health Centers (FQHCs) and updates the definition of behavioral health encounters.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. This letter is to inform you that Illinois Medicaid SPA 23-0034 was approved on May 28, 2024, with an effective date of January 1, 2024.

If you have any questions, please contact Courtenay Savage at 312-353-3721 or via email at Courtenay.Savage@cms.hhs.gov.

Sincerely,

[redacted]

Ruth A. Hughes, Acting Director
Division of Program Operations

Enclosures

cc: Kelly Cunningham
Mary Doran
Annet Godiksen
Kati Hinshaw

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 23-0034

2. STATE: IL

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902(a)(2)(C) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 $ 27,000,000
b. FFY 2025 $ 36,000,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Appendix to Attachment 3.1-A, pages 2 ~~and 2(A)~~
Attachment 4.19-B, pages 26, 30, and 31B3

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Appendix to Attachment 3.1-A, pages 2 and 2(A)
Attachment 4.19-B, pages 26, 30, and 31B3

9. SUBJECT OF AMENDMENT
Rate increases for FQHCs and addition of sub-clinical behavioral health professionals.

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]

12. TYPED NAME
Theresa Eagleson

13. TITLE
Director of Healthcare and Family Services

14. DATE SUBMITTED
December 5, 2023

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
December 5, 2023

17. DATE APPROVED
May 28, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Ruth A. Hughes

21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Program Operations

22. REMARKS

FORM CMS-179 (09/24)

Instructions on Back

*4/26/24: State deleted a page number from Box 7 and re-submitted the CMS-179.

01/24 2b. FEDERALLY QUALIFIED HEALTH CENTER (FQHC)/RURAL HEALTH CENTER (RHC) SERVICES.

FQHC/RHC services are defined in section 1905(a)(2)(B) and 1905(a)(2)(C) of the Social Security Act and include:

a) Medical services, which are services delivered by physicians, physician assistants, nurse practitioners, and certified nurse midwives. Medical services also include services and supplies that are furnished incident to professional services furnished by a physician, physician assistant, nurse practitioner, or certified nurse midwife.

b) Behavioral health services, which are services delivered by licensed clinical psychologists (LCPs), licensed clinical social workers (LCSWs), licensed clinical professional counselors (LCPCs), and licensed marriage and family therapists (LMFTs). FQHC/RHC behavioral health services also include services delivered by a sub-clinical behavioral health professional operating under the direct supervision of a licensed practitioner of the healing arts (LPHA). A sub-clinical behavioral health professional is defined as an individual possessing a master's or doctoral degree in counseling and guidance, rehabilitation counseling, social work, psychology, pastoral counseling, marriage and family therapy, or related field.

c) Visiting nurse services, defined as services provided in a patient's home by a registered nurse or licensed practical nurse in a designated home health shortage area.

d) Dentist services.

e) Other ambulatory services included in the state plan. Limitations on other ambulatory services furnished by FQHCs/RHCs are the same limitations as defined for those services in the state plan.

A Center that adds behavioral health services, visiting nurse services, or dental services on or after October 1, 2001, must notify the Department in writing. These services are to be billed as an encounter with a procedure code that appropriately identifies the service provided. Any service that is no longer provided on or after October 1, 2001, or any new service added on or after October 1, 2001, must be communicated to the Department in writing prior to billing for the service(s).

2. FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS

a. Definitions.

"Federally qualified health center" (FQHC) means a health care provider that receives a grant under Section 330 of the *Public Health Service Act* or be determined to meet the requirements for receiving such a grant by Health Resources and Services Administration.

"Rural health clinic" (RHC) means a health care provider that has been designated by the U.S. Public Health Service, or by the Governor and approved by the U.S. Public Health Service, in accordance with the *Rural Health Clinics Act* to be a RHC.

"Center," for the purposes of this section, means both a FQHC and a RHC.

b. Reimbursement.

The Centers will be reimbursed under a prospective payment system (PPS), for 100 percent of the average of the costs that are reasonable and related to the cost of furnishing such services by the Center in accordance with the provisions of federal law (42 *USC* 1396a(aa)). Baseline payment rates will be determined individually for each enrolled Center. Once determined, the baseline payment rate will be adjusted annually using the Medicare Economic Index (MEI). Payment for services provided on or after January 1, 2001, shall be made using specific rates for each Center as specified herein.

Payment for services provided on or after January 1, 2006, shall be made using specific rates for each Center as specified herein.

i. Baseline payment rates.

A. For each Center, the Department will calculate a baseline medical encounter rate and, for each Center that that is enrolled with the Department to provide Behavioral Health Services, Visiting Nurse Services or dental, the Department will calculate a baseline Behavioral Health Services, Visiting Nurse Service or dental encounter rate, using the methodology specified herein. The cost basis for the baseline rates shall be drawn from individual Center cost reports for Center fiscal years ending in 1999 and 2000 or, in the instance of a Center that did not operate during the entirety of those periods, cost reports that cover the portions of those periods during which the Center was in operation. For dates of service on or after January 1, 2006, an FQHC's costs may be based on cost reports ending in 2002 and 2003, if such reports will result in an encounter rate that is higher than what would be determined through the use of 1999 and 2000 cost reports.

B. Annual adjustment

1. Beginning January 1, 2002, and annually thereafter, except as specified in B. 2., the Department will adjust baseline rates by the most recently available MEI. The adjusted rates shall be paid for services provided on or after the date of the adjustment.
2. Except, in the instance of a Center which provided Behavioral Health or Visiting Nurse Services prior to January 1, 2002, for the purpose of applying the January 1, 2002, adjustment by the most recently available MEI, the baseline medical services encounter rate applicable for services provided from January 1, 2001, through December 31, 2001, shall be redetermined after removal of costs and encounters attributable to Behavioral Health Services.

C. Scope of service adjustment.
If a Center significantly changes its scope of services, the Center may request that a new baseline encounter rate be determined. Adjustments to encounter rates will be made only if the change in the scope of services results in the inclusion of Behavioral Health Services, Visiting Nurse Services or dental services or a difference of at least five percent from the Center's current rate. The Department may initiate a rate adjustment, based on audited financial statements or cost reports, if the scope of services has been modified to include Behavioral Health Services, Visiting Nurse Services or dental services or in a way that would result in a change of at least five percent from the Center's current rate.

v. Reasonable cost considerations.
The following minimum efficiency standards will be applied to determine reasonable cost:

A. Medical direct care productivity.
The Center must average 4,200 encounters annually per full-time equivalent (FTE) for physicians and 2,100 encounters per FTE for mid-level health care staff (*i.e.*, physician assistants, nurse practitioners, specialized nurse practitioners, and nurse midwives).

B. Dental direct care productivity.
The Center must average 1.5 encounters per hour per FTE for dentists.

01/24 C. Behavioral Health Service direct care productivity.
The Center must average 2,100 annual encounters per FTE for licensed clinical psychologists, licensed clinical social workers, licensed clinical professional counselors, licensed marriage and family therapists, or sub-clinical behavioral health professionals (i.e., a. an individual possessing a master's or doctoral degree in counseling and guidance, rehabilitation counseling, social work, psychology, pastoral counseling, marriage and family therapy, or related field).

D. Visiting Nurse Service direct care productivity.
The Center must average 2,100 annual encounters per FTE for licensed practical or registered nurses providing Visiting Nurse Services.

E. Guideline for non-physician health care staff.
The maximum ratio of staff is four FTE non-physician health care staff for each FTE staff subject to the direct care productivity standards in A and B above.

xii. Alternative Payment Methodology and Managed Care Organizations

Beginning January 1, 2018, Centers providing care through a contractual arrangement with managed care organizations (MCOs) have the option to elect to receive payments from the MCOs that are at least equal to their FFS provider specific PPS rate. If a Center does not elect this option, the Department will make supplemental payments to the Center at least quarterly that equals the difference between the payment under the PPS rate and the payment provided by the MCO.

01/24 xiii. FQHC encounter rates for dates of service April 1, 2021 through June 30, 2021 will be set at a level 25.9% above the rates in effect on March 31, 2021.

xiv. FQHC encounter rates for dates of service beginning July 1, 2021 and after, will be set at a level 11.5% above the rates in effect on March 31, 2021.

xv. FQHC encounter rates for dates of service beginning January 1, 2024 and after, will be set at a level 11% above the rates in effect on December 31, 2023.

xvi. At the end of each calendar year, rates as established in subsection xv. will be trended annually effective January 1 of the next year by the MEI published by CMS for the most recent year.

01/23 xvi. Effective for service on or after January 1, 2023, FQHCs and RHCs who provide maternal health services are eligible to receive quality incentive add-on payments when postpartum care visits are conducted by a physician, APN, or physician's assistant within the timeframes outlined below. Payments shall be reimbursed through an APM when these services are provided on the same date as a medical visit and will be made as follows:

a. A $75 add-on payment will be made on claims for a postpartum care visit when the visit occurs within 26 days after the delivery date.

b. A separate $75 add-on payment will be made on claims for a postpartum care visit when the visit occurs between 27-89 days after the delivery date.

The APM must be agreed to by the Department and the FQHC/RHC and must result in a payment to the FQHC/RHC which is at least the PPS rate.