

## **Table of Contents**

**State/Territory Name: Illinois**

**State Plan Amendment (SPA) #: 23-0040**

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

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



Medicaid and CHIP Operations Group

---

January 8, 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) 23-0040

Dear Director Whitehorn:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0040. This SPA updates Illinois' Medicaid State Plan to comply with third party liability (TPL) requirements authorized under the Bipartisan Budget Act of 2018 and the Consolidated Appropriations Act of 2021.

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 23-0040 was approved on January 8, 2024 with an effective date of July 1, 2023.

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

Sincerely,

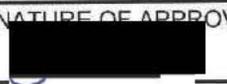
A black rectangular redaction box covers the signature area of the letter.

Digitally signed by James  
G. Scott -S  
Date: 2024.01.08 11:50:16  
-06'00'

James G Scott, Director  
Division of Program Operations

Enclosures

cc: Kelly Cunningham  
Mary Doran  
Annet Godiksen  
Kati Hinshaw

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>2 3 — 0 0 4 0</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 <b>July 1, 2023</b>	
5. FEDERAL STATUTE/REGULATION CITATION <u>1902(a)(25) of the Social Security Act</u>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>0</u> b. FFY <u>2024</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <del>XXXXXX</del> , Page <u>69A</u> , Section 4 Attachment 4.22-B, Page 1	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <del>XXXXXX</del> Page <u>69A</u> , Section 4 Attachment 4.22-B, Page 1	
9. SUBJECT OF AMENDMENT  <u>Third party liability compliance</u>		
10. GOVERNOR'S REVIEW (Check One) <input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="radio"/> OTHER, AS SPECIFIED:		
11. SIGNATURE OF STATE AGENCY OFFICIAL 	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	
12. TYPED NAME Theresa Eagleson		
13. TITLE Director of Healthcare and Family Services		
14. DATE SUBMITTED October 19, 2023		
<b>FOR CMS USE ONLY</b>		
16. DATE RECEIVED October 19, 2023	17. DATE APPROVED January 8, 2024	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>		
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL  Digitally signed by James G. Scott -S Date: 2024.01.08 11:51:06 -06'00'	
20. TYPED NAME OF APPROVING OFFICIAL James G Scott	21. TITLE OF APPROVING OFFICIAL Director, Division of Program Operations	
22. REMARKS 1/4/2024: State provided pen and ink authority to change "State Plan" to "Section 4" in Boxes 7 and 8.		

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

## MEDICAL ASSISTANCE PROGRAM

Citation	Condition or Requirement
42 <i>CFR</i> 433.139 (b)(3)(ii)(A)	<input checked="" type="checkbox"/> (c) Providers are required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.
42 <i>CFR</i> 433.139 (b)(3)(ii)(C)	(d) Attachment 4.22-B specifies the following: <ol style="list-style-type: none"> <li data-bbox="519 527 1443 594">(1) The method used in determining a provider's compliance with the third party billing requirements at 433.139(b)(3)(ii)(C).</li> </ol>
42 <i>CFR</i> 433.139(f)(2)	<ol style="list-style-type: none"> <li data-bbox="519 615 1443 743">(2) The threshold amount or other guideline used in determining whether to seek recovery of reimbursement from a liable third party, or the process by which the agency determines that seeking recovery of reimbursement would not be cost effective.</li> </ol>
42 <i>CFR</i> 433.139(f)(3)	<ol style="list-style-type: none"> <li data-bbox="519 764 1443 861">(3) The dollar amount or time period the State uses to accumulate billings from a particular liable third party in making the decision to seek recovery of reimbursement.</li> </ol>
<a href="#">1902(a)(25) of the Act</a>	<ol style="list-style-type: none"> <li data-bbox="519 882 1443 1045">(4) <a href="#">The Medicaid agency assures that the state has in effect the laws that require third parties to comply with the provisions, including those which require third parties to provide the state with coverage, eligibility, and claims data under section 1902(a)(25) of the Social Security Act, and specifies the compliance with 1902(a)(25)(E) and 1902(a)(25)(F).</a></li> </ol>
42 <i>CFR</i> 447.20	<ol style="list-style-type: none"> <li data-bbox="519 1087 1443 1144">(e) The Medicaid agency ensures that the provider furnishing a service for which a third party is liable follows the restrictions specified in 42 <i>CFR</i> 447.20.</li> </ol>

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

REQUIREMENTS FOR THIRD-PARTY LIABILITY—  
PAYMENT OF CLAIMS

---

Citation	Condition or Requirement
433.139(F)(2) & (3) 50 FR 46652	(c) Attachment 4.22-B specifies the threshold amount or other guidelines used in determining whether to seek reimbursement from a liable third party; or describes the process by which the agency determines that seeking reimbursement would not be cost effective. It also specifies that dollar amount or time period the State uses to accumulate billings from a particular liable third party for this purpose.

Pharmacy claims for private health insurance claims under \$50.00 are accumulated for 90 days and then subrogated regardless of the amount.

A \$250 claim threshold has been set for manual benefit recovery activity. Included in manual recovery efforts are casualty insurance claims and workers' compensation claims. This threshold allows for the most cost effective uses of existing personnel and resources. As staffing and resources dictate, claims below the \$250 threshold may be processed.

Illinois complies with the following requirements:

- SSA section 1902 (a)(25)(E): the requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.
- SSA section 1902 (a)(25)(E): the requirement for states to make payments without regard to potential third-party liability for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for up to 90 days.
- SSA section 1902 (a)(25)(F): State flexibility to make payments without regard to potential third-party liability for up to 100 days for claims related to child support enforcement beneficiaries.