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State/Territory Name: IL

State Plan Amendment (SPA) #: 23-0041

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

January 18, 2024

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) 23-0041

Dear Ms. Eagleson:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number 23-0041 which proposes to extend the Medicaid Percentage Adjustment (MPA) and Medicaid High Volume Adjustment (MHVA) rate year 2023 until December 31, 2023, and subsequent rate years to be on a calendar year basis.

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 October 1, 2023. 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

2 3 — 0 0 4 1

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

October 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.10

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a FFY 2023 \$ 0
b FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, Pages 63 & 63D

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-A, Pages 63 & 63D

9. SUBJECT OF AMENDMENT

MPA & MHVA Rate Years

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

12. TYPED NAME
Theresa Eagleson

13. TITLE
Director of Healthcare and Family Services

14. DATE SUBMITTED
October 25, 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
10/25/2023

17. DATE APPROVED
January 18, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/1/2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

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 ~~34~~ 34 Calendar years of the previous hospital's closure, if the previous hospital qualified for payments under paragraph (c) at the time of closure.
- 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.

~~10/23~~12/24

07/14

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. Appeals based upon a hospital's ineligibility for Medicaid Percentage payment adjustments, or their payment adjustment amounts, in accordance with Chapter IX, which result in a change in a hospital's eligibility for Medicaid Percentage payment adjustments or a change in a hospital's payment adjustment amounts, shall not affect the Medicaid Percentage status of any other hospital or the payment adjustment amount of any other hospital that has received notification from the Department of its eligibility for Medicaid Percentage payment adjustments based upon the requirements of this Section.
- iv. Medicaid Inpatient Utilization Rate Limit. Hospitals that qualify for Medicaid percentage payment adjustments under this Section shall not be eligible for Medicaid percentage payment adjustments if the hospital's MIUR, as defined in Section C.8.d., is less than one percent.

[10/23](#)

- h. Inpatient Payment Adjustment Definitions. The definitions of terms used with reference to calculation of Inpatient Payment Adjustments are as follows:
 - i. "Medicaid Percentage determination year" means the 12-month period beginning on October 1 of the year and ending September 30 of the following year.

A. Effective for the 2023 Medicaid Percentage determination year, the end date will be December 31, 2023.

B. Effective January 1, 2024, the Medicaid Percentage determination year will begin on January 1st of the calendar year and end on December 31st of that same calendar year.