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State Territory Name: ILLINOIS

State Plan Amendment (SPA) #: 24-0004

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
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

May 24, 2024

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

RE: TN 24-0004

Dear Director Whitehorn:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Illinois state plan amendment (SPA) to Attachment 4.19-B 24-0004, which was submitted to CMS on January 16, 2024. This plan amendment updates the Durable Medical Equipment (DME) and Physician administered fluoride varnish.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 312-886-0360 or via email at Deborah.Benson@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 4</u> — <u>0 0 0 4</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
January 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.50, 42 CFR 440.70

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ 2,772,900
b. FFY 2025 \$ 3,697,200

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, Introduction page 1 (new page), pages 33, 34, 35, 35A, 35B, 48

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B, pages 33, 34, 35, 35A, 35B, 48

9. SUBJECT OF AMENDMENT
Rate increases for durable medical equipment and physician administered fluoride varnish.

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
Kelly Cunningham

13. TITLE
Medicaid Administrator

14. DATE SUBMITTED
January 16, 2024

15. RETURN TO
Department of Healthcare and Family Services
Bureau of Program and Policy Coordination
Attn: Kati Hinshaw
201 South Grand Avenue East
Springfield, IL 62763-0001

FOR CMS USE ONLY

16. DATE RECEIVED January 16, 2024	17. DATE APPROVED May 24, 2024
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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 Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. 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**

Effective dates for Reimbursement Rates for Specified Services:

Reimbursement rates for the services listed in this introductory section are effective for services provided on or after that date. Reimbursement is made at the lesser of the usual and customary charge to the general public or the statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.

All rates are published on the Department’s reimbursement webpage located at:
<https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

Service	Attachment 4.19-B Reference	Applicable Fee Schedule	Effective Date of Fee Schedule
Other Laboratory & X-Ray Services	p. 33	Practitioner	January 1, 2024
Physician’s Services	p. 33-33C	Practitioner	January 1, 2024
Podiatric Services	p. 34	Podiatric	January 1, 2024
Speech, Occupational, & Physical Therapy Services	p. 35	Therapy Providers	January 1, 2024
Audiology Services	p. 35	Audiologist	January 1, 2021
Prosthetic Devices	p. 35	Durable Medical Equipment	January 1, 2024
Medical Supplies & Equipment	p. 35A	Durable Medical Equipment	January 1, 2024
Transportation Services	p. 35A	Transportation	January 1, 2024
Screening Services	p. 48	Practitioner	January 1, 2024
Preventive Services, Adaptive Behavior Support	p. 48	Adaptive Behavior Support	October 1, 2021
Preventive Services, Lactation Support Services	p. 48	Lactation Consultant	January 1, 2024

Payment methodologies are listed in the Attachment 4.19-B, Methods and Standards for Establishing Payment Rates, pages that follow.

State: Illinois

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*
**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
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5. RESERVED
- 01/24 6. OTHER LABORATORY AND X-RAY SERVICES: Reimbursement is made at the lesser of the provider's usual and customary charges to the general public or the statewide maximum established by the Department, not to exceed the upper limits specified in federal regulations. Reimbursement is based upon the applicable modifier billed by the provider, and will be either for the technical component, the professional component, or a global amount. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Other Laboratory and X-ray services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/>.
- Clinic diagnostic laboratory services comply with Section 1903(i)(7) of the Social Security Act, which limits Medicaid payments for clinical diagnostic lab services to the amount paid by Medicare for those services on a per test basis.
- 01/23 Effective January 1, 2023, reimbursement for breast tomosynthesis services shall be increased to the Medicare Chicago Metropolitan rate.
- 01/24 7. PHYSICIAN'S SERVICES: Reimbursement is made at the lesser of the provider's usual and customary charges to the general public or the statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Physician services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/>.
- 07/20 Effective July 1, 2020, reimbursement rates for physician services shall be increased to 60% of Medicare rates in effect as of January 1, 2020, utilizing Illinois Locality 99 facility rates.
- Providers, including practitioners working under the supervision of the physician and billing under the physician's name and provider number, statewide who meet the participation requirements for the Maternal and Child Health Program receive enhanced reimbursement rates for services provided to pregnant women and children through age 20 who are participants in the MCH Program. The enhanced rates, which are detailed on the practitioner fee schedule and paid in combination with the maximum fee-for-service rates, include:

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- payment for performing a prenatal risk assessment (\$15);
- payment for performing risk assessments on children (\$15);
- increased reimbursement for deliveries (\$400 additional);
- a \$10 increase in the EPSDT screening rate; and
- an 8 percent increase in the reimbursement rate for office visits for children.

Physicians employed by government-operated entities other than hospitals, long term care facilities, and cost-reporting clinics.

For services provided by salaried physicians employed by a government-operated entity that is not a hospital, long term care facility, or cost-reporting clinic, the State or local government agency operating that entity may elect to enter into an interagency or intergovernmental agreement, as appropriate, with the Department that specifies the responsibilities of the two parties with respect to physician services provided by the entity and the funding thereof, including supplemental payments to universities for certain physician services. This methodology also applies to podiatric services in item 10 and chiropractic services in item 11.

- 09/20
- a. Effective September 1, 2020, supplemental payments are available for services, eligible under Title XIX of the *Social Security Act*, that are provided by physicians who are employed by either the Medical Practice Plan – Physicians at the University of Illinois College of Medicine at Chicago, the Medical Practice Plan – Physicians at the University of Illinois College of Medicine at Rockford, the Medical Practice Plan – Physicians at the University of Illinois College of Medicine at Peoria, or the SIU Physicians and Surgeons, Inc at the Southern Illinois University School of Medicine at Springfield.
- i. Physician services eligible for supplemental payments shall include:
- A. services provided by an Advanced Practice Nurse (APN) or Physician’s Assistant (PA) when billed under the collaborating physician’s name and provider ID, and
- B. services provided by interns and residents when billed under the teaching physician’s name and provider ID.
- ii. Physician services eligible for supplemental payments shall not include services provided by contracting physicians nor any other non physician not specified in the state plan.
- iii. Such supplemental payments will be made on a quarterly basis as described below.
- 09/20
- b. Definitions
- i. Average Commercial Rate means, the average contractually defined payment amount paid to the university for practitioner services including patient share amounts, for each CPT code. This average shall be based on the participating university's payments from the five largest private insurance carriers for the CPT services.

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State: **Illinois**

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
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01/24 14a. **INDEPENDENT SPEECH, OCCUPATIONAL AND PHYSICAL THERAPIST SERVICES:** Reimbursement is made at the lesser of the provider's usual and customary charges to the general public or the statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of independent therapy services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

01/24 14b. **AUDIOLOGY SERVICES:** Reimbursement is made at the lesser of the provider's usual and customary charges to the general public or the statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of audiology services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

15. **HEALTH MAINTENANCE ORGANIZATION SERVICES:** Flat monthly rate per enrolled client as established by the Department.

01/24 16. **APPLIANCES/PROSTHESES:** Beginning November 1, 2019, the Department's maximum allowable rates for custom prosthetic and orthotics will be calculated based on the Medicare rate in effect on July 1, 2019, minus 6 percent, and the Department's maximum allowable rates for new items or services added to the fee schedule after November 1, 2019 will be calculated based on the Medicare rate for the year the procedure code is first established on the Department's fee schedule minus 6 percent.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of appliances/orthotics and prostheses services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
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- 01/24 17. **MEDICAL SUPPLIES AND EQUIPMENT:** Reimbursement is made at the lesser of the provider's usual and customary charges to the general public or the statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of medical supplies and equipment. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.
- The Department's maximum allowable rates for new items or services added to the fee schedule are calculated based on the Medicare rate for the year the procedure code is first established on the Department's fee schedule minus 6 percent. The Department's maximum allowable rate for medically necessary medical supplies and equipment where no fee schedule rate has been established is determined as follows:
- Medical supplies and durable equipment rates are set at the lesser of:
 - The average suggested retail price; or
 - The actual acquisition cost for each item plus 50 percent; or
 - The Medicare allowable rate for covered Medicare items or services.
 - Wheelchair, including parts and accessories, rates are set at the Manufacturer's Suggested Retail Price (MSRP) minus 10 percent.
 - Proprietary medical equipment, including parts and accessories, are set at the lesser of:
 - The average suggested retail price derived from available medical supply catalogs and/or providers' price lists; or
 - The wholesale price for each item plus 50 percent; or
 - The Medicare allowable rate for covered Medicare items or services; or
 - The MSRP minus 30 percent.
- 01/24 18. **TRANSPORTATION:** Reimbursement is made at the lesser of the usual and customary charge to the general public or statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of transportation services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

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- 01/24 19. FAMILY PLANNING: *Reimbursement is made at the lesser of the usual and customary charge to the general public or statewide maximum established by the Department.* Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of family planning services. The agency's fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.
- 01/24 20. HEALTHY KIDS SERVICES: (Early and Periodic Screening, Diagnosis and Treatment): Variable maximum depending upon provider type: hospital outpatient clinic facility—Department approved outpatient rate; encounter rate clinic—Department approved visit rate; physician visit—Department approved rate(s).
- Reimbursement is made at the lesser of the usual and customary charge to the general public or statewide maximum established by the Department. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of healthy kids services. The agency's fee schedule rates for healthy kids providers were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.
- 01/24 The agency's fee schedule rate for in-home shift nursing services were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

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- 01/24 27. OTHER DIAGNOSTIC, SCREENING, PREVENTIVE, REHABILITATION SERVICES:
- a. Diagnostic – Reserved.
 - b. Screening – Payments shall be made at the lessor of the charge or the Department-established rates for the screening, tests or procedure. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of screening and diagnostic tests and procedures. The agency’s fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.
 - 08/21 c. Preventive Services. Payments shall be made at the lessor of the charge or the Department-established rates for the service. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of preventive services. The agency’s fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.
 - A. Adaptive Behavior Support (ABS) Services. For services found under Appendix to Attachment 3.1-A, Adaptive Behavior Support (ABS) Services, the state pays the lessor of: 1) provider charges, or 2) the maximum fee schedule rate for ABS preventive services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of ABS preventive services. The agency’s fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.

The fee schedule shall detail the unit of service, rate of reimbursement and applicable modifiers. The rates do not include costs related to room and board or any other unallowable facility costs. The services will be monitored via encounter data to ensure adequate service mix. Services must meet the LPHA recommendations from the service plan.
 - 01/24 B. Lactation Support Services. For services found under Appendix to Attachment 3.1-A, Lactation Support Services, the state pays the lessor of: 1) provider charges, or 2) the maximum fee schedule rate for lactation support services. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of lactation support services. The agency’s fee schedule rates were set as of the date on the Attachment 4.19-B Introduction Page and are published at: <https://hfs.illinois.gov/medicalproviders/medicaidreimbursement.html>.
 - d. Rehabilitation – Reserved.