

Table of Contents

State/Territory Name: IL

State Plan Amendment (SPA) #: 24-0015

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

November 6, 2024

June 24, 2024

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

RE: TN 24-0015

Dear Ms. Whitehorn:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Illinois state plan amendment (SPA) to Attachment 4.19-A IL-24-0015, which proposes to update rates for safety net hospitals.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 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 July 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 Fred Sebree at via email at fredrick.sebree@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 5

2. STATE

IL

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL

SECURITY ACT ☒ XIX ☐ XXI

4. PROPOSED EFFECTIVE DATE

July 1, 2024

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

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.10

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 10,500,000b. FFY 2025 \$ 42,000,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, Page 30.4, 30.4A (new), and 52

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A, Page 30.4 and 52

9. SUBJECT OF AMENDMENT

Safety-Net Hospital Rate Update

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
Kelly Cunningham13. TITLE
Administrator Division of Medical Programs14. DATE SUBMITTED
9.4.2024

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
9/4/202417. DATE APPROVED
November 6, 2024**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
7/1/2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

10/10/2024 - State revised block 6 to adjust the budget impact slightly from 10.27 mil in 2024 and from 41.1 mil in 2025 due to the revised budget impact calculation

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)**

4. Safety Net

a. Qualifying criteria:

07/20 i. Eligibility for the safety-net policy adjustment factor will be updated annually, each January first, based on the MIUR calculations applicable to the first of October immediately preceding the new calendar year.

07/24 To qualify for the safety-net policy adjustment factor, the hospital must be a safety-net hospital, defined as a hospital:

A. Licensed by the Department of Public Health as a general acute care or pediatric hospital; and

B. Meeting one of the following:

1) has a MIUR of at least 40% and a charity percent of at least 4%; or

2) has a MIUR of at least 50%.

07/20 ii. All hospitals that would have qualified for the rate year beginning October 1, 2011, shall be deemed a Safety-Net Hospital.

b. Policy Adjustment Factor: Effective for dates of service on or after January 1, 2024, the Safety Net policy adjustment factor shall be \$210 per general acute and psychiatric care day, excluding Medicare dual eligible days, except in the following instances:

07/24 i. Effective for dates of service from July 1, 2024, through December 31, 2025, excluding Medicare dual eligible days, and based on the MIUR determination effective October 1, 2023, the Safety Net policy adjustment factor shall be:

A. \$425 per general acute and psychiatric day for safety net hospitals with an applicable MIUR equal to or greater than 70%.

B. \$300 per general acute and psychiatric day for safety net hospitals with an applicable MIUR equal to or greater than 50% and less than 70%.

C. \$225 per general acute and psychiatric day for safety net hospitals with an applicable MIUR equal to or greater than 40% and less than 50%.

D. \$210 per general acute and psychiatric day for safety net hospitals with an applicable MIUR less than 40%.

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. Effective for dates of service from January 1, 2026, through December 31, 2026, the Safety Net policy adjustment factors in 4.b.i.A through 4.b.i.C of this section shall be adjusted January 1, 2026, by applying a uniform factor to spend an approximate amount of \$50,000,000 in calendar year 2026 using state fiscal year 2024 general acute care days and psychiatric days, excluding Medicare dual eligible days, for all qualifying hospitals as the basis.
- iv. Effective for dates of service from July 1, 2024, through December 31, 2026, the Safety Net policy adjustment factor shall be increased by \$200 per day for low volume safety net hospitals.
 - A. For dates of service from July 1, 2024, through December 31, 2025, low volume is defined as a safety net hospital providing less than 11,000 inpatient acute care and psychiatric care days, excluding Medicare dual eligible days, during state fiscal year 2022 for admissions received by the Department prior to October 1, 2023.
 - B. For dates of service from January 1, 2026, through December 31, 2026, low volume is defined as a safety net hospital providing less than 11,000 inpatient acute care and psychiatric care days, excluding Medicare dual eligible days, during state fiscal year 2023 for admissions received by the Department prior to October 1, 2024.

G-1. DRG PPS payment for transfers. The reimbursement to hospitals for inpatient services provided to transfers shall be lesser or:

- 1. The amount that would have been paid pursuant to subsection C-1 had the inpatient been a discharge.
- 2. The product, rounded to the nearest hundredth, of the following:
 - a. The quotient resulting from dividing the amount that would have been paid pursuant to subsection C-1, had the inpatient been a discharge by the DRG average length of stay for the DRG to which the inpatient claim has been assigned.
 - b. The length of stay plus the constant 1.0.

H-1. Updates to DRG PPS reimbursement. The Department may annually review the components as listed in subsection (c) and make adjustments as needed. Grouper shall be updated at least triennially and no more frequently than annually.

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)**

- 07/08 f. DSH for government-owned or -operated hospitals.
- i. The following classes of government-owned or -operated Illinois hospitals shall, subject to the limitations set forth in subsection g of this section, be eligible for disproportionate share hospital adjustment payment:
- 07/14 A. Hospitals owned by and located in paragraph A.1.a.i. of Chapter XVI.
- B. Hospitals owned or operated by a unit of local government that is located within Illinois and is not a hospital defined in subparagraph A above.
- 03/14 ii. The annual amount of the payment shall be the amount computed for the hospital pursuant to subparagraph g.iv.B of this section, adjusted from the midpoint of the cost report period to the mid-point of the rate period using the CMS Hospital Price Index.
- 7/24 iii. The annual amount shall be paid to the hospital in 12 installments.
- 07/95 g. DSH Adjustment Limitations.
- 10/10 i. Hospitals that qualify for DSH adjustments under this Chapter shall not be eligible for the total DSH adjustment if, during the DSH determination year, the hospital discontinues the provision of non-emergency obstetrical care (the provisions of this subsection shall

