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State/Territory Name: Illinois

State Plan Amendment (SPA) #: 25-0027

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

March 3, 2026

Laura Phelan
Administrator, Division of Medical Programs
Department of Healthcare and Family Services
Bureau of Program and Policy Coordination
Attn: Kati Hinshaw
201 South Grand Avenue East
Springfield, IL 62763-0001

RE: TN 25-0027

Dear Administrator Cunningham,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Illinois state plan amendment (SPA) to Attachment 4.19-A IL 25-0027, which was submitted to CMS on December 8, 2025. This plan amendment proposes a per diem add-on for Specialized Behavioral Health Inpatient Unit Rates.

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 December 5, 2025. 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 Sudev Varma at 301-448-3916 or via email at sudev.varma@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 <u>2 5</u> — <u>0 0 2 7</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
December 5, 2025

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902 of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 \$ 100,000
b. FFY 2027 \$ 120,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, Page 69.1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-A, Page 69.1 (supersedes SPA 23-0032)

9. SUBJECT OF AMENDMENT
Specialized Behavioral Health Inpatient Unit Rates

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
Laura Phelan

13. TITLE
Administrator Division of Medical Programs

14. DATE SUBMITTED
December 8, 2025

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
December 8, 2025

17. DATE APPROVED
March 3, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
December 5, 2025

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director of the Financial Management Group

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)**

- 01/24 d. Distinct part psychiatric unit. Effective January 1, 2024, payment for psychiatric services provided by a distinct part psychiatric unit, as defined in Chapter VII:
- i. Distinct part psychiatric units that were not enrolled with the Department on December 31, 2023, shall be the product of the following:
 - A) 90% of the minimum rate in subsection A.1.g of this Section; and
 - B) The length of stay, as defined in subsection A.1.c.i.B. above.
 - ii. Distinct part psychiatric units that were enrolled with the Department on December 31, 2023, shall be the product of the following:
 - A) The greater of:
 - 1) The rate in effect on December 31, 2023 multiplied by 1.1, or;
 - 2) 90% of the minimum rate in Section A.1.g; and
 - B) The length of stay, as defined in subsection A.1.c.i.B. above.
- 07/22 f. Psychiatric hospital adjustors for dates of service beginning on or after July 1, 2014 through June 30, 2018 and July 1, 2022 forward. For Illinois freestanding psychiatric hospitals, defined in Chapter VII, who were not children's hospitals as defined in Chapter VII in FY 2013 and whose Medicaid covered days were 90% or more for individuals under 20 years of age in FY 2013, the Department shall pay a per day add-on of \$48.25.
- 01/24 g. Effective January 1, 2024, for safety net hospitals as defined in subsection F-1.4. of Chapter IV, the per diem rate for psychiatric services is the greater of the rate in effect on December 31, 2023 multiplied by 1.1, or the minimum rate of \$693.
- 01/24 h. Effective January 1, 2024, for general acute care hospitals that provide more than 9,500 inpatient psychiatric days in a calendar year, the per diem rate for psychiatric services is the greater of the rate in subsection A.2.e. of this Chapter, or \$693.
- 12/25 i. Effective December 5, 2025, for freestanding children's hospitals providing specialized psychiatric services to children diagnosed with autism spectrum disorder on an intensive behavioral health unit, the Department shall pay a per day add-on of \$1,636.