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State/Territory Name: IL

State Plan Amendment (SPA) #: 26-0020

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 13, 2026

Laura Phelan, Director
Department of Healthcare and Family Services
Bureau of Program and Policy Coordination
201 South Grand Avenue East
Springfield, IL 62763-0001

RE: TN 26-0020

Dear Director Phelan,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Illinois State Plan Amendment (SPA) to Attachments 4.19-D TN: 26-0020 which was submitted to CMS on August 26, 2026. This SPA implements a base rate increase for ICF facilities licensed by Illinois Department of Public Health.

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, 2027. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

This letter does not constitute approval of any specific Medicaid financing mechanism used to support the non-federal share of expenditures associated with these actions.
This approval does not establish the state's applicable indirect hold harmless threshold for the applicable permissible class under section 71115 of the WFTC legislation that amends Section 1903(w)(4) of the Social Security Act (codified at 42 U.S.C. 1396b(w)(4)), nor is it a determination of whether the state is in compliance with that threshold. States remain responsible for ensuring their health care-related taxes comply with section 1903(w) of the Act and 42 CFR part 433, subpart B, including the applicable indirect hold harmless requirements. Section 71115 applies for fiscal years beginning on or after October 1, 2026. States should monitor their tax collections and net patient revenue and make any adjustments necessary to comply with section 1903(w) of the Act and applicable hold harmless requirements, including after CMS communicates the applicable indirect hold harmless threshold. Any adjustment must remain consistent with applicable health care-related tax requirements and, where applicable, approved waivers. If the aggregate tax revenue for the permissible class exceeds the applicable indirect hold harmless threshold, revenue from all taxes on that class may be subject to deduction from the state's medical assistance expenditures before Federal financial participation is calculated, under section 1903(w)(1)(A)(iii) of the Act and 42 CFR § 433.70(b).

If you have any additional questions or need further assistance, please contact Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26-0020

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
January 1, 2027

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.150

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 5,193,750
b. FFY 2027 $ 6,925,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-D, Page 120E

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-D, Page 120E (supersedes 25-0025)

9. SUBJECT OF AMENDMENT
ID/DD and MC/DD rate increases.

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
Laura Phelan

13. TITLE
Administrator, Division of Medical Programs

14. DATE SUBMITTED
8/26/26

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

FOR CMS USE ONLY

16. DATE RECEIVED
August 26, 2026

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2027

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

Instructions on Back

Rate Region	Wage Factor
HSA1	1.0357162
HSA2	1.0000000
HSA3	1.0000000
HSA4	1.0000000
HSA5	1.0000000
HSA6	1.2014172
HSA7	1.2014172
HSA8	1.2014172
HSA9	1.1500000
HSA9 - Kankakee	1.1169271
HSA10	1.0357162
HSA11	1.0000000

01/26 Effective January 1, 2026, notwithstanding the provisions set forth in this Section, Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID's) licensed by the Department of Public Health will receive an increase to their facility rate.

1. Facilities will receive a $0.80 per hour wage increase for all direct support personnel and all other frontline personnel who are not subject to the Bureau of Labor Statistics' average wage increases, who work in residential and community day services settings, with at least $0.60 of those funds to be provided as a direct increase to all aide base wages, with the remaining $0.20 to be used flexibly for base wage increases to the rate methodology for aides.
2. Facilities will receive an increase sufficient to provide wages for all residential non-executive direct care staff, excluding aides, at the federal Department of Labor, Bureau of Labor Statistics' average wage.

1/27 Effective January 1, 2027,notwithstanding the provisions set forth in this Section, Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID's) licensed by the Department of Public Health will receive an increase to their facility rate.

1. Facilities will receive a $0.60 per hour wage increase for all direct support personnel and all other frontline personnel who are not subject to the Bureau of Labor Statistics' average wage increases, who work in residential and community day services settings, with at least $0.30 of those funds to be provided as a direct increase to all aide base wages, with the remaining $0.30 to be used flexibly for base wage increases to the rate methodology for aides.
2. Facilities will receive an increase sufficient to provide wages for all residential non-executive direct care staff, excluding aides, at the federal Department of Labor, Bureau of Labor Statistics' average wage.