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State/Territory Name: Illinois

State Plan Amendment (SPA) #: 22-0046

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

March 21, 2023

Kelly Cunningham
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) 22-0046

Dear Director Cunningham:

The Centers for Medicare & Medicaid Services (CMS) completed review of Illinois' State Plan Amendment (SPA) Transmittal Number 22-0046 submitted on December 28, 2022. The purpose of this SPA is to implement the Program of All-inclusive Care for the Elderly (PACE) program in the state.

We conducted our review of this amendment according to statutory requirements of Title XIX of the Social Security Act and implementing Federal regulations. This letter is to inform you that Illinois Medicaid SPA Transmittal Number 22-0046 is approved effective June 1, 2024.

If you have any questions regarding this amendment, please contact Elizabeth Lazzaro at (410) 786-8759 or Elizabeth.Lazzaro@cms.hhs.gov.

Sincerely,



Bill Brooks
Director
Division of Managed Care Operations

cc: Mary Doran, Illinois Division of Medical Programs
Angela Cimino, Division of Health Homes, CMS

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

1. TRANSMITTAL NUMBER <u>2 2 0 0 4 6</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
June 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 460

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ (366,667)
b. FFY 2025 \$ (1,100,000)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
p. 19B, 20B of Section 3
Attachment 3.1-A, p. 10
Attachment 3.1-B, p. 9
Supplement 3 to Attachment 3.1-A, p. ~~1-7~~ 1-9

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
~~xx208~~ p 19b , 20b of Section 3; Attachment 3.1-A, page 10
Attachment 3.1-B, p. 9
Supplement 3 to Attachment 3.1-A ~~xxxx7x~~ pages 1 - 8


9. SUBJECT OF AMENDMENT

PACE program

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
12/28/22

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
12/28/2022

17. DATE APPROVED
3/21/2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
6/1/2024

19. SIG 

20. TYPED NAME OF APPROVING OFFICIAL
Bill Brooks

21. TITLE OF APPROVING OFFICIAL
Director, Division of Managed Care Operations

22. REMARKS
3/15/23: State provided pen and ink authority to correct page numbers in Boxes 7 and 8.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: **Illinois**

PACE STATE PLAN AMENDMENT PRE-PRINT

Name and address of State Administering Agency, if different from the State Medicaid Agency.

I. Reserved

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

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PACE STATE PLAN AMENDMENT PRE-PRINT

[Material Removed]

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

PACE STATE PLAN AMENDMENT PRE-PRINT

[Material Removed]

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: **Illinois**

PACE STATE PLAN AMENDMENT PRE-PRINT

[Material Removed]

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

PACE STATE PLAN AMENDMENT PRE-PRINT

[Material Removed]

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

PACE STATE PLAN AMENDMENT PRE-PRINT

[Material Removed]

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

PACE STATE PLAN AMENDMENT PRE-PRINT

II. Rates and Payments

- A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.
1. Rates are set at a percent of the amount that would otherwise been paid for a comparable population.
 2. Experience-based (contractors/State's cost experience or encounter date)(please describe)
 3. Adjusted Community Rate (please describe)
 4. Other (please describe)

Rate Setting Methodology

The IL PACE AWOPs are developed separately for the Medicaid Only and Dual Eligible populations with a stratification for the Dual Eligible populations for ages from 55 to 64 and for ages 65+. Mandatory enrollment in the state's risk-based managed care program, HealthChoice Illinois (HealthChoice), is required in all counties in the state. The managed care program experience and rate development serve as the basis for the AWOP methodology since PACE enrollees would otherwise be enrolled in the HealthChoice program if the PACE program did not exist. Additionally, the AWOP methodology utilizes certain components of the state's Medicare-Medicaid Alignment Initiative (MMAI) rate development to account for certain services that are carved-out of the HealthChoice program.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

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PACE STATE PLAN AMENDMENT PRE-PRINT

Both the HealthChoice and MMAI capitation rates are developed on a calendar year basis. Note that both of these capitation rate sources are based on capitation rates developed by the State of Illinois' contract actuary and have been the basis for the established AWOPs, with certain adjustments as necessary such as those outlined further in this section; this is because the majority of expenditures that comprise the AWOPs are covered within the HealthChoice capitation rates or are outlined within the development of the MMAI rates in the case of acute care services for the dual-eligible MLTSS populations. The AWOPs will be updated annually.

The base data for the development of the AWOPs consists of the HealthChoice experience used to develop the HealthChoice capitation rates, limited to the PACE comparable populations and aggregated into two regions: Cook-Collar Counties, and Rest of State. The following HealthChoice rate setting adjustments are utilized and applied to develop the AWOPs:

- Prospective trend
- Prospective program adjustments
- Pharmacy contracting adjustments
- Managed care efficiency adjustments
- Patient liability reduction
- Service add-ons
- Non-medical load

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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PACE STATE PLAN AMENDMENT PRE-PRINT

The AWOPs must be developed to account for the amount that the state would pay if the member was not enrolled in PACE and must be inclusive of all state plan services. The following additional adjustments were applied to ensure that the AWOPs accounted for all covered state plan services and reflected costs for a PACE comparable population:

- Pharmacy rebate reduction
- MLTSS acute care HealthChoice carve-out addition, with consideration for program changes, trend, and state administrative costs
- Other FFS carve-out addition
- Age factor adjustment
- Facility/waiver blend

After all the preceding adjustment are made, the PACE payment rates are established. The state assures that the rates will be below the AWOPs.

- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.
- C. The State will submit all capitated rates to the CMS Regional Office for prior approval, and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: **Illinois**

**AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE
AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY**

25. Home- and Community-Care for Functionally Disabled Elderly Individuals, as defined, described and limited in Supplement 2 to Attachment 3.1-A, and Appendices A-G to Supplement 2 to Attachment 3.1-A.
- Provided.
- Not provided.
26. Personal care services furnished to an individual who is not an inpatient or resident of hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental disease that are (A) authorized for the individual by a physician in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not member of the individual's family, and (c) furnished in a home.
- Provided: State Approved (Not Physician) Service Plan Allowed.
- Services Outside the Home Also Allowed.
- Limitations Described on Attachment.
- Not provided.
27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.
- Election of PACE: By virtue of this submittal, the State elects PACE as an optional State plan service.
- No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State plan service.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

MEDICAL ASSISTANCE PROGRAM

Citation	Condition or Requirement
1902(e)(7)of the Act	<p>3.1 (a) (1) Amount, Duration, and Scope of Service: Categorically Needy (Continued)</p> <p>(vi) Home health services are provided to individuals entitled to nursing facility services as indicated in item 3.1(b) of this plan.</p> <p>(vii) Inpatient services that are being furnished to infants and children described in section 1902(1)(1)(B) through (D), or section 1905(n)(2) of the Act on the date the infant or child attains the maximum age for coverage under the approved State Plan will continue until the end of the stay for which the inpatient services are furnished.</p>
1902(e)(9)of the Act	<p><input checked="" type="checkbox"/> (viii) Respiratory care services are provided to ventilator dependent individuals as indicated in item 3.1(h) of this plan.</p>
1902(a)(52) and 1925 of the Act	<p>(ix) Services are provided to families eligible under section 1925 of the Act as indicated in item 3.5 of this plan.</p>
1905(a)(23) and 1929	<p>(x) Home and Community care for Functionally Disabled Elderly Individuals, as defined, described and limited in Supplement 2 to Attachment 3.1-A.</p>
1905(a)(26) and 1934	<p><input checked="" type="checkbox"/> (xi) Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A.</p> <p>Attachment 3.1-A identifies the medical and remedial services provided to the categorically needy, specifies all limitations on the amount, duration and scope of those services, and lists the additional coverage (that is in excess of established service limits) for pregnancy-related services and services for conditions that may complicate the pregnancy.</p>

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: **Illinois****MEDICAL ASSISTANCE PROGRAM**

Citation	Condition or Requirement
1902(a)(9) of the Act	3.1 (a) (2) Amount, Duration, and Scope of Services: Medically Needy (Continued) <input checked="" type="checkbox"/> (x) Respiratory care services are provided to ventilator dependent individuals as indicated in item 3.1 (h) of this plan.
1905(a)(23) and 1929	(xi) Home and Community care for Functionally Disabled Elderly Individuals, as defined, described and limited in Supplement 2 to Attachment 3.1-A.
1902(a)(26) and 1934	<input checked="" type="checkbox"/> (xii) Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A. Attachment 3.1-B identifies the services provided to each covered group of the medically needy, specifies all limitations on the amount, duration and scope of those items, and specifies the ambulatory services provided under this plan and any limitations on them. It also lists the additional coverage (that is in excess of established service limits) for pregnancy-related services and services for conditions that may complicate the pregnancy.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: **Illinois**

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED MEDICALLY NEEDY GROUP (S): ALL-
specified in Item C of Attachment 2.2-A

24. Home and Community Care for Functionally Disabled Elderly Individuals, as defined, described and limited in Supplement 2 to Attachment 3.1-A, and Appendices A-G to Supplement 2 to Attachment 3.1-A.

_____ provided x not provided

25. Personal care services furnished to an individual who is not an inpatient or resident of hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental disease that are (A) authorized for the individual by a physician in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not member of the individual's family, and (c) furnished in a home.

___ Provided: ___ State Approved (Not Physician) Service Plan Allowed
___ Services Outside the Home Also Allowed
___ Limitations Described on Attachment

 x Not Provided.

26. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

 X Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

___ No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.