



Sen. Kimberly A. Lightford

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1 AMENDMENT TO SENATE BILL 1386

2 AMENDMENT NO. _____. Amend Senate Bill 1386 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Aid Code is amended by
5 changing Section 5A-2 as follows:

6 (305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)
7 (Section scheduled to be repealed on July 1, 2018)
8 Sec. 5A-2. Assessment.

9 (a) (1) Subject to Sections 5A-3 and ~~and~~ 5A-10, for State
10 fiscal years 2009 through 2018, an annual assessment on
11 inpatient services is imposed on each hospital provider in an
12 amount equal to \$218.38 multiplied by the difference of the
13 hospital's occupied bed days less the hospital's Medicare bed
14 days, provided, however, that the amount of \$218.38 shall be
15 increased by a uniform percentage to generate an amount equal
16 to 75% of the State share of the payments authorized under

1 Section 5A-12.5, with such increase only taking effect upon the
2 date that a State share for such payments is required under
3 federal law. For the period of April through June 2015, the
4 amount of \$218.38 used to calculate the assessment under this
5 paragraph shall, by emergency rule under subsection (s) of
6 Section 5-45 of the Illinois Administrative Procedure Act, be
7 increased by a uniform percentage to generate \$20,250,000 in
8 the aggregate for that period from all hospitals subject to the
9 annual assessment under this paragraph.

10 (2) In addition to any other assessments imposed under this
11 Article, effective July 1, 2016 and semi-annually thereafter
12 through June 2018, in addition to any federally required State
13 share as authorized under paragraph (1), the amount of \$218.38
14 shall be increased by a uniform percentage to generate an
15 amount equal to 75% of the ACA Assessment Adjustment, as
16 defined in subsection (b-6) of this Section.

17 For State fiscal years 2009 through 2014 and after, a
18 hospital's occupied bed days and Medicare bed days shall be
19 determined using the most recent data available from each
20 hospital's 2005 Medicare cost report as contained in the
21 Healthcare Cost Report Information System file, for the quarter
22 ending on December 31, 2006, without regard to any subsequent
23 adjustments or changes to such data. If a hospital's 2005
24 Medicare cost report is not contained in the Healthcare Cost
25 Report Information System, then the Illinois Department may
26 obtain the hospital provider's occupied bed days and Medicare

1 bed days from any source available, including, but not limited
2 to, records maintained by the hospital provider, which may be
3 inspected at all times during business hours of the day by the
4 Illinois Department or its duly authorized agents and
5 employees.

6 (b) (Blank).

7 (b-5) (1) Subject to Sections 5A-3 and 5A-10, for the
8 portion of State fiscal year 2012, beginning June 10, 2012
9 through June 30, 2012, and for State fiscal years 2013 through
10 2018, an annual assessment on outpatient services is imposed on
11 each hospital provider in an amount equal to .008766 multiplied
12 by the hospital's outpatient gross revenue, provided, however,
13 that the amount of .008766 shall be increased by a uniform
14 percentage to generate an amount equal to 25% of the State
15 share of the payments authorized under Section 5A-12.5, with
16 such increase only taking effect upon the date that a State
17 share for such payments is required under federal law. For the
18 period beginning June 10, 2012 through June 30, 2012, the
19 annual assessment on outpatient services shall be prorated by
20 multiplying the assessment amount by a fraction, the numerator
21 of which is 21 days and the denominator of which is 365 days.
22 For the period of April through June 2015, the amount of
23 .008766 used to calculate the assessment under this paragraph
24 shall, by emergency rule under subsection (s) of Section 5-45
25 of the Illinois Administrative Procedure Act, be increased by a
26 uniform percentage to generate \$6,750,000 in the aggregate for

1 that period from all hospitals subject to the annual assessment
2 under this paragraph.

3 (2) In addition to any other assessments imposed under this
4 Article, effective July 1, 2016 and semi-annually thereafter
5 through June 2018, in addition to any federally required State
6 share as authorized under paragraph (1), the amount of .008766
7 shall be increased by a uniform percentage to generate an
8 amount equal to 25% of the ACA Assessment Adjustment, as
9 defined in subsection (b-6) of this Section.

10 For the portion of State fiscal year 2012, beginning June
11 10, 2012 through June 30, 2012, and State fiscal years 2013
12 through 2018, a hospital's outpatient gross revenue shall be
13 determined using the most recent data available from each
14 hospital's 2009 Medicare cost report as contained in the
15 Healthcare Cost Report Information System file, for the quarter
16 ending on June 30, 2011, without regard to any subsequent
17 adjustments or changes to such data. If a hospital's 2009
18 Medicare cost report is not contained in the Healthcare Cost
19 Report Information System, then the Department may obtain the
20 hospital provider's outpatient gross revenue from any source
21 available, including, but not limited to, records maintained by
22 the hospital provider, which may be inspected at all times
23 during business hours of the day by the Department or its duly
24 authorized agents and employees.

25 (b-6) (1) As used in this Section, "ACA Assessment
26 Adjustment" means:

1 (A) For the period of July 1, 2016 through December 31,
2 2016, the product of .19125 multiplied by the sum of the
3 fee-for-service payments to hospitals as authorized under
4 Section 5A-12.5 and the adjustments authorized under
5 subsection (t) of Section 5A-12.2 to managed care
6 organizations for hospital services due and payable in the
7 month of April 2016 multiplied by 6.

8 (B) For the period of January 1, 2017 through June 30,
9 2017, the product of .19125 multiplied by the sum of the
10 fee-for-service payments to hospitals as authorized under
11 Section 5A-12.5 and the adjustments authorized under
12 subsection (t) of Section 5A-12.2 to managed care
13 organizations for hospital services due and payable in the
14 month of October 2016 multiplied by 6, except that the
15 amount calculated under this subparagraph (B) shall be
16 adjusted, either positively or negatively, to account for
17 the difference between the actual payments issued under
18 Section 5A-12.5 for the period beginning July 1, 2016
19 through December 31, 2016 and the estimated payments due
20 and payable in the month of April 2016 multiplied by 6 as
21 described in subparagraph (A).

22 (C) For the period of July 1, 2017 through December 31,
23 2017, the product of .19125 multiplied by the sum of the
24 fee-for-service payments to hospitals as authorized under
25 Section 5A-12.5 and the adjustments authorized under
26 subsection (t) of Section 5A-12.2 to managed care

1 organizations for hospital services due and payable in the
2 month of April 2017 multiplied by 6, except that the amount
3 calculated under this subparagraph (C) shall be adjusted,
4 either positively or negatively, to account for the
5 difference between the actual payments issued under
6 Section 5A-12.5 for the period beginning January 1, 2017
7 through June 30, 2017 and the estimated payments due and
8 payable in the month of October 2016 multiplied by 6 as
9 described in subparagraph (B).

10 (D) For the period of January 1, 2018 through June 30,
11 2018, the product of .19125 multiplied by the sum of the
12 fee-for-service payments to hospitals as authorized under
13 Section 5A-12.5 and the adjustments authorized under
14 subsection (t) of Section 5A-12.2 to managed care
15 organizations for hospital services due and payable in the
16 month of October 2017 multiplied by 6, except that:

17 (i) the amount calculated under this subparagraph

18 (D) shall be adjusted, either positively or
19 negatively, to account for the difference between the
20 actual payments issued under Section 5A-12.5 for the
21 period of July 1, 2017 through December 31, 2017 and
22 the estimated payments due and payable in the month of
23 April 2017 multiplied by 6 as described in subparagraph
24 (C); and

25 (ii) the amount calculated under this subparagraph

26 (D) shall be adjusted to include the product of .19125

1 multiplied by the sum of the fee-for-service payments,
2 if any, estimated to be paid to hospitals under
3 subsection (b) of Section 5A-12.5.

4 (2) The Department shall complete and apply a final
5 reconciliation of the ACA Assessment Adjustment prior to June
6 30, 2018 to account for:

7 (A) any differences between the actual payments issued
8 or scheduled to be issued prior to June 30, 2018 as
9 authorized in Section 5A-12.5 for the period of January 1,
10 2018 through June 30, 2018 and the estimated payments due
11 and payable in the month of October 2017 multiplied by 6 as
12 described in subparagraph (D); and

13 (B) any difference between the estimated
14 fee-for-service payments under subsection (b) of Section
15 5A-12.5 and the amount of such payments that are actually
16 scheduled to be paid.

17 The Department shall notify hospitals of any additional
18 amounts owed or reduction credits to be applied to the June
19 2018 ACA Assessment Adjustment. This is to be considered the
20 final reconciliation for the ACA Assessment Adjustment.

21 (3) Notwithstanding any other provision of this Section, if
22 for any reason the scheduled payments under subsection (b) of
23 Section 5A-12.5 are not issued in full by the final day of the
24 period authorized under subsection (b) of Section 5A-12.5,
25 funds collected from each hospital pursuant to subparagraph (D)
26 of paragraph (1) and pursuant to paragraph (2), attributable to

1 the scheduled payments authorized under subsection (b) of
2 Section 5A-12.5 that are not issued in full by the final day of
3 the period attributable to each payment authorized under
4 subsection (b) of Section 5A-12.5, shall be refunded.

5 (4) The increases authorized under paragraph (2) of
6 subsection (a) and paragraph (2) of subsection (b-5) shall be
7 limited to the federally required State share of the total
8 payments authorized under Section 5A-12.5 if the sum of such
9 payments yields an annualized amount equal to or less than
10 \$450,000,000, or if the adjustments authorized under
11 subsection (t) of Section 5A-12.2 are found not to be
12 actuarially sound; however, this limitation shall not apply to
13 the fee-for-service payments described in subsection (b) of
14 Section 5A-12.5.

15 (c) (Blank).

16 (d) Notwithstanding any of the other provisions of this
17 Section, the Department is authorized to adopt rules to reduce
18 the rate of any annual assessment imposed under this Section,
19 as authorized by Section 5-46.2 of the Illinois Administrative
20 Procedure Act.

21 (e) Notwithstanding any other provision of this Section,
22 any plan providing for an assessment on a hospital provider as
23 a permissible tax under Title XIX of the federal Social
24 Security Act and Medicaid-eligible payments to hospital
25 providers from the revenues derived from that assessment shall
26 be reviewed by the Illinois Department of Healthcare and Family

1 Services, as the Single State Medicaid Agency required by
2 federal law, to determine whether those assessments and
3 hospital provider payments meet federal Medicaid standards. If
4 the Department determines that the elements of the plan may
5 meet federal Medicaid standards and a related State Medicaid
6 Plan Amendment is prepared in a manner and form suitable for
7 submission, that State Plan Amendment shall be submitted in a
8 timely manner for review by the Centers for Medicare and
9 Medicaid Services of the United States Department of Health and
10 Human Services and subject to approval by the Centers for
11 Medicare and Medicaid Services of the United States Department
12 of Health and Human Services. No such plan shall become
13 effective without approval by the Illinois General Assembly by
14 the enactment into law of related legislation. Notwithstanding
15 any other provision of this Section, the Department is
16 authorized to adopt rules to reduce the rate of any annual
17 assessment imposed under this Section. Any such rules may be
18 adopted by the Department under Section 5-50 of the Illinois
19 Administrative Procedure Act.

20 (Source: P.A. 98-104, eff. 7-22-13; 98-651, eff. 6-16-14; 99-2,
21 eff. 3-26-15; 99-516, eff. 6-30-16.)".