

SB1520



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1520

Introduced 2/9/2017, by Sen. Heather A. Steans

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5A-2

from Ch. 23, par. 5A-2

Amends the Illinois Public Aid Code. Makes a technical change in a Section concerning an assessment on inpatient services that is imposed on hospital providers.

LRB100 09152 KTG 19307 b

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

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7 (Section scheduled to be repealed on July 1, 2018)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
17 Section 5A-12.5, with such increase only taking effect upon the
18 date that a State share for such payments is required under
19 federal law. For the period of April through June 2015, the
20 amount of \$218.38 used to calculate the assessment under this
21 paragraph shall, by emergency rule under subsection (s) of
22 Section 5-45 of the Illinois Administrative Procedure Act, be
23 increased by a uniform percentage to generate \$20,250,000 in

1 the aggregate for that period from all hospitals subject to the
2 annual assessment 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 \$218.38
7 shall be increased by a uniform percentage to generate an
8 amount equal to 75% of the ACA Assessment Adjustment, as
9 defined in subsection (b-6) of this Section.

10 For State fiscal years 2009 through 2014 and after, a
11 hospital's occupied bed days and Medicare bed days shall be
12 determined using the most recent data available from each
13 hospital's 2005 Medicare cost report as contained in the
14 Healthcare Cost Report Information System file, for the quarter
15 ending on December 31, 2006, without regard to any subsequent
16 adjustments or changes to such data. If a hospital's 2005
17 Medicare cost report is not contained in the Healthcare Cost
18 Report Information System, then the Illinois Department may
19 obtain the hospital provider's occupied bed days and Medicare
20 bed days from any source available, including, but not limited
21 to, records maintained by the hospital provider, which may be
22 inspected at all times during business hours of the day by the
23 Illinois Department or its duly authorized agents and
24 employees.

25 (b) (Blank).

26 (b-5) (1) Subject to Sections 5A-3 and 5A-10, for the

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

22 (2) In addition to any other assessments imposed under this
23 Article, effective July 1, 2016 and semi-annually thereafter
24 through June 2018, in addition to any federally required State
25 share as authorized under paragraph (1), the amount of .008766
26 shall be increased by a uniform percentage to generate an

1 amount equal to 25% of the ACA Assessment Adjustment, as
2 defined in subsection (b-6) of this Section.

3 For the portion of State fiscal year 2012, beginning June
4 10, 2012 through June 30, 2012, and State fiscal years 2013
5 through 2018, a hospital's outpatient gross revenue shall be
6 determined using the most recent data available from each
7 hospital's 2009 Medicare cost report as contained in the
8 Healthcare Cost Report Information System file, for the quarter
9 ending on June 30, 2011, without regard to any subsequent
10 adjustments or changes to such data. If a hospital's 2009
11 Medicare cost report is not contained in the Healthcare Cost
12 Report Information System, then the Department may obtain the
13 hospital provider's outpatient gross revenue from any source
14 available, including, but not limited to, records maintained by
15 the hospital provider, which may be inspected at all times
16 during business hours of the day by the Department or its duly
17 authorized agents and employees.

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

20 (A) For the period of July 1, 2016 through December 31,
21 2016, the product of .19125 multiplied by the sum of the
22 fee-for-service payments to hospitals as authorized under
23 Section 5A-12.5 and the adjustments authorized under
24 subsection (t) of Section 5A-12.2 to managed care
25 organizations for hospital services due and payable in the
26 month of April 2016 multiplied by 6.

1 (B) For the period of January 1, 2017 through June 30,
2 2017, 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 October 2016 multiplied by 6, except that the
8 amount calculated under this subparagraph (B) shall be
9 adjusted, either positively or negatively, to account for
10 the difference between the actual payments issued under
11 Section 5A-12.5 for the period beginning July 1, 2016
12 through December 31, 2016 and the estimated payments due
13 and payable in the month of April 2016 multiplied by 6 as
14 described in subparagraph (A).

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

1 payable in the month of October 2016 multiplied by 6 as
2 described in subparagraph (B).

3 (D) For the period of January 1, 2018 through June 30,
4 2018, the product of .19125 multiplied by the sum of the
5 fee-for-service payments to hospitals as authorized under
6 Section 5A-12.5 and the adjustments authorized under
7 subsection (t) of Section 5A-12.2 to managed care
8 organizations for hospital services due and payable in the
9 month of October 2017 multiplied by 6, except that:

10 (i) the amount calculated under this subparagraph
11 (D) shall be adjusted, either positively or
12 negatively, to account for the difference between the
13 actual payments issued under Section 5A-12.5 for the
14 period of July 1, 2017 through December 31, 2017 and
15 the estimated payments due and payable in the month of
16 April 2017 multiplied by 6 as described in subparagraph
17 (C); and

18 (ii) the amount calculated under this subparagraph
19 (D) shall be adjusted to include the product of .19125
20 multiplied by the sum of the fee-for-service payments,
21 if any, estimated to be paid to hospitals under
22 subsection (b) of Section 5A-12.5.

23 (2) The Department shall complete and apply a final
24 reconciliation of the ACA Assessment Adjustment prior to June
25 30, 2018 to account for:

26 (A) any differences between the actual payments issued

1 or scheduled to be issued prior to June 30, 2018 as
2 authorized in Section 5A-12.5 for the period of January 1,
3 2018 through June 30, 2018 and the estimated payments due
4 and payable in the month of October 2017 multiplied by 6 as
5 described in subparagraph (D); and

6 (B) any difference between the estimated
7 fee-for-service payments under subsection (b) of Section
8 5A-12.5 and the amount of such payments that are actually
9 scheduled to be paid.

10 The Department shall notify hospitals of any additional
11 amounts owed or reduction credits to be applied to the June
12 2018 ACA Assessment Adjustment. This is to be considered the
13 final reconciliation for the ACA Assessment Adjustment.

14 (3) Notwithstanding any other provision of this Section, if
15 for any reason the scheduled payments under subsection (b) of
16 Section 5A-12.5 are not issued in full by the final day of the
17 period authorized under subsection (b) of Section 5A-12.5,
18 funds collected from each hospital pursuant to subparagraph (D)
19 of paragraph (1) and pursuant to paragraph (2), attributable to
20 the scheduled payments authorized under subsection (b) of
21 Section 5A-12.5 that are not issued in full by the final day of
22 the period attributable to each payment authorized under
23 subsection (b) of Section 5A-12.5, shall be refunded.

24 (4) The increases authorized under paragraph (2) of
25 subsection (a) and paragraph (2) of subsection (b-5) shall be
26 limited to the federally required State share of the total

1 payments authorized under Section 5A-12.5 if the sum of such
2 payments yields an annualized amount equal to or less than
3 \$450,000,000, or if the adjustments authorized under
4 subsection (t) of Section 5A-12.2 are found not to be
5 actuarially sound; however, this limitation shall not apply to
6 the fee-for-service payments described in subsection (b) of
7 Section 5A-12.5.

8 (c) (Blank).

9 (d) Notwithstanding any of the other provisions of this
10 Section, the Department is authorized to adopt rules to reduce
11 the rate of any annual assessment imposed under this Section,
12 as authorized by Section 5-46.2 of the Illinois Administrative
13 Procedure Act.

14 (e) Notwithstanding any other provision of this Section,
15 any plan providing for an assessment on a hospital provider as
16 a permissible tax under Title XIX of the federal Social
17 Security Act and Medicaid-eligible payments to hospital
18 providers from the revenues derived from that assessment shall
19 be reviewed by the Illinois Department of Healthcare and Family
20 Services, as the Single State Medicaid Agency required by
21 federal law, to determine whether those assessments and
22 hospital provider payments meet federal Medicaid standards. If
23 the Department determines that the elements of the plan may
24 meet federal Medicaid standards and a related State Medicaid
25 Plan Amendment is prepared in a manner and form suitable for
26 submission, that State Plan Amendment shall be submitted in a

1 timely manner for review by the Centers for Medicare and
2 Medicaid Services of the United States Department of Health and
3 Human Services and subject to approval by the Centers for
4 Medicare and Medicaid Services of the United States Department
5 of Health and Human Services. No such plan shall become
6 effective without approval by the Illinois General Assembly by
7 the enactment into law of related legislation. Notwithstanding
8 any other provision of this Section, the Department is
9 authorized to adopt rules to reduce the rate of any annual
10 assessment imposed under this Section. Any such rules may be
11 adopted by the Department under Section 5-50 of the Illinois
12 Administrative Procedure Act.

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