SB3374

LRB10337681KTG67808b

103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3374

Introduced 2/7/2024, by Sen. Ann Gillespie

SYNOPSIS AS INTRODUCED:

305 ILCS 5/14-13

Amends the Medical Assistance Article of the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to by rule implement a methodology to reimburse hospitals for inpatient stays extended beyond medical necessity due to the inability of the Department, the managed care organization (MCO) in which a medical assistance recipient is enrolled in, or the hospital discharge planner to find an appropriate placement after discharge from the hospital to the next level of care. Requires the Department to by rule implement a methodology effective for dates of service January 1, 2025 and later to reimburse hospitals for emergency department stays extended beyond medical necessity due to the inability of the Department, the MCO, or the hospital discharge planner to find an appropriate placement after discharge from the hospital setting to the next appropriate level of care. Provides that both methodologies shall provide reasonable compensation for the services provided attributable to the hours of the extended stay for which the prevailing rate methodology provides no reimbursement. Contains provisions concerning the rate for inpatient days of care; hourly rates of reimbursement for emergency department stays; a prohibition on MCOs restricting coverage due to delays caused by the Department or the MCOs in completing the pre-admission screening and resident review process; a prohibition on MCOs imposing authorization or documentation requirements and other conditions of reimbursement that are more restrictive than standards under the fee-for-service medical assistance program; sanctions on MCOs for noncompliance; and administrative rules. Effective immediately.

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A BILL FOR

AN ACT concerning public aid.

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

Section 5. The Illinois Public Aid Code is amended by changing Section 14-13 as follows:

(305 ILCS 5/14-13)

Sec. 14-13. Reimbursement for hospital ~~inpatient~~ stays extended beyond medical necessity.

(a) The ~~By October 1, 2019, the~~ Department shall by rule implement a methodology effective for dates of service July 1, 2019 and later to reimburse hospitals for inpatient stays extended beyond medical necessity due to the inability of the Department or the managed care organization in which a recipient is enrolled or the hospital discharge planner to find an appropriate placement after discharge from the hospital to the next level of care, including, but not limited to, care provided in a nursing facility, ICF/DD facility, MC/DD facility, rehabilitation hospital or rehabilitation unit, psychiatric hospital or psychiatric unit, long-term acute care hospital, long-term services and supports waiver setting, residence when home health care services are required, or other post-acute or sub-acute care setting. ~~The Department shall evaluate the effectiveness of the current~~

~~reimbursement rate for inpatient hospital stays beyond medical necessity.~~

(a-2) By October 1, 2024, the Department shall by rule implement a methodology effective for dates of service January 1, 2025 and later to reimburse hospitals for emergency department stays extended beyond medical necessity due to the inability of the Department or the managed care organization in which a recipient is enrolled or the hospital discharge planner to find an appropriate placement after discharge from the hospital setting to the next appropriate level of care, including, but not limited to, care provided in a nursing facility, ICF/DD facility, MC/DD facility, rehabilitation hospital or rehabilitation unit, psychiatric hospital or psychiatric unit, long-term acute care hospital, long-term services and supports waiver setting, residence when home health care services are required, or other post-acute or sub-acute care setting.

(b) The methodology developed under subsection (a) shall provide reasonable compensation for the services provided attributable to the days of the extended stay for which the prevailing rate methodology provides no reimbursement. The Department may use a day outlier program to satisfy this requirement. The methodology developed under subsection (a-2) shall provide reasonable compensation for the services provided attributable to the hours of the extended stay for which the prevailing rate methodology provides no

reimbursement. The reimbursement rate shall be set at a level so as not to act as an incentive to avoid transfer to the appropriate level of care needed or placement, after discharge.

(b-5) Effective January 1, 2025, the Department shall set the rate for inpatient days of care, referenced in subsection (a), equal to the statewide average rate paid per day including Medicaid High Volume Adjustment (MHVA) and the Medicaid Percentage Adjustment (MPA), for inpatient services, specific to each category of services, provided by all Illinois hospitals, based on dates of service in State Fiscal Year 2023. Effective January 1, 2026, the Department shall update this rate for dates of service on or after January 1 of each calendar year, based on dates of service from the State fiscal year ending 18 months before the beginning of the new calendar year.

(b-6) Effective January 1, 2025, and each January 1 thereafter, the Department shall set the hourly rate of reimbursement for emergency department stays, referenced subsection (a-2), equal to the inpatient rate established in subsection (b-5) divided by 24, and shall pay for each hour the patient is unable to be transferred to the next appropriate level of care. Effective January 1, 2026, the Department shall update this rate for dates of service on or after January 1 of each calendar year, coinciding with the update required in subsection (b-5).

(c) For recipients who require a level of care described in subsection (a) and subsection (a-2), the ~~The~~ Department shall require managed care organizations to adopt this methodology or an alternative methodology that pays at least as much as the Department's adopted methodology unless otherwise mutually agreed upon contractual language is developed by the provider and the managed care organization for a risk-based or innovative payment methodology.

(d) Days beyond medical necessity shall not be separately eligible for per diem add-on payments under the MHVA or MPA ~~Medicaid High Volume Adjustment (MHVA) or the Medicaid Percentage Adjustment (MPA)~~ programs.

(e) For services covered by the fee-for-service program, reimbursement under this Section shall only be made for stays ~~days~~ beyond medical necessity that occur after the hospital has notified the Department of the need for post-discharge placement. The Department shall not restrict coverage under this Section due to delays caused by the Department, or its designated contractor, in completing the Pre-Admission Screening and Resident Review process.

(f) For services covered by a managed care organization, hospitals shall notify the appropriate managed care organization of an admission within 24 hours of admission. For every 24-hour period beyond the initial 24 hours after admission that the hospital fails to notify the managed care organization of the admission, reimbursement under this

subsection shall be reduced by one day. Managed care organizations (MCOs) shall not restrict coverage under this Section due to delays caused by:

(1) The MCO or its designated contractor, or the Department or its designated contractor, in completing the Pre-Admission Screening and Resident Review process.

(2) Processing authorization requests, as submitted by the provider, for post-acute care for enrollees who are approved for discharge, including, but not limited to any MCO action to extend the timeframe for issuing a determination by changing the provider's request from urgent to routine.

(g) The Department shall, by contract, prohibit the MCOs from imposing authorization or documentation requirements, exclusionary criteria, or other conditions of reimbursement that are more restrictive than the standards adopted by the Department for the fee-for-service program.

(h) The Department shall impose sanctions on an MCO for violating provisions of this Section, including, but not limited to, financial penalties, suspension of enrollment, or termination of the MCO's contract with the Department.

(i) The Department shall adopt or amend administrative rules, as necessary, to implement the provisions of this Section.

(Source: P.A. 101-209, eff. 8-5-19; 102-4, eff. 4-27-21.)

Section 99. Effective date. This Act takes effect upon

becoming law.