**Section 148.25 Definitions and Applicability**

Effective for dates of service on or after July 1, 2014:

a) The term "large public hospital" means a hospital:

1) Owned by and located in an Illinois county with a population exceeding three million; or

2) Organized under the University of Illinois Hospital Act; or

3) Maintained by the Illinois Department of Human Services.

b) The term "hospital" means:

1) For the purpose of hospital inpatient reimbursement, any institution, place, building, or agency, public or private, whether organized for profit or not‑for-profit, that:

A) Is subject to licensure by the Illinois Department of Public Health (DPH) under the Hospital Licensing Act.

B) Is organized under the University of Illinois Hospital Act.

C) Is maintained by the State, or any department or agency of the State, when the department or agency has authority under the law to establish and enforce standards for the hospitalization or care facilities under its management and control.

D) Meets all comparable conditions and requirements of the Hospital Licensing Act in effect for the state in which it is located.

2) For the purpose of hospital outpatient reimbursement, the term "hospital" shall, in addition to the definition described in subsection (b)(1), include:

A) An ambulatory surgical treatment facility, as described in 89 Ill. Adm. Code 146.105(a).

B) A free-standing emergency center, as described in subsection (e) of this Section.

3) For the purpose of non hospital-based clinic reimbursement, the term "hospital" shall mean a county-operated outpatient facility owned by and located in an Illinois county with a population exceeding three million.

4) For the purpose of hospital-based clinic reimbursement, the term "hospital" shall mean a hospital-based clinic meeting the provisions of Section 148.40(d) and 89 Ill. Adm. Code 140.461(a).

5) For the purpose of participation, reimbursement and accreditation, the term "Health and Human Services Approved Accreditation Organization (HHS-AAO)" shall mean an accrediting organization recognized by the Secretary of the Department of Health and Human Services as having standards for accreditation that meet or exceed Medicare requirements for the provider and service in question.

c) For the purpose of hospital inpatient reimbursement, the term "distinct part unit" means a unit within a hospital, as defined in subsection (b)(1), that meets the following qualifications:

1) Distinct Part Psychiatric Units. A distinct part psychiatric unit is a functional unit that is enrolled with the Department to provide inpatient psychiatric services (category of service 021).

2) Distinct Part Rehabilitation Units. A distinct part rehabilitation unit is a functional unit that is enrolled with the Department to provide inpatient rehabilitation services (category of service 022).

d) Specialty Hospitals

1) Psychiatric Hospitals. To qualify as a psychiatric hospital, a facility must be:

A) Licensed by the state within which it is located as a psychiatric hospital and be primarily engaged in providing, by or under the supervision of a psychiatrist, psychiatric services for the diagnosis and treatment of mentally ill persons.

B) Enrolled with the Department as a psychiatric hospital to provide inpatient psychiatric services (category of service 021).

2) Rehabilitation Hospitals. To qualify as a rehabilitation hospital, a facility must be:

A) Licensed by the state within which it is located as a physical rehabilitation hospital.

B) Enrolled with the Department as a rehabilitation hospital to provide inpatient physical rehabilitation services (category of service 022).

3) Children's Hospitals. To qualify as a children's hospital, a facility must be devoted exclusively to caring for children and either be:

A) A hospital licensed by the state within which it is located as a pediatric, psychiatric or children's hospital.

B) A unit within a general hospital that was enrolled with the Department as a children's hospital on July 1, 2013.

C) Effective July 1, 2018, a unit within a general hospital that:

i) Is designated a Perinatal Level III center by the Illinois Department of Public Health as of December 1, 2017;

ii) Is designated a Pediatric Critical Care Center by the State as of December 1, 2017; and

iii) Has a 2017 Medicaid inpatient utilization rate equal to or greater than 45% as of July 1, 2018.

D) Effective July 1, 2018, a unit within a general hospital that:

i) Is designated a Perinatal Level II center by the Illinois Department of Public Health as of December 1, 2017;

ii) Has a 2017 Medicaid Inpatient Utilization Rate greater than 70%; and

iii) Has at least 10 pediatric beds listed on the Illinois Department of Public Health 2015 calendar year hospital profile as of July 1, 2018.

E) For hospitals identified in subsections (d)(3)(B), (d)(3)(C), and (d)(3)(D), units so enrolled shall be reimbursed for all inpatient and outpatient services provided to Medical Assistance recipients who are under 18 years of age, with the exception of obstetric services, normal newborn nursery services, psychiatric services, and physical rehabilitation services, without regard to the physical location within the hospital where the care is rendered.

4) Long Term Acute Care Hospitals. To qualify as a long term acute care hospital, a facility must be licensed by the state within which it is located as an acute care hospital and certified by Medicare as a long term care hospital.

e) The term "freestanding emergency center" means a facility that provides comprehensive emergency treatment services 24-hours per day, on an outpatient basis, and has been issued a license by the Illinois Department of Public Health under the Freestanding Emergency Center Code (77 Ill. Adm. Code 518), as a freestanding emergency center, or a facility outside of Illinois that meets conditions and requirements comparable to those found in the Emergency Medical Services (EMS) Systems Act [210 ILCS 50] in effect for the jurisdiction in which it is located.

f) The term "coordinated care participating hospital" means a hospital, located in a county of the State in which the Department mandates some or all of the beneficiaries of the Medical Assistance Program residing in the area to enroll in a care coordination program as defined in Section 5-30 of the Illinois Public Aid Code (Code) that:

1) Has entered into a contract to provide hospital services to enrollees of the care coordination program.

2) Has not been offered a contract by a care coordination plan that pays not less than the Department would have paid on a fee-for-service basis, but excluding disproportionate share hospital adjustment payments or any other supplemental payment that the Department pays directly.

g) The term "critical access hospital" means a hospital, located in Illinois, that has been designated as a critical care hospital by DPH in accordance with 42 CFR 485, Subpart F.

h) Academic Medical Centers and Major Teaching Hospital Status. Hospitals dedicated to medical research and medical education shall be classified each State fiscal year in 3 tiers based on specific criteria:

1) Tier I. A private academic medical center must:

A) be a hospital located in Illinois that is:

i) under common ownership with the college of medicine of a non-public college or university; or

ii) a freestanding hospital in which the majority of the clinical chiefs of service or clinical department chairs are department chairs in an affiliated non-public Illinois medical school; or

iii) a children's hospital that is separately incorporated and non-integrated into the academic medical center hospital but is the pediatric partner for an academic medical center hospital and that serves as the primary teaching hospital for pediatrics for its affiliated Illinois medical school. A hospital identified in this subsection (h)(i)(A)(iii) is deemed to meet the additional Tier I criteria if its partner academic medical center hospital meets the Tier I criteria;

B) serve as the training site for at least 30 graduate medical education programs accredited by the Accreditation Council for Graduate Medical Education;

C) facilitate the training on the campus or on affiliated off-campus sites of no less than 500 medical students, interns, residents and fellows during the calendar year preceding the beginning of the State fiscal year;

D) perform, either itself or through its affiliated university, at least $12,000,000 in medical research funded through grants or contracts from the National Institutes of Health or, with respect to hospitals described in subsection (h)(1)(A)(ii), have as its affiliated non-public Illinois medical school a medical school that performs, either itself or through its affiliated university, medical research funded using at least $12,000,000 in grants or contracts from the National Institutes of Health; and

E) expend, directly or indirectly, through an affiliated non-public medical school or as part of a hospital system, defined as a hospital and one or more other hospitals or hospital affiliates related by common control or ownership, no less than $5,000,000 toward medical research and education during the calendar year preceding the beginning of the State fiscal year.

2) Tier II. A public academic medical center must:

A) be a hospital located in Illinois that is a primary teaching hospital affiliated with:

i) University of Illinois School of Medicine at Chicago;

ii) University of Illinois School of Medicine at Peoria;

iii) University of Illinois School of Medicine at Rockford;

iv) University of Illinois School of Medicine at Urbana; or

v) Southern Illinois University School of Medicine in Springfield; and

B) contribute no less than $2,500,000 toward medical research and education during the calendar year preceding the beginning of the State fiscal year.

3) Tier III. A major teaching hospital must:

A) be an Illinois hospital with 100 or more interns and residents or with a ratio of interns and residents to beds greater than or equal to 0.25; and

B) support at least one graduate medical education program accredited by the Accreditation Council for Graduate Medical Education.

i) Children's Specialty Hospital. To qualify as a children's specialty hospital, a facility must be:

1) an Illinois hospital as defined in subsection (d)(3)(A) and have fewer than 50 total inpatient beds; or

2) a cost reporting hospital, as defined in subsection (d)(3)(A), located outside of Illinois and have fewer than 50 total beds and an average length of stay greater than 20 days in State fiscal year 2013, as contained in the Department's claims data warehouse.

(Source: Amended at 42 Ill. Reg. 22401, effective November 29, 2018)