**Section 148.422 Safety Net Obstetrical Payment**

a) To qualify for the Safety Net Obstetrical Payment, a hospital must meet all of the following criteria:

1) The hospital is located in Illinois;

2) The hospital meets the definition of a Safety Net Hospital under Section 5-5e.1 of the Illinois Public Aid Code [305 ILCS 5] in the payment period;

3) The hospital is designated as a perinatal hospital with the Illinois Department of Public Health in the payment period; and

4) The hospital is not a children's hospital as defined in 89 Ill. Adm. Code 148.25(d)(3)(A).

b) Safety Net Obstetrical Payments shall be paid as State Directed Payments and determined as follows:

1) On a quarterly basis, each hospital qualifying under subsection (a) shall be paid a safety-net obstetrical payment equal to the product of:

A) $12,500,000; and

B) A quotient of:

i) the numerator of which is the hospital's total delivery admissions in the safety-net obstetrical data period; and

ii) the denominator of which is the total of all qualifying hospitals delivery admissions in the safety-net obstetrical data period.

2) Payments to individual hospitals shall be no more than the following amounts:

A) For the payment period ending March 31, 2025: $1,250,000

B) For the payment period ending June 30, 2025: $1,500,000

C) For the payment period ending September 30, 2025: $1,750,000

D) For the payment period ending December 31, 2025: $2,000,000

E) No limitation for payment periods following calendar year 2025.

F) Any remaining funds in the payment period will be distributed to qualifying hospitals that have not reached the limitations in subsections (b)(2)(A) through (b)(2)(D). These payments will be equal to the product of:

i) All remaining funds; and

ii) A quotient of:

• the numerator of which is the hospital's total delivery admissions in the safety-net obstetrical data period; and

• the denominator of which is the total of all qualifying hospitals delivery admissions in the safety-net obstetrical data period, for those hospitals that have not reached the limitations in subsections (b)(2)(A) through (b)(2)(D).

c) Definitions

1) "Data period" means the quarter of the calendar that begins six months and ends three months prior to the payment period.

2) "Delivery admissions" means all inpatient claims received by the Department as encounters with DRG Group codes equal to 539, 540, 541, 542, and 560 within the data period.

3) "Payment period" means each quarter of the calendar year, beginning January 1, 2025.

4) "State Directed Payments" means payments issued to Medicaid managed care organizations for payment to hospitals as directed by the Department, in accordance with federal requirements as defined by 42 CFR 438, that are based on MCO encounter data received by the Department within the data period.

(Source: Old Section 148.422 repealed at 33 Ill. Reg. 501, effective December 30, 2008; New section added at 49 Ill. Reg. 2024, effective February 10, 2025)