



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2906

by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

210 ILCS 155/50
210 ILCS 155/60 new

Amends the Long Term Acute Care Hospital Quality Improvement Transfer Program Act. Provides that the Department of Healthcare and Family Services' annual medical program report shall include, but not be limited to, LTAC hospital specific quality measures under specified provisions of the Act. Provides that every Medicaid managed care organization shall allow every LTAC hospital qualified under certain provisions of the Act in its service area an opportunity to be a network contracted facility at the plan's standard terms, conditions, and a rate no less than the Medicaid fee-for-service rate. Provides that nothing in provisions concerning network adequacy prevents a managed care organization and LTAC hospital from agreeing to other reimbursement arrangements different from the Medicaid fee-for-service rate. Provides that with certain exceptions, a Medicaid managed care organization shall only terminate or refuse to renew a contract with a qualified LTAC hospital if specified conditions are met. Provides that a Medicaid managed care organization may terminate or refuse to renew a contract with a LTAC hospital for a material breach of the contract, including, but not limited to, failure to grant reasonable and timely access to the Medicaid managed care organization's care coordinators and other providers, termination from the Medicare or Medicaid program, or revocation of license.

LRB100 08316 MJP 18424 b

1 AN ACT concerning regulation.

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

4 Section 5. The Long Term Acute Care Hospital Quality
5 Improvement Transfer Program Act is amended by changing Section
6 50 and by adding Section 60 as follows:

7 (210 ILCS 155/50)

8 Sec. 50. Duties of the Department.

9 (a) The Department is responsible for implementing,
10 monitoring, and evaluating the program. This includes but is
11 not limited to:

12 (1) Collecting data required under Section 15 and data
13 necessary to calculate the measures under Section 20 of
14 this Act. The Department must make every effort to collect
15 this data with the minimal amount of administrative burden
16 to participating LTAC hospitals.

17 (2) Setting annual benchmarks or targets for the
18 measures in Section 20 of this Act. The Department must
19 consult participating LTAC hospitals when setting these
20 benchmarks and targets.

21 (3) Monitoring compliance with all requirements of
22 this Act.

23 (b) The Department shall include specific information on

1 the Program in its annual medical programs report, including,
2 but not limited to, LTAC hospital specific quality measures
3 under Section 20 of this Act.

4 (c) The Department must establish monitoring procedures
5 that ensure the LTAC supplemental payment is only paid for
6 patients who upon admission meet the LTAC hospital criteria.
7 The Department must notify qualified LTAC hospitals of the
8 procedures and establish an appeals process as part of those
9 procedures. The Department must recoup any LTAC supplemental
10 payments that are identified as being paid for patients who do
11 not meet the LTAC hospital criteria.

12 (d) The Department must implement the program by October 1,
13 2010.

14 (e) The Department must create and distribute to LTAC
15 hospitals the agreement required under subsection (c) of
16 Section 15 no later than September 1, 2010.

17 (f) The Department must notify Illinois hospitals which
18 LTAC hospital criteria are approved for use under the program.
19 The Department may limit LTAC hospital criteria to the most
20 strict criteria that meet the definitions of this Act.

21 (g) (Blank).

22 (h) The Department must notify Illinois LTAC hospitals of
23 the program and inform them how to apply for qualification and
24 what the qualification requirements are as described under
25 Section 15 of this Act.

26 (i) The Department must notify Illinois STAC hospitals

1 about the operation and implementation of the program
2 established by this Act. The Department must also notify LTAC
3 hospitals that accepting transfers from the STAC hospitals
4 identified in paragraphs (1) and (2) under subsection (a) of
5 Section 25 of this Act are not required under paragraph (5) of
6 subsection (c) of Section 15 of this Act. The Department must
7 notify LTAC hospitals that accepting transfers from the STAC
8 hospitals identified in paragraphs (1) and (2) under subsection
9 (a) of Section 25 of this Act shall negatively impact the
10 savings calculations under the Program evaluation required by
11 Section 40 of this Act and shall in turn require the Department
12 to initiate the penalty described in subsection (d) of Section
13 40 of this Act.

14 (j) The Department shall deem LTAC hospitals qualified
15 under Section 15 of this Act as qualifying for expedited
16 payments.

17 (k) The Department may use up to \$500,000 of funds
18 contained in the Public Aid Recoveries Trust Fund per State
19 fiscal year to operate the program under this Act. The
20 Department may expand existing contracts, issue new contracts,
21 issue personal service contracts, or purchase other services,
22 supplies, or equipment.

23 (l) The Department may promulgate rules as allowed by the
24 Illinois Administrative Procedure Act to implement this Act;
25 however, the requirements under this Act shall be implemented
26 by the Department even if the Department's proposed rules are

1 not yet adopted by the implementation date of October 1, 2010.

2 (Source: P.A. 98-997, eff. 8-18-14.)

3 (210 ILCS 155/60 new)

4 Sec. 60. Network adequacy.

5 (a) Every Medicaid managed care organization shall allow
6 every LTAC hospital qualified under Section 15 of this Act in
7 its service area an opportunity to be a network contracted
8 facility at the plan's standard terms, conditions, and a rate
9 no less than the Medicaid fee-for-service rate. Nothing in this
10 Section prevents a managed care organization and LTAC hospital
11 from agreeing to other reimbursement arrangements different
12 from the Medicaid fee-for-service rate.

13 (b) With the exception of subsection (c) of this Section, a
14 Medicaid managed care organization shall only terminate or
15 refuse to renew a contract with a qualified LTAC hospital if
16 the following conditions are met:

17 (1) the Section 20 quality measures have been
18 appropriately risk-adjusted using a process mutually
19 agreed to between Medicaid managed care organizations and
20 qualified LTAC hospitals;

21 (2) the qualified LTAC hospital fails to achieve
22 quality targets using the risk-adjusted Section 20 quality
23 measures; the quality targets must be set by mutual
24 agreement between Medicaid managed care organizations and
25 qualified LTAC hospitals; the quality targets must be

1 reasonably set to encourage continued quality improvement
2 and not be punitive; and

3 (3) the qualified LTAC hospital that the Medicaid
4 managed care organization has determined did not meet a
5 quality standard has the opportunity to contest that
6 determination by challenging the accuracy or the
7 measurement of the data through an arbitration process
8 agreed to by contract; the Department may attempt to
9 mediate a dispute prior to arbitration.

10 (c) A Medicaid managed care organization may terminate or
11 refuse to renew a contract with a LTAC hospital for a material
12 breach of the contract, including, but not limited to, failure
13 to grant reasonable and timely access to the Medicaid managed
14 care organization's care coordinators and other providers,
15 termination from the Medicare or Medicaid program, or
16 revocation of license.