

# SB2553



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2553

Introduced 1/29/2020, 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.

LRB101 18760 KTG 68215 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7 (Section scheduled to be repealed on July 1, 2020)

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, or as long as continued under  
11 Section 5A-16, an annual assessment on inpatient services is  
12 imposed on each hospital provider in an amount equal to \$218.38  
13 multiplied by the difference of the hospital's occupied bed  
14 days less the hospital's Medicare bed days, provided, however,  
15 that the amount of \$218.38 shall be increased by a uniform  
16 percentage to generate an amount equal to 75% of the State  
17 share of the payments authorized under Section 5A-12.5, with  
18 such increase only taking effect upon the date that a State  
19 share for such payments is required under federal law. For the  
20 period of April through June 2015, the amount of \$218.38 used  
21 to calculate the assessment under this paragraph shall, by  
22 emergency rule under subsection (s) of Section 5-45 of the  
23 Illinois Administrative Procedure Act, be increased by a

1 uniform percentage to generate \$20,250,000 in the aggregate for  
2 that period from all hospitals subject to the annual assessment  
3 under this paragraph.

4 (2) In addition to any other assessments imposed under this  
5 Article, effective July 1, 2016 and semi-annually thereafter  
6 through June 2018, or as provided in Section 5A-16, in addition  
7 to any federally required State share as authorized under  
8 paragraph (1), the amount of \$218.38 shall be increased by a  
9 uniform percentage to generate an amount equal to 75% of the  
10 ACA Assessment Adjustment, as defined in subsection (b-6) of  
11 this Section.

12 For State fiscal years 2009 through 2018, or as provided in  
13 Section 5A-16, a hospital's occupied bed days and Medicare bed  
14 days shall be determined using the most recent data available  
15 from each hospital's 2005 Medicare cost report as contained in  
16 the Healthcare Cost Report Information System file, for the  
17 quarter ending on December 31, 2006, without regard to any  
18 subsequent adjustments or changes to such data. If a hospital's  
19 2005 Medicare cost report is not contained in the Healthcare  
20 Cost Report Information System, then the Illinois Department  
21 may obtain the hospital provider's occupied bed days and  
22 Medicare bed days from any source available, including, but not  
23 limited to, records maintained by the hospital provider, which  
24 may be inspected at all times during business hours of the day  
25 by the Illinois Department or its duly authorized agents and  
26 employees.

1           (3) Subject to Sections 5A-3, 5A-10, and 5A-16, for State  
2 fiscal years 2019 and 2020, an annual assessment on inpatient  
3 services is imposed on each hospital provider in an amount  
4 equal to \$197.19 multiplied by the difference of the hospital's  
5 occupied bed days less the hospital's Medicare bed days;  
6 however, for State fiscal year 2021, the amount of \$197.19  
7 shall be increased by a uniform percentage to generate an  
8 additional \$6,250,000 in the aggregate for that period from all  
9 hospitals subject to the annual assessment under this  
10 paragraph. For State fiscal years 2019 and 2020, a hospital's  
11 occupied bed days and Medicare bed days shall be determined  
12 using the most recent data available from each hospital's 2015  
13 Medicare cost report as contained in the Healthcare Cost Report  
14 Information System file, for the quarter ending on March 31,  
15 2017, without regard to any subsequent adjustments or changes  
16 to such data. If a hospital's 2015 Medicare cost report is not  
17 contained in the Healthcare Cost Report Information System,  
18 then the Illinois Department may obtain the hospital provider's  
19 occupied bed days and Medicare bed days from any source  
20 available, including, but not limited to, records maintained by  
21 the hospital provider, which may be inspected at all times  
22 during business hours of the day by the Illinois Department or  
23 its duly authorized agents and employees. Notwithstanding any  
24 other provision in this Article, for a hospital provider that  
25 did not have a 2015 Medicare cost report, but paid an  
26 assessment in State fiscal year 2018 on the basis of

1 hypothetical data, that assessment amount shall be used for  
2 State fiscal years 2019 and 2020; however, for State fiscal  
3 year 2021, the assessment amount shall be increased by the  
4 proportion that it represents of the total annual assessment  
5 that is generated from all hospitals in order to generate  
6 \$6,250,000 in the aggregate for that period from all hospitals  
7 subject to the annual assessment under this paragraph.

8 Subject to Sections 5A-3 and 5A-10, for State fiscal years  
9 2021 through 2024, an annual assessment on inpatient services  
10 is imposed on each hospital provider in an amount equal to  
11 \$197.19 multiplied by the difference of the hospital's occupied  
12 bed days less the hospital's Medicare bed days, provided  
13 however, that the amount of \$197.19 used to calculate the  
14 assessment under this paragraph shall, by rule, be adjusted by  
15 a uniform percentage to generate the same total annual  
16 assessment that was generated in State fiscal year 2020 from  
17 all hospitals subject to the annual assessment under this  
18 paragraph plus \$6,250,000. For State fiscal years 2021 and  
19 2022, a hospital's occupied bed days and Medicare bed days  
20 shall be determined using the most recent data available from  
21 each hospital's 2017 Medicare cost report as contained in the  
22 Healthcare Cost Report Information System file, for the quarter  
23 ending on March 31, 2019, without regard to any subsequent  
24 adjustments or changes to such data. For State fiscal years  
25 2023 and 2024, a hospital's occupied bed days and Medicare bed  
26 days shall be determined using the most recent data available

1 from each hospital's 2019 Medicare cost report as contained in  
2 the Healthcare Cost Report Information System file, for the  
3 quarter ending on March 31, 2021, without regard to any  
4 subsequent adjustments or changes to such data.

5 (b) (Blank).

6 (b-5)(1) Subject to Sections 5A-3 and 5A-10, for the  
7 portion of State fiscal year 2012, beginning June 10, 2012  
8 through June 30, 2012, and for State fiscal years 2013 through  
9 2018, or as provided in Section 5A-16, an annual assessment on  
10 outpatient services is imposed on each hospital provider in an  
11 amount equal to .008766 multiplied by the hospital's outpatient  
12 gross revenue, provided, however, that the amount of .008766  
13 shall be increased by a uniform percentage to generate an  
14 amount equal to 25% of the State share of the payments  
15 authorized under Section 5A-12.5, with such increase only  
16 taking effect upon the date that a State share for such  
17 payments is required under federal law. For the period  
18 beginning June 10, 2012 through June 30, 2012, the annual  
19 assessment on outpatient services shall be prorated by  
20 multiplying the assessment amount by a fraction, the numerator  
21 of which is 21 days and the denominator of which is 365 days.  
22 For the period of April through June 2015, the amount of  
23 .008766 used to calculate the assessment under this paragraph  
24 shall, by emergency rule under subsection (s) of Section 5-45  
25 of the Illinois Administrative Procedure Act, be increased by a  
26 uniform percentage to generate \$6,750,000 in the aggregate for

1 that period from all hospitals subject to the annual assessment  
2 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 .008766  
7 shall be increased by a uniform percentage to generate an  
8 amount equal to 25% of the ACA Assessment Adjustment, as  
9 defined in subsection (b-6) of this Section.

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

25 (3) Subject to Sections 5A-3, 5A-10, and 5A-16, for State  
26 fiscal years 2019 and 2020, an annual assessment on outpatient

1 services is imposed on each hospital provider in an amount  
2 equal to .01358 multiplied by the hospital's outpatient gross  
3 revenue; however, for State fiscal year 2021, the amount of  
4 .01358 shall be increased by a uniform percentage to generate  
5 an additional \$6,250,000 in the aggregate for that period from  
6 all hospitals subject to the annual assessment under this  
7 paragraph. For State fiscal years 2019 and 2020, a hospital's  
8 outpatient gross revenue shall be determined using the most  
9 recent data available from each hospital's 2015 Medicare cost  
10 report as contained in the Healthcare Cost Report Information  
11 System file, for the quarter ending on March 31, 2017, without  
12 regard to any subsequent adjustments or changes to such data.  
13 If a hospital's 2015 Medicare cost report is not contained in  
14 the Healthcare Cost Report Information System, then the  
15 Department may obtain the hospital provider's outpatient gross  
16 revenue from any source available, including, but not limited  
17 to, records maintained by the hospital provider, which may be  
18 inspected at all times during business hours of the day by the  
19 Department or its duly authorized agents and employees.  
20 Notwithstanding any other provision in this Article, for a  
21 hospital provider that did not have a 2015 Medicare cost  
22 report, but paid an assessment in State fiscal year 2018 on the  
23 basis of hypothetical data, that assessment amount shall be  
24 used for State fiscal years 2019 and 2020; however, for State  
25 fiscal year 2021, the assessment amount shall be increased by  
26 the proportion that it represents of the total annual



1 assessment that is generated from all hospitals in order to  
2 generate \$6,250,000 in the aggregate for that period from all  
3 hospitals subject to the annual assessment under this  
4 paragraph.

5 Subject to Sections 5A-3 and 5A-10, for State fiscal years  
6 2021 through 2024, an annual assessment on outpatient services  
7 is imposed on each hospital provider in an amount equal to  
8 .01358 multiplied by the hospital's outpatient gross revenue,  
9 provided however, that the amount of .01358 used to calculate  
10 the assessment under this paragraph shall, by rule, be adjusted  
11 by a uniform percentage to generate the same total annual  
12 assessment that was generated in State fiscal year 2020 from  
13 all hospitals subject to the annual assessment under this  
14 paragraph plus \$6,250,000. For State fiscal years 2021 and  
15 2022, a hospital's outpatient gross revenue shall be determined  
16 using the most recent data available from each hospital's 2017  
17 Medicare cost report as contained in the Healthcare Cost Report  
18 Information System file, for the quarter ending on March 31,  
19 2019, without regard to any subsequent adjustments or changes  
20 to such data. For State fiscal years 2023 and 2024, a  
21 hospital's outpatient gross revenue shall be determined using  
22 the most recent data available from each hospital's 2019  
23 Medicare cost report as contained in the Healthcare Cost Report  
24 Information System file, for the quarter ending on March 31,  
25 2021, without regard to any subsequent adjustments or changes  
26 to such data.

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

3 (A) For the period of July 1, 2016 through December 31,  
4 2016, 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 April 2016 multiplied by 6.

10 (B) For the period of January 1, 2017 through June 30,  
11 2017, the product of .19125 multiplied by the sum of the  
12 fee-for-service payments to hospitals as authorized under  
13 Section 5A-12.5 and the adjustments authorized under  
14 subsection (t) of Section 5A-12.2 to managed care  
15 organizations for hospital services due and payable in the  
16 month of October 2016 multiplied by 6, except that the  
17 amount calculated under this subparagraph (B) shall be  
18 adjusted, either positively or negatively, to account for  
19 the difference between the actual payments issued under  
20 Section 5A-12.5 for the period beginning July 1, 2016  
21 through December 31, 2016 and the estimated payments due  
22 and payable in the month of April 2016 multiplied by 6 as  
23 described in subparagraph (A).

24 (C) For the period of July 1, 2017 through December 31,  
25 2017, the product of .19125 multiplied by the sum of the  
26 fee-for-service payments to hospitals as authorized under

1 Section 5A-12.5 and the adjustments authorized under  
2 subsection (t) of Section 5A-12.2 to managed care  
3 organizations for hospital services due and payable in the  
4 month of April 2017 multiplied by 6, except that the amount  
5 calculated under this subparagraph (C) shall be adjusted,  
6 either positively or negatively, to account for the  
7 difference between the actual payments issued under  
8 Section 5A-12.5 for the period beginning January 1, 2017  
9 through June 30, 2017 and the estimated payments due and  
10 payable in the month of October 2016 multiplied by 6 as  
11 described in subparagraph (B).

12 (D) For the period of January 1, 2018 through June 30,  
13 2018, the product of .19125 multiplied by the sum of the  
14 fee-for-service payments to hospitals as authorized under  
15 Section 5A-12.5 and the adjustments authorized under  
16 subsection (t) of Section 5A-12.2 to managed care  
17 organizations for hospital services due and payable in the  
18 month of October 2017 multiplied by 6, except that:

19 (i) the amount calculated under this subparagraph  
20 (D) shall be adjusted, either positively or  
21 negatively, to account for the difference between the  
22 actual payments issued under Section 5A-12.5 for the  
23 period of July 1, 2017 through December 31, 2017 and  
24 the estimated payments due and payable in the month of  
25 April 2017 multiplied by 6 as described in subparagraph  
26 (C); and

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

6 (2) The Department shall complete and apply a final  
7 reconciliation of the ACA Assessment Adjustment prior to June  
8 30, 2018 to account for:

9 (A) any differences between the actual payments issued  
10 or scheduled to be issued prior to June 30, 2018 as  
11 authorized in Section 5A-12.5 for the period of January 1,  
12 2018 through June 30, 2018 and the estimated payments due  
13 and payable in the month of October 2017 multiplied by 6 as  
14 described in subparagraph (D); and

15 (B) any difference between the estimated  
16 fee-for-service payments under subsection (b) of Section  
17 5A-12.5 and the amount of such payments that are actually  
18 scheduled to be paid.

19 The Department shall notify hospitals of any additional  
20 amounts owed or reduction credits to be applied to the June  
21 2018 ACA Assessment Adjustment. This is to be considered the  
22 final reconciliation for the ACA Assessment Adjustment.

23 (3) Notwithstanding any other provision of this Section, if  
24 for any reason the scheduled payments under subsection (b) of  
25 Section 5A-12.5 are not issued in full by the final day of the  
26 period authorized under subsection (b) of Section 5A-12.5,

1 funds collected from each hospital pursuant to subparagraph (D)  
2 of paragraph (1) and pursuant to paragraph (2), attributable to  
3 the scheduled payments authorized under subsection (b) of  
4 Section 5A-12.5 that are not issued in full by the final day of  
5 the period attributable to each payment authorized under  
6 subsection (b) of Section 5A-12.5, shall be refunded.

7 (4) The increases authorized under paragraph (2) of  
8 subsection (a) and paragraph (2) of subsection (b-5) shall be  
9 limited to the federally required State share of the total  
10 payments authorized under Section 5A-12.5 if the sum of such  
11 payments yields an annualized amount equal to or less than  
12 \$450,000,000, or if the adjustments authorized under  
13 subsection (t) of Section 5A-12.2 are found not to be  
14 actuarially sound; however, this limitation shall not apply to  
15 the fee-for-service payments described in subsection (b) of  
16 Section 5A-12.5.

17 (c) (Blank).

18 (d) Notwithstanding any of the other provisions of this  
19 Section, the Department is authorized to adopt rules to reduce  
20 the rate of any annual assessment imposed under this Section,  
21 as authorized by Section 5-46.2 of the Illinois Administrative  
22 Procedure Act.

23 (e) Notwithstanding any other provision of this Section,  
24 any plan providing for an assessment on a hospital provider as  
25 a permissible tax under Title XIX of the federal Social  
26 Security Act and Medicaid-eligible payments to hospital

1 providers from the revenues derived from that assessment shall  
2 be reviewed by the Illinois Department of Healthcare and Family  
3 Services, as the Single State Medicaid Agency required by  
4 federal law, to determine whether those assessments and  
5 hospital provider payments meet federal Medicaid standards. If  
6 the Department determines that the elements of the plan may  
7 meet federal Medicaid standards and a related State Medicaid  
8 Plan Amendment is prepared in a manner and form suitable for  
9 submission, that State Plan Amendment shall be submitted in a  
10 timely manner for review by the Centers for Medicare and  
11 Medicaid Services of the United States Department of Health and  
12 Human Services and subject to approval by the Centers for  
13 Medicare and Medicaid Services of the United States Department  
14 of Health and Human Services. No such plan shall become  
15 effective without approval by the Illinois General Assembly by  
16 the enactment into law of related legislation. Notwithstanding  
17 any other provision of this Section, the Department is  
18 authorized to adopt rules to reduce the rate of any annual  
19 assessment imposed under this Section. Any such rules may be  
20 adopted by the Department under Section 5-50 of the Illinois  
21 Administrative Procedure Act.

22 (Source: P.A. 100-581, eff. 3-12-18; 101-10, eff. 6-5-19.)