



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4117

by Rep. Norine K. Hammond

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.07
305 ILCS 5/14-13

Amends the Medical Assistance Article of the Illinois Public Aid Code. Requires the Department of Children and Family Services to pay for all inpatient stays at a hospital beginning on the 3rd day a child is in the hospital beyond medical necessity, and the parent or caregiver has denied the child access to the home and has refused or failed to make provisions for another living arrangement for the child or the child's discharge is being delayed due to a pending inquiry or investigation by the Department of Children and Family Services. In a provision requiring the Department of Children and Family Services to pay the DCFS per diem rate for inpatient psychiatric stays at a free-standing psychiatric hospital or a hospital with a pediatric or adolescent inpatient psychiatric unit, requires the Department to pay the DCFS per diem rate effective the 3rd day (rather than the 11th day) when a child is in the hospital beyond medical necessity.

LRB103 33244 KTG 63053 b

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 Sections 5-5.07 and 14-13 as follows:

6 (305 ILCS 5/5-5.07)

7 Sec. 5-5.07. Inpatient psychiatric stay; DCFS per diem
8 rate. The Department of Children and Family Services shall pay
9 the DCFS per diem rate for inpatient psychiatric stay at a
10 free-standing psychiatric hospital or a hospital with a
11 pediatric or adolescent inpatient psychiatric unit effective
12 the 3rd day ~~11th day~~ when a child is in the hospital beyond
13 medical necessity, and the parent or caregiver has denied the
14 child access to the home and has refused or failed to make
15 provisions for another living arrangement for the child or the
16 child's discharge is being delayed due to a pending inquiry or
17 investigation by the Department of Children and Family
18 Services. If any portion of a hospital stay is reimbursed
19 under this Section, the hospital stay shall not be eligible
20 for payment under the provisions of Section 14-13 of this
21 Code.

22 (Source: Reenacted by P.A. 101-15, eff. 6-14-19; reenacted by
23 P.A. 101-209, eff. 8-5-19; P.A. 101-655, eff. 3-12-21;

1 102-201, eff. 7-30-21; 102-558, eff. 8-20-21; 102-1037, eff.
2 6-2-22.)

3 (305 ILCS 5/14-13)

4 Sec. 14-13. Reimbursement for inpatient stays extended
5 beyond medical necessity.

6 (a) By October 1, 2019, the Department shall by rule
7 implement a methodology effective for dates of service July 1,
8 2019 and later to reimburse hospitals for inpatient stays
9 extended beyond medical necessity due to the inability of the
10 Department or the managed care organization in which a
11 recipient is enrolled or the hospital discharge planner to
12 find an appropriate placement after discharge from the
13 hospital. The Department shall evaluate the effectiveness of
14 the current reimbursement rate for inpatient hospital stays
15 beyond medical necessity.

16 (b) The methodology shall provide reasonable compensation
17 for the services provided attributable to the days of the
18 extended stay for which the prevailing rate methodology
19 provides no reimbursement. The Department may use a day
20 outlier program to satisfy this requirement. The reimbursement
21 rate shall be set at a level so as not to act as an incentive
22 to avoid transfer to the appropriate level of care needed or
23 placement, after discharge.

24 (c) The Department shall require managed care
25 organizations to adopt this methodology or an alternative

1 methodology that pays at least as much as the Department's
2 adopted methodology unless otherwise mutually agreed upon
3 contractual language is developed by the provider and the
4 managed care organization for a risk-based or innovative
5 payment methodology.

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

10 (e) For services covered by the fee-for-service program,
11 reimbursement under this Section shall only be made for days
12 beyond medical necessity that occur after the hospital has
13 notified the Department of the need for post-discharge
14 placement. For services covered by a managed care
15 organization, hospitals shall notify the appropriate managed
16 care organization of an admission within 24 hours of
17 admission. For every 24-hour period beyond the initial 24
18 hours after admission that the hospital fails to notify the
19 managed care organization of the admission, reimbursement
20 under this subsection shall be reduced by one day.

21 (f) The Department of Children and Family Services shall
22 pay for all inpatient stays beginning on the 3rd day a child is
23 in the hospital beyond medical necessity, and the parent or
24 caregiver has denied the child access to the home and has
25 refused or failed to make provisions for another living
26 arrangement for the child or the child's discharge is being

1 delayed due to a pending inquiry or investigation by the
2 Department of Children and Family Services.

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