

1 AMENDMENT TO HOUSE BILL 700

2 AMENDMENT NO. _____. Amend House Bill 700 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Sections 5.620 and 6z-56 and changing Section 8h as follows:

6 (30 ILCS 105/5.620 new)

7 Sec. 5.620. The Health Care Services Trust Fund.

8 (30 ILCS 105/6z-56 new)

9 Sec. 6z-56. The Health Care Services Trust Fund. The
10 Health Care Services Trust Fund is hereby created as a
11 special fund in the State treasury.

12 The Fund shall consist of moneys deposited, transferred,
13 or appropriated into the Fund from units of local government
14 other than a county with a population greater than 3,000,000,
15 from the State, from federal matching funds, or from any
16 other legal source.

17 Subject to appropriation, the moneys in the Fund shall be
18 used by the Department of Public Aid to make payments to
19 providers of services covered under the Medicaid or State
20 Children's Health Insurance programs. Payments may be made
21 out of the Fund only to providers located within the

1 geographic jurisdiction of units of local government that
2 make deposits, transfers, or appropriations into the Fund.

3 The Department of Public Aid shall adopt rules concerning
4 application for and disbursement of the moneys in the Fund.

5 (30 ILCS 105/8h)

6 Sec. 8h. Transfers to General Revenue Fund.
7 Notwithstanding any other State law to the contrary, the
8 Director of the Governor's Office of Management and Budget
9 ~~Bureau-of-the-Budget~~ may from time to time direct the State
10 Treasurer and Comptroller to transfer a specified sum from
11 any fund held by the State Treasurer to the General Revenue
12 Fund in order to help defray the State's operating costs for
13 the fiscal year. The total transfer under this Section from
14 any fund in any fiscal year shall not exceed the lesser of 8%
15 of the revenues to be deposited into the fund during that
16 year or 25% of the beginning balance in the fund. No
17 transfer may be made from a fund under this Section that
18 would have the effect of reducing the available balance in
19 the fund to an amount less than the amount remaining
20 unexpended and unreserved from the total appropriation from
21 that fund for that fiscal year. This Section does not apply
22 to any funds that are restricted by federal law to a specific
23 use or to any funds in the Motor Fuel Tax Fund or the
24 Hospital Provider Fund. Notwithstanding any other provision
25 of this Section, the total transfer under this Section from
26 the Road Fund or the State Construction Account Fund shall
27 not exceed 5% of the revenues to be deposited into the fund
28 during that year.

29 In determining the available balance in a fund, the
30 Director of the Governor's Office of Management and Budget
31 ~~Bureau-of-the-Budget~~ may include receipts, transfers into the
32 fund, and other resources anticipated to be available in the
33 fund in that fiscal year.

1 The State Treasurer and Comptroller shall transfer the
 2 amounts designated under this Section as soon as may be
 3 practicable after receiving the direction to transfer from
 4 the Director of the Governor's Office of Management and
 5 Budget Bureau-of-the-Budget.

6 (Source: P.A. 93-32, eff. 6-20-03; revised 8-21-03.)

7 Section 10. The Illinois Public Aid Code is amended by
 8 changing Sections 5A-1, 5A-2, 5A-3, 5A-4, 5A-5, 5A-7, 5A-8,
 9 5A-10, 14-1, and 14-8 and by adding Sections 5A-12, 5A-13,
 10 and 5A-14 as follows:

11 (305 ILCS 5/5A-1) (from Ch. 23, par. 5A-1)

12 Sec. 5A-1. Definitions. As used in this Article, unless
 13 the context requires otherwise:

14 "Fund" means the Hospital Provider Fund.

15 "Hospital" means an institution, place, building, or
 16 agency located in this State that is subject to licensure by
 17 the Illinois Department of Public Health under the Hospital
 18 Licensing Act, whether public or private and whether
 19 organized for profit or not-for-profit.

20 "Hospital provider" means a person licensed by the
 21 Department of Public Health to conduct, operate, or maintain
 22 a hospital, regardless of whether the person is a Medicaid
 23 provider. For purposes of this paragraph, "person" means any
 24 political subdivision of the State, municipal corporation,
 25 individual, firm, partnership, corporation, company, limited
 26 liability company, association, joint stock association, or
 27 trust, or a receiver, executor, trustee, guardian, or other
 28 representative appointed by order of any court.

29 "Occupied bed days" means the sum of the number of days
 30 that each bed was occupied by a patient for all beds during
 31 calendar year 2001. Occupied bed days shall be computed
 32 separately for each hospital operated or maintained by a

1 hospital provider.

2 "Adjusted--gross--hospital--revenue"--shall-be-determined
3 separately--for--each--hospital---conducted,---operated,---or
4 maintained--by--a--hospital-provider,--and--means-the-hospital
5 provider's--total--gross--patient--revenues---less---Medicare
6 contractual--allowances,--but--does-not-include-gross-patient
7 revenue--(and--the--portion--of--any---Medicare---contractual
8 allowance--related--thereto)--from--skilled--or--intermediate
9 long-term--care-services-within-the-meaning-of-Title-XVIII-or
10 XIX-of-the-Social-Security-Act.

11 "Intergovernmental-transfer-payment"--means--the--payments
12 established--under--Section--15-3--of-this-Code,--and-includes
13 without-limitation-payments-payable-under--that--Section--for
14 July,--August,--and-September-of-1992.

15 (Source: P.A. 87-861; 88-88.)

16 (305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)

17 Sec. 5A-2. Assessment; no local authorization to tax.

18 (a) Subject to Sections 5A-3 and 5A-10, an annual
19 assessment on inpatient services is imposed on each hospital
20 provider for State fiscal years 2004 and 2005 in an amount
21 equal to the hospital's occupied bed days multiplied by
22 \$84.19.

23 The Department of Public Aid shall use the number of
24 occupied bed days as reported by each hospital on the Annual
25 Survey of Hospitals conducted by the Department of Public
26 Health to calculate the hospital's annual assessment. If the
27 sum of a hospital's occupied bed days is not reported on the
28 Annual Survey of Hospitals, then the Department of Public Aid
29 may obtain the sum of occupied bed days from any source
30 available, including, but not limited to, records maintained
31 by the hospital provider, which may be inspected at all times
32 during business hours of the day by the Department of Public
33 Aid or its duly authorized agents and employees. For the

1 privilege-of-engaging-in-the-occupation-of-hospital-provider,
 2 an-assessment-is-imposed-upon-each-hospital-provider-for--the
 3 State--fiscal--year--beginning--on-July-1,1993-and-ending-on
 4 June-30,1994,in-an-amount-equal-to-1.88%-of-the--provider's
 5 adjusted--gross-hospital-revenue-for-the-most-recent-calendar
 6 year-ending-before-the-beginning-of-that-State-fiscal-year.

7 Effective-July-1,1994-through-June-30,1996,--an--annual
 8 assessment--is--imposed--upon--each--hospital--provider-in-an
 9 amount--equal--to--the--provider's--adjusted--gross--hospital
 10 revenue-for-the-most-recent-calendar-year-ending--before--the
 11 beginning--of--that--State--fiscal--year--multiplied--by--the
 12 Provider's-Savings-Rate.

13 Effective--July--1,--1996--through--March--31,--1997,--an
 14 assessment--is--imposed--upon--each--hospital--provider-in-an
 15 amount-equal-to--three-fourths--of--the--provider's--adjusted
 16 gross--hospital--revenue-for-calendar-year-1995-multiplied-by
 17 the-Provider's-Savings-Rate.--No-assessment-shall-be--imposed
 18 on-or-after-April-1,1997.

19 Before-July-1,1995,--the-Provider's-Savings-Rate-is-1.88%
 20 multiplied--by--a--fraction,--the--numerator--of-which-is-the
 21 Maximum-Section-5A-2-Contribution--minus--the--Cigarette--Tax
 22 Contribution,--and--the--denominator--of-which-is-the-Maximum
 23 Section-5A-2--Contribution,---Effective--July--1,--1995,--the
 24 Provider's--Savings--Rate--is-1.25%-multiplied-by-a-fraction,
 25 the--numerator--of--which--is--the--Maximum--Section--5A-2
 26 Contribution--minus--the--Cigarette-Tax-Contribution,--and--the
 27 denominator--of--which--is--the--Maximum--Section--5A-2
 28 Contribution.

29 The--Cigarette--Tax--Contribution-is-the-sum-of-the-total
 30 amount--deposited--in--the--Hospital--Provider--Fund--in--the
 31 previous-State-fiscal-year-pursuant-to-Section--2(a)--of--the
 32 Cigarette--Tax--Act,--plus--the-total-amount-deposited-in-the
 33 Hospital-Provider-Fund-in--the--previous--State--fiscal--year
 34 pursuant-to-Section-5A-3(c)-of-this-Code.

1 The Maximum Section 5A-2 Contribution is the total amount
 2 of tax imposed by this Section in the previous State fiscal
 3 year on providers subject to this Act, multiplied by a
 4 fraction the numerator of which is adjusted gross hospital
 5 revenues reported to the Department by providers subject to
 6 this Act for the previous State fiscal year and the
 7 denominator of which is adjusted gross hospital revenues
 8 reported to the Department by providers subject to this Act
 9 for the State fiscal year immediately preceding the previous
 10 State fiscal year.

11 The Department shall notify hospital providers of the
 12 Provider's Savings Rate by mailing a notice to each
 13 provider's last known address as reflected by the records of
 14 the Illinois Department.

15 (b) Nothing in this amendatory Act of the 93rd General
 16 Assembly 1995 shall be construed to authorize any home rule
 17 unit or other unit of local government to license for revenue
 18 or to impose a tax or assessment upon hospital providers or
 19 the occupation of hospital provider, or a tax or assessment
 20 measured by the income or earnings of a hospital provider.

21 (c) As provided in Section 5A-14, this Section is
 22 repealed on July 1, 2005.

23 (Source: P.A. 88-88; 89-21, eff. 7-1-95; 89-499, eff.
 24 6-28-96.)

25 (305 ILCS 5/5A-3) (from Ch. 23, par. 5A-3)
 26 Sec. 5A-3. Exemptions; intergovernmental transfers.

27 (a) Blank). A hospital provider which is a county with a
 28 population of more than 3,000,000 that makes
 29 intergovernmental transfer payments as provided in Section
 30 15-3 of this Code shall be exempt from the assessment imposed
 31 by Section 5A-2, unless the exemption is adjudged to be
 32 unconstitutional or otherwise invalid, in which case the
 33 county shall pay the assessment imposed by Section 5A-2 for

1 all-assessment-periods-beginning-on-or-after--July--1,--1992,
2 and--the--assessment--so-paid-shall-be-creditable-against-the
3 intergovernmental-transfer-payments.

4 (b) A hospital provider that is a State agency, a State
5 university, or a county with a population of 3,000,000 or
6 more is exempt from the assessment imposed by Section 5A-2. A
7 hospital-organized-under-the-University-of-Illinois--Hospital
8 Act-and-exempt-from-the-assessment-imposed-by-Section-5A-2-is
9 hereby-authorized-to-enter-into-an-interagency-agreement-with
10 the--Illinois--Department--to-make-intergovernmental-transfer
11 payments-to-the-Illinois-Department.--These-payments-shall-be
12 deposited-into-the-University-of-Illinois--Hospital--Services
13 Fund--or,--if--that--Fund--ceases--to-exist,--into-the-General
14 Revenue-Fund.

15 (b-2) A hospital provider that is a county with a
16 population of less than 3,000,000 or a township,
17 municipality, hospital district, or any other local
18 governmental unit is exempt from the assessment imposed by
19 Section 5A-2.

20 (b-5) (Blank). A hospital-operated-by-the-Department--of
21 Human--Services-in-the-course-of-performing-its-mental-health
22 and-developmental-disabilities-functions-is-exempt--from--the
23 assessment-imposed-by-Section-5A-2.

24 (b-10) A hospital provider whose hospital does not
25 charge for its services is exempt from the assessment imposed
26 by Section 5A-2, unless the exemption is adjudged to be
27 unconstitutional or otherwise invalid, in which case the
28 hospital provider shall pay the assessment imposed by Section
29 5A-2.

30 (b-15) A hospital provider whose hospital is licensed by
31 the Department of Public Health as a psychiatric hospital is
32 exempt from the assessment imposed by Section 5A-2, unless
33 the exemption is adjudged to be unconstitutional or otherwise
34 invalid, in which case the hospital provider shall pay the

1 assessment imposed by Section 5A-2.

2 (b-20) A hospital provider whose hospital is licensed by
3 the Department of Public Health as a rehabilitation hospital
4 is exempt from the assessment imposed by Section 5A-2, unless
5 the exemption is adjudged to be unconstitutional or otherwise
6 invalid, in which case the hospital provider shall pay the
7 assessment imposed by Section 5A-2.

8 (b-25) A hospital provider whose hospital (i) is not a
9 psychiatric hospital, rehabilitation hospital, or children's
10 hospital and (ii) has an average length of inpatient stay
11 greater than 25 days is exempt from the assessment imposed by
12 Section 5A-2, unless the exemption is adjudged to be
13 unconstitutional or otherwise invalid, in which case the
14 hospital provider shall pay the assessment imposed by Section
15 5A-2.

16 (c) (Blank). ~~The---Illinois---Department---is---hereby~~
17 ~~authorized--to--enter--into--agreements--with--publicly--owned--or~~
18 ~~operated--hospitals--to---make---intergovernmental---transfer~~
19 ~~payments--to--the--Illinois--Department--.---These--payments--shall--be~~
20 ~~deposited--into--the--Hospital--Provider--Fund,--except--that--any~~
21 ~~payments--arising--under--an--agreement--with--a--hospital--organized~~
22 ~~under--the--University--of--Illinois--Hospital--Act--shall--be~~
23 ~~deposited--into--the--University--of--Illinois--Hospital--Services~~
24 ~~Fund,--if--that--Fund--exists.~~

25 (Source: P.A. 88-88; 88-554, eff. 7-26-94; 89-21, eff.
26 7-1-95; 89-507, eff. 7-1-97.)

27 (305 ILCS 5/5A-4) (from Ch. 23, par. 5A-4)

28 Sec. 5A-4. Payment of assessment; penalty.

29 (a) The annual assessment imposed by Section 5A-2 for
30 State fiscal year 2004 shall be due and payable on June 18 of
31 the year. The assessment imposed by Section 5A-2 for a State
32 fiscal year 2005 shall be due and payable in quarterly
33 installments, each equalling one-fourth of the assessment for

1 the year, on July 19, October 19, January 18, and April 19
2 September-30, December-31, March-31, and May-31 of the year;
3 ~~except--that--for--the--period--July-1, 1996--through--March-31,~~
4 ~~1997, the assessment imposed by Section 5A-2 for that period~~
5 ~~shall be due and payable in 3 equal installments on September~~
6 ~~30, December-31, and March-31 of that period.~~ No installment
7 payment of an assessment imposed by Section 5A-2 shall be due
8 and payable, however, until after: (i) the hospital provider
9 receives written notice from the Department of Public Aid
10 that the payment methodologies to hospitals required under
11 Section 5A-12 have been approved by the Centers for Medicare
12 and Medicaid Services of the U.S. Department of Health and
13 Human Services and the waiver under 42 CFR 433.68 for the
14 assessment imposed by Section 5A-2 has been granted by the
15 Centers for Medicare and Medicaid Services of the U.S.
16 Department of Health and Human Services; and (ii) the
17 hospital has received the payments required under Section
18 5A-12.

19 (b) The Illinois Department is authorized to establish
20 delayed payment schedules for hospital providers that are
21 unable to make installment payments when due under this
22 Section due to financial difficulties, as determined by the
23 Illinois Department.

24 (c) If a hospital provider fails to pay the full amount
25 of an installment when due (including any extensions granted
26 under subsection (b)), there shall, unless waived by the
27 Illinois Department for reasonable cause, be added to the
28 assessment imposed by Section 5A-2 a penalty assessment equal
29 to the lesser of (i) 5% of the amount of the installment not
30 paid on or before the due date plus 5% of the portion thereof
31 remaining unpaid on the last day of each 30-day period month
32 thereafter or (ii) 100% of the installment amount not paid on
33 or before the due date. For purposes of this subsection,
34 payments will be credited first to unpaid installment amounts

1 (rather than to penalty or interest), beginning with the most
2 delinquent installments.

3 (Source: P.A. 88-88; 89-499, eff. 6-28-96.)

4 (305 ILCS 5/5A-5) (from Ch. 23, par. 5A-5)

5 Sec. 5A-5. Notice Reporting; penalty; maintenance of
6 records.

7 (a) After December 31 of each year (except as otherwise
8 provided in this subsection), and on or before March 31 of
9 the succeeding year, the Department of Public Aid shall send
10 a notice of assessment to every hospital provider subject to
11 assessment under this Article shall file a return with the
12 Illinois Department. The notice of assessment shall notify
13 the hospital of its return shall report the adjusted gross
14 hospital revenue from the calendar year just ended and shall
15 be utilized by the Illinois Department to calculate the
16 assessment for the State fiscal year commencing on the next
17 July 1, except that the notice return for the State fiscal
18 year commencing July 1, 2003 ~~1992~~ and the report of revenue
19 for calendar year 1991 shall be sent filed on or before
20 December 15, 2003 ~~September 30, 1992~~. The notice return
21 shall be on a form prepared by the Illinois Department and
22 shall state the following:

23 (1) The name of the hospital provider.

24 (2) The address of the hospital provider's
25 principal place of business from which the provider
26 engages in the occupation of hospital provider in this
27 State, and the name and address of each hospital
28 operated, conducted, or maintained by the provider in
29 this State.

30 (3) The occupied bed days ~~adjusted gross hospital~~
31 ~~revenue of the hospital provider for the calendar year~~
32 ~~just ended~~, the amount of assessment imposed under
33 Section 5A-2 for the State fiscal year for which the

1 notice return is sent filed, and the amount of each
2 quarterly installment to be paid during the State fiscal
3 year.

4 (4) (Blank). ~~The amount of penalty due, if any.~~

5 (5) Other reasonable information as determined by
6 the Illinois Department ~~requires.~~

7 (b) If a hospital provider conducts, operates, or
8 maintains more than one hospital licensed by the Illinois
9 Department of Public Health, the provider shall ~~may not file~~
10 ~~a single return covering all these hospitals, but shall file~~
11 ~~a separate return for each hospital and shall compute and~~ pay
12 the assessment for each hospital separately.

13 (c) Notwithstanding any other provision in this Article,
14 in the case of a person who ceases to conduct, operate, or
15 maintain a hospital in respect of which the person is subject
16 to assessment under this Article as a hospital provider, the
17 assessment for the State fiscal year in which the cessation
18 occurs shall be adjusted by multiplying the assessment
19 computed under Section 5A-2 by a fraction, the numerator of
20 which is the number of days ~~months~~ in the year during which
21 the provider conducts, operates, or maintains the hospital
22 and the denominator of which is 365 ~~12~~. Immediately upon
23 ceasing to conduct, operate, or maintain a hospital, the
24 person shall pay ~~file a final, amended return with the~~
25 ~~Illinois Department not more than 90 days after the cessation~~
26 ~~reflecting the adjustment and shall pay with the final return~~
27 the assessment for the year as so adjusted (to the extent not
28 previously paid).

29 (d) Notwithstanding any other provision in this Article,
30 a provider who commences conducting, operating, or
31 maintaining a hospital, upon notice by the Illinois
32 Department, ~~shall file an initial return for the State fiscal~~
33 ~~year in which the commencement occurs within 90 days~~
34 ~~thereafter and~~ shall pay the assessment computed under

1 Section 5A-2 and subsection (e) in equal installments on the
 2 due dates stated in the notice ~~date-of-the-return~~ and on the
 3 regular installment due dates for the State fiscal year
 4 occurring after the due dates ~~date~~ of the initial notice
 5 ~~return~~.

6 (e) Notwithstanding any other provision in this Article,
 7 in the case of a hospital provider that did not conduct,
 8 operate, or maintain a hospital throughout the calendar year
 9 2001 ~~preceding--a-State-fiscal-year~~, the assessment for that
 10 State fiscal year shall be computed on the basis of
 11 hypothetical occupied bed days ~~adjusted--gross--hospital~~
 12 ~~revenue for the full calendar year as determined by--rules~~
 13 ~~adopted by the Illinois Department (which-may-be-based-on~~
 14 ~~annualization-of-the-provider's-actual-revenues-for-a-portion~~
 15 ~~of-the-calendar-year,--or-revenues-of--a--comparable--hospital~~
 16 ~~for-the-year,--including-revenues-realized-by-a-prior-provider~~
 17 ~~from-the-same-hospital-during-the-year).~~

18 (f) (Blank). ~~In-the-case-of-a-hospital-provider-existing~~
 19 ~~as--a--corporation--or-legal-entity-other-than-an-individual,~~
 20 ~~the-return-filed-by-it-shall--be--signed--by--its--president,~~
 21 ~~vice-president,--secretary,--or--treasurer-or-by-its-properly~~
 22 ~~authorized-agent.~~

23 (g) (Blank). ~~If-a-hospital-provider-fails--to--file--its~~
 24 ~~return--for--a-State-fiscal-year-on-or-before-the-due-date-of~~
 25 ~~the-return,--there--shall,--unless--waived--by--the--Illinois~~
 26 ~~Department--for--reasonable-cause,--be-added-to-the-assessment~~
 27 ~~imposed-by-Section-5A-2-for-the-State-fiscal-year--a--penalty~~
 28 ~~assessment--equal--to--25%--of-the-assessment-imposed-for-the~~
 29 ~~year.~~

30 (h) (Blank). ~~Every--hospital--provider--subject--to~~
 31 ~~assessment--under--this-Article-shall-keep-sufficient-records~~
 32 ~~to--permit--the--determination--of--adjusted--gross--hospital~~
 33 ~~revenue-on-a-calendar-year-basis.--All-such-records-shall--be~~
 34 ~~kept--in--the-English-language-and-shall,--at-all-times-during~~

1 ~~business-hours-of-the-day, be subject to inspection by the~~
2 ~~Illinois Department or its duly authorized agents and~~
3 ~~employees.~~

4 (Source: P.A. 87-861.)

5 (305 ILCS 5/5A-7) (from Ch. 23, par. 5A-7)

6 Sec. 5A-7. Administration; enforcement provisions.

7 (a) To the extent practicable, the Illinois Department
8 shall administer and enforce this Article and collect the
9 assessments, interest, and penalty assessments imposed under
10 this Article using procedures employed in its administration
11 of this Code generally and, as it deems appropriate, in a
12 manner similar to that in which the Department of Revenue
13 administers and collects the retailers' occupation tax under
14 the Retailers' Occupation Tax Act ("ROTA"). Instead of
15 certificates of registration, the Illinois Department shall
16 establish and maintain a listing of all hospital providers
17 appearing in the licensing records of the Department of
18 Public Health, which shall show each provider's name,
19 principal place of business, and the name and address of each
20 hospital operated, conducted, or maintained by the provider
21 in this State. In addition, the following specified
22 provisions of the Retailers' Occupation Tax Act are
23 incorporated by reference into this Section except that the
24 Illinois Department and its Director (rather than the
25 Department of Revenue and its Director) and every hospital
26 provider subject to assessment measured by occupied bed days
27 ~~adjusted-gross-hospital-revenue-and-to-the-return-filing~~
28 ~~requirements-of-this-Article~~ (rather than persons subject to
29 retailers' occupation tax measured by gross receipts from the
30 sale of tangible personal property at retail and ~~to the~~
31 ~~return-filing-requirements-of-ROTA~~) shall have the powers,
32 duties, and rights specified in these ROTA provisions, as
33 modified in this Section or by the Illinois Department in a

1 manner consistent with this Article and except as manifestly
2 inconsistent with the other provisions of this Article:

3 (1) ROTA, Section 4 (examination of return; notice
4 of correction; evidence; limitations; protest and
5 hearing), except that (i) the Illinois Department shall
6 issue notices of assessment liability (rather than
7 notices of tax liability as provided in ROTA, Section 4);
8 (ii) in the case of a fraudulent return or in the case of
9 an extended period agreed to by the Illinois Department
10 and the hospital provider before the expiration of the
11 limitation period, no notice of assessment liability
12 shall be issued more than 3 years after the later of the
13 due date of the return required by Section 5A-5 or the
14 date the return (or an amended return) was filed (rather
15 within the period stated in ROTA, Section 4); and (iii)
16 the penalty provisions of ROTA, Section 4 shall not
17 apply.

18 (2) ROTA, Sec. 5 (failure to make return; failure
19 to pay assessment), except that the penalty and interest
20 provisions of ROTA, Section 5 shall not apply.

21 (3) ROTA, Section 5a (lien; attachment;
22 termination; notice; protest; review; release of lien;
23 status of lien).

24 (4) ROTA, Section 5b (State lien notices; State
25 lien index; duties of recorder and registrar of titles).

26 (5) ROTA, Section 5c (liens; certificate of
27 release).

28 (6) ROTA, Section 5d (Department not required to
29 furnish bond; claim to property attached or levied upon).

30 (7) ROTA, Section 5e (foreclosure on liens;
31 enforcement).

32 (8) ROTA, Section 5f (demand for payment; levy and
33 sale of property; limitation).

34 (9) ROTA, Section 5g (sale of property;

1 redemption).

2 (10) ROTA, Section 5j (sales on transfers outside
3 usual course of business; report; payment of assessment;
4 rights and duties of purchaser; penalty), except that
5 notice shall be provided to the Illinois Department as
6 specified by rule.

7 (11) ROTA, Section 6 (erroneous payments; credit or
8 refund), provided that (i) the Illinois Department may
9 only apply an amount otherwise subject to credit or
10 refund to a liability arising under this Article; (ii)
11 except in the case of an extended period agreed to by the
12 Illinois Department and the hospital provider before the
13 expiration of this limitation period, a claim for credit
14 or refund must be filed no more than 3 years after the
15 due date of the return required by Section 5A-5 (rather
16 than the time limitation stated in ROTA, Section 6); and
17 (iii) credits or refunds shall not bear interest.

18 (12) ROTA, Section 6a (claims for credit or
19 refund).

20 (13) ROTA, Section 6b (tentative determination of
21 claim; notice; hearing; review), provided that a hospital
22 provider or its representative shall have 60 days (rather
23 than 20 days) within which to file a protest and request
24 for hearing in response to a tentative determination of
25 claim.

26 (14) ROTA, Section 6c (finality of tentative
27 determinations).

28 (15) ROTA, Section 8 (investigations and
29 hearings).

30 (16) ROTA, Section 9 (witness; immunity).

31 (17) ROTA, Section 10 (issuance of subpoenas;
32 attendance of witnesses; production of books and
33 records).

34 (18) ROTA, Section 11 (information confidential;

1 exceptions).

2 (19) ROTA, Section 12 (rules and regulations;
3 hearing; appeals), except that a hospital provider shall
4 not be required to file a bond or be subject to a lien in
5 lieu thereof in order to seek court review under the
6 Administrative Review Law of a final assessment or
7 revised final assessment or the equivalent thereof issued
8 by the Illinois Department under this Article.

9 (b) In addition to any other remedy provided for and
10 without sending a notice of assessment liability, the
11 Illinois Department may collect an unpaid assessment by
12 withholding, as payment of the assessment, reimbursements or
13 other amounts otherwise payable by the Illinois Department to
14 the provider.

15 (Source: P.A. 87-861.)

16 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

17 Sec. 5A-8. Hospital Provider Fund.

18 (a) There is created in the State Treasury the Hospital
19 Provider Fund. Interest earned by the Fund shall be credited
20 to the Fund. The Fund shall not be used to replace any
21 moneys appropriated to the Medicaid program by the General
22 Assembly.

23 (b) The Fund is created for the purpose of receiving
24 moneys in accordance with Section 5A-6 and disbursing moneys
25 only for the following purposes, notwithstanding any other
26 provision of law as follows:

27 (1) For making payments to hospitals as required
28 under Articles V, VI, and XIV hospital--inpatient--care,
29 hospital--ambulatory--care,--and--disproportionate--share
30 hospital--distributive--expenditures-made-under-Title-XIX
31 of-the-Social-Security-Act-and-Article-V of this Code and
32 under the Children's Health Insurance Program Act.

33 (2) For the reimbursement of moneys collected by

1 the Illinois Department from hospitals or hospital
 2 providers through error or mistake in performing the
 3 activities authorized under this Article and Article V of
 4 this Code and-for-making-required-payments-under-Section
 5 14-9-of-this-Code-if-there-are-no--moneys--available--for
 6 these-payments-in-the-Hospital-Services-Trust-Fund.

7 (3) For payment of administrative expenses incurred
 8 by the Illinois Department or its agent in performing the
 9 activities authorized by this Article.

10 (4) For payments of any amounts which are
 11 reimbursable to the federal government for payments from
 12 this Fund which are required to be paid by State warrant.

13 (5) For making transfers ~~to the General Obligation~~
 14 ~~Bond Retirement and Interest Fund~~, as those transfers are
 15 authorized in the proceedings authorizing debt under the
 16 Short Term Borrowing Act, but transfers made under this
 17 paragraph (5) shall not exceed the principal amount of
 18 debt issued in anticipation of the receipt by the State
 19 of moneys to be deposited into the Fund.

20 (6) For making transfers to any other fund in the
 21 State treasury, but transfers made under this paragraph
 22 (6) shall not exceed the amount transferred previously
 23 from that other fund into the Hospital Provider Fund.

24 (7) For making refunds to hospital providers
 25 pursuant to Section 5A-10.

26 Disbursements from the Fund, other than transfers
 27 authorized under paragraphs (5) and (6) of this subsection ~~to~~
 28 ~~the--General--Obligation--Bond--Retirement-and-Interest-Fund~~,
 29 shall be by warrants drawn by the State Comptroller upon
 30 receipt of vouchers duly executed and certified by the
 31 Illinois Department.

32 (c) The Fund shall consist of the following:

33 (1) All moneys collected or received by the
 34 Illinois Department from the hospital provider assessment

1 imposed by this Article.

2 (2) All federal matching funds received by the
3 Illinois Department as a result of expenditures made by
4 the Illinois Department that are attributable to moneys
5 deposited in the Fund.

6 (3) Any interest or penalty levied in conjunction
7 with the administration of this Article.

8 (4) Moneys transferred from another fund in the
9 State treasury. Any--balance--in--the--Hospital--Services
10 Trust--Fund--in--the--State--Treasury.--The--balance--shall--be
11 transferred--to--the--Fund--upon--certification--by--the
12 Illinois--Department--to--the--State--Comptroller--that--all--of
13 the--disbursements--required--by--Section--14-2(b)--of--this
14 Code--have--been--made--.

15 (5) All other moneys received for the Fund from any
16 other source, including interest earned thereon.

17 (d) (Blank). The--Fund--shall--cease--to--exist--on--October--1,
18 1999.--Any--balance--in--the--Fund--as--of--that--date--shall--be
19 transferred--to--the--General--Revenue--Fund.--Any--moneys--that
20 otherwise--would--be--paid--into--the--Fund--on--or--after--that--date
21 shall--be--deposited--into--the--General--Revenue--Fund.--Any
22 disbursements--on--or--after--that--date--that--otherwise--would--be
23 made--from--the--Fund--may--be--appropriated--by--the--General
24 Assembly--from--the--General--Revenue--Fund--.

25 (Source: P.A. 89-626, eff. 8-9-96; 90-587, eff. 7-1-98.)

26 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

27 Sec. 5A-10. Applicability.

28 (a) The assessment imposed by Section 5A-2 shall not
29 take effect or shall cease to be imposed, and any moneys
30 remaining in the Fund shall be refunded to hospital providers
31 in proportion to the amounts paid by them, if:

32 (1) the sum of the appropriations for State fiscal
33 years 2004 and 2005 from the General Revenue Fund for

1 hospital payments under the medical assistance program is
2 less than \$4,250,000,000; or

3 (2) the Department of Public Aid makes changes in
4 its rules that reduce the hospital inpatient or
5 outpatient payment rates, including adjustment payment
6 rates, in effect on October 1, 2003, except for hospitals
7 described in subsection (b) of Section 5A-3 and except
8 for changes in outpatient payment rates made to comply
9 with the federal Health Insurance Portability and
10 Accountability Act, so long as those changes do not
11 reduce aggregate expenditures below the amount expended
12 in State fiscal year 2003 for such services; or

13 (3) the payments to hospitals required under
14 Section 5A-12 are changed or are not eligible for federal
15 matching funds under Title XIX or XXI of the Social
16 Security Act.

17 (b) The assessment imposed by Section 5A-2 shall not
18 take effect or shall cease to be imposed if the assessment is
19 determined to be an impermissible tax amount--of--matching
20 federal--funds under Title XIX of the Social Security Act is
21 eliminated--or--significantly--reduced--on--account--of--the
22 assessment. Moneys in the Hospital Provider Fund derived
23 from assessments imposed prior thereto shall be disbursed in
24 accordance with Section 5A-8 to the extent federal matching
25 is not reduced due to the impermissibility of by the
26 assessments, and any remaining moneys assessments shall be
27 refunded to hospital providers in proportion to the amounts
28 paid by them.

29 (Source: P.A. 87-861.)

30 (305 ILCS 5/5A-12 new)

31 Sec. 5A-12. Hospital access improvement payments.

32 (a) To improve access to hospital services, for hospital
33 services rendered on or after January 1, 2004, the Department

1 of Public Aid shall make payments to hospitals as set forth
2 in this Section, except for hospitals described in subsection
3 (b) of Section 5A-3. These payments shall be paid on a
4 quarterly basis. For State fiscal year 2004, the Department
5 shall pay the total amounts required under this Section;
6 these amounts shall be paid on or before June 15 of the year.
7 In subsequent State fiscal years, the total amounts required
8 under this Section shall be paid in 4 equal installments on
9 or before July 15, October 15, January 14, and April 15 of
10 the year. Payments under this Section are not due and
11 payable, however, until (i) the methodologies described in
12 this Section are approved by the federal government in an
13 appropriate State Plan amendment, (ii) the assessment imposed
14 under this Article is determined to be a permissible tax
15 under Title XIX of the Social Security Act, and (iii) the
16 assessment is in effect.

17 (b) High volume payment. In addition to rates paid for
18 inpatient hospital services, the Department of Public Aid
19 shall pay, to each Illinois hospital that provided more than
20 20,000 Medicaid inpatient days of care during State fiscal
21 year 2001 (except for hospitals that qualify for adjustment
22 payments under Section 5-5.02 for the 12-month period
23 beginning on October 1, 2002), \$190 for each Medicaid
24 inpatient day of care provided during that fiscal year. A
25 hospital that provided less than 30,000 Medicaid inpatient
26 days of care during that period, however, is not entitled to
27 receive more than \$3,500,000 per year in such payments.

28 (c) Medicaid inpatient utilization rate adjustment. In
29 addition to rates paid for inpatient hospital services, the
30 Department of Public Aid shall pay each Illinois hospital
31 (except for hospitals described in Section 5A-3), for each
32 Medicaid inpatient day of care provided during State fiscal
33 year 2001, an amount equal to the product of \$57.25
34 multiplied by the quotient of 1 divided by the greater of

1 1.6% or the hospital's Medicaid inpatient utilization rate
2 (as used to determine eligibility for adjustment payments
3 under Section 5-5.02 for the 12-month period beginning on
4 October 1, 2002). The total payments under this subsection to
5 a hospital may not exceed \$10,500,000 annually.

6 (d) Psychiatric base rate adjustment.

7 (1) In addition to rates paid for inpatient
8 psychiatric services, the Department of Public Aid shall
9 pay each Illinois general acute care hospital with a
10 distinct part-psychiatric unit, for each Medicaid
11 inpatient psychiatric day of care provided in State
12 fiscal year 2001, an amount equal to \$400 less the
13 hospital's per-diem rate for Medicaid inpatient
14 psychiatric services as in effect on October 1, 2003. In
15 no event, however, shall that amount be less than zero.

16 (2) For distinct part-psychiatric units of Illinois
17 general acute care hospitals, except for all hospitals
18 excluded in Section 5A-3, whose inpatient per-diem rate
19 as in effect on October 1, 2003 is greater than \$400, the
20 Department shall pay, in addition to any other amounts
21 authorized under this Code, \$25 for each Medicaid
22 inpatient psychiatric day of care provided in State
23 fiscal year 2001.

24 (e) Supplemental tertiary care adjustment. In addition
25 to rates paid for inpatient services, the Department of
26 Public Aid shall pay to each Illinois hospital eligible for
27 tertiary care adjustment payments under 89 Ill. Adm. Code
28 148.296, as in effect for State fiscal year 2003, a
29 supplemental tertiary care adjustment payment equal to the
30 tertiary care adjustment payment required under 89 Ill. Adm.
31 Code 148.296, as in effect for State fiscal year 2003.

32 (f) Medicaid outpatient utilization rate adjustment. In
33 addition to rates paid for outpatient hospital services, the
34 Department of Public Aid shall pay each Illinois hospital

1 (except for hospitals described in Section 5A-3), an amount
2 equal to the product of 2.45% multiplied by the hospital's
3 Medicaid outpatient charges multiplied by the quotient of 1
4 divided by the greater of 1.6% or the hospital's Medicaid
5 outpatient utilization rate. The total payments under this
6 subsection to a hospital may not exceed \$6,750,000 annually.

7 For purposes of this subsection:

8 "Medicaid outpatient charges" means the charges for
9 outpatient services provided to Medicaid patients for State
10 fiscal year 2001 as submitted by the hospital on the UB-92
11 billing form or under the ambulatory procedure listing and
12 adjudicated by the Department of Public Aid on or before
13 September 12, 2003.

14 "Medicaid outpatient utilization rate" means a fraction,
15 the numerator of which is the hospital's Medicaid outpatient
16 charges and the denominator of which is the total number of
17 the hospital's charges for outpatient services for the
18 hospital's fiscal year ending in 2001.

19 (g) State outpatient service adjustment. In addition to
20 rates paid for outpatient hospital services, the Department
21 of Public Aid shall pay each Illinois hospital an amount
22 equal to the product of 75.5% multiplied by the hospital's
23 Medicaid outpatient services submitted to the Department on
24 the UB-92 billing form for State fiscal year 2001 multiplied
25 by the hospital's outpatient access fraction.

26 For purposes of this subsection, "outpatient access
27 fraction" means a fraction, the numerator of which is the
28 hospital's Medicaid payments for outpatient services for
29 ambulatory procedure listing services submitted to the
30 Department on the UB-92 billing form for State fiscal year
31 2001, and the denominator of which is the hospital's Medicaid
32 outpatient services submitted to the Department on the UB-92
33 billing form for State fiscal year 2001.

34 The total payments under this subsection to a hospital

1 may not exceed \$3,000,000 annually.

2 (h) Rural hospital outpatient adjustment. In addition to
3 rates paid for outpatient hospital services, the Department
4 of Public Aid shall pay each Illinois rural hospital an
5 amount equal to the product of \$14,500,000 multiplied by the
6 rural hospital outpatient adjustment fraction.

7 For purposes of this subsection, "rural hospital
8 outpatient adjustment fraction" means a fraction, the
9 numerator of which is the hospital's Medicaid visits for
10 outpatient services for ambulatory procedure listing services
11 submitted to the Department on the UB-92 billing form for
12 State fiscal year 2001, and the denominator of which is the
13 total Medicaid visits for outpatient services for ambulatory
14 procedure listing services for all Illinois rural hospitals
15 submitted to the Department on the UB-92 billing form for
16 State fiscal year 2001.

17 For purposes of this subsection, "rural hospital" has the
18 same meaning as in 89 Ill. Adm. Code 148.25, as in effect on
19 September 30, 2003.

20 (i) For purposes of this Section, the terms "Medicaid
21 days", "Medicaid charges", and "Medicaid services" do not
22 include any days, charges, or services for which Medicare was
23 liable for payment.

24 (j) As provided in Section 5A-14, this Section is
25 repealed on July 1, 2005.

26 (305 ILCS 5/5A-13 new)

27 Sec. 5A-13. Emergency rulemaking. The Department of
28 Public Aid may adopt rules necessary to implement this
29 amendatory Act of the 93rd General Assembly through the use
30 of emergency rulemaking in accordance with Section 5-45 of
31 the Illinois Administrative Procedure Act. For purposes of
32 that Act, the General Assembly finds that the adoption of
33 rules to implement this amendatory Act of the 93rd General

1 Assembly is deemed an emergency and necessary for the public
2 interest, safety, and welfare.

3 (305 ILCS 5/5A-14 new)

4 Sec. 5A-14. Repeal of assessments and disbursements.

5 (a) Section 5A-2 is repealed on July 1, 2005.

6 (b) Section 5A-12 is repealed on July 1, 2005.

7 (305 ILCS 5/14-1) (from Ch. 23, par. 14-1)

8 Sec. 14-1. Definitions. As used in this Article, unless
9 the context requires otherwise:

10 "Fund" means the Hospital Services Trust Fund.

11 "Estimated Rate Year Utilization" means the hospital's
12 projected utilization for the State fiscal year in which the
13 fee is due (for example, fiscal year 1992 for fees imposed in
14 State fiscal year 1992, fiscal year 1993 for fees imposed in
15 State fiscal year 1993, and so forth).

16 "Gross Receipts" means all payments for medical services
17 delivered under Title XIX of the Social Security Act and
18 Articles V, VI, and VII of this Code and shall mean any and
19 all payments made by the Illinois Department, or a Division
20 thereof, to a Medical Assistance Program provider certified
21 to participate in the Illinois Medical Assistance Program,
22 for services rendered eligible for Medical Assistance under
23 Articles V, VI and VII of this Code, State regulations and
24 the federal Medicaid Program as defined in Title XIX of the
25 Social Security Act and federal regulations.

26 "Hospital" means any institution, place, building, or
27 agency, public or private, whether organized for profit or
28 not-for-profit, which is located in the State and is subject
29 to licensure by the Illinois Department of Public Health
30 under the Hospital Licensing Act or any institution, place,
31 building, or agency, public or private, whether organized for
32 profit or not-for-profit, which meets all comparable

1 conditions and requirements of the Hospital Licensing Act in
 2 effect for the state in which it is located, and is required
 3 to submit cost reports to the Illinois Department under Title
 4 89, Part 148, of the Illinois Administrative Code, but shall
 5 not include the University of Illinois Hospital as defined in
 6 the University of Illinois Hospital Act or a county hospital
 7 in a county of over 3 million population.

8 ~~"Total-Medicaid-Base-Year-Spending" means the hospital's~~
 9 ~~State--fiscal--year--1991--weighted-average-payment-rates,-as~~
 10 ~~defined-by-rule,-excluding-payments-under-Section--5-5.02--of~~
 11 ~~this--Code,-reduced-by-5%-and-multiplied-by-the-hospital's~~
 12 ~~estimated-rate-year-utilization.~~

13 (Source: P.A. 87-13.)

14 (305 ILCS 5/14-8) (from Ch. 23, par. 14-8)

15 Sec. 14-8. Disbursements to Hospitals.

16 (a) For inpatient hospital services rendered on and
 17 after September 1, 1991, the Illinois Department shall
 18 reimburse hospitals for inpatient services at an inpatient
 19 payment rate calculated for each hospital based upon the
 20 Medicare Prospective Payment System as set forth in Sections
 21 1886(b), (d), (g), and (h) of the federal Social Security
 22 Act, and the regulations, policies, and procedures
 23 promulgated thereunder, except as modified by this Section.
 24 Payment rates for inpatient hospital services rendered on or
 25 after September 1, 1991 and on or before September 30, 1992
 26 shall be calculated using the Medicare Prospective Payment
 27 rates in effect on September 1, 1991. Payment rates for
 28 inpatient hospital services rendered on or after October 1,
 29 1992 and on or before March 31, 1994 shall be calculated
 30 using the Medicare Prospective Payment rates in effect on
 31 September 1, 1992. Payment rates for inpatient hospital
 32 services rendered on or after April 1, 1994 shall be
 33 calculated using the Medicare Prospective Payment rates

1 (including the Medicare grouping methodology and weighting
2 factors as adjusted pursuant to paragraph (1) of this
3 subsection) in effect 90 days prior to the date of
4 admission. For services rendered on or after July 1, 1995,
5 the reimbursement methodology implemented under this
6 subsection shall not include those costs referred to in
7 Sections 1886(d)(5)(B) and 1886(h) of the Social Security
8 Act. The additional payment amounts required under Section
9 1886(d)(5)(F) of the Social Security Act, for hospitals
10 serving a disproportionate share of low-income or indigent
11 patients, are not required under this Section. For hospital
12 inpatient services rendered on or after July 1, 1995, the
13 Illinois Department shall reimburse hospitals using the
14 relative weighting factors and the base payment rates
15 calculated for each hospital that were in effect on June 30,
16 1995, less the portion of such rates attributed by the
17 Illinois Department to the cost of medical education.

18 (1) The weighting factors established under Section
19 1886(d)(4) of the Social Security Act shall not be used
20 in the reimbursement system established under this
21 Section. Rather, the Illinois Department shall establish
22 by rule Medicaid weighting factors to be used in the
23 reimbursement system established under this Section.

24 (2) The Illinois Department shall define by rule
25 those hospitals or distinct parts of hospitals that shall
26 be exempt from the reimbursement system established under
27 this Section. In defining such hospitals, the Illinois
28 Department shall take into consideration those hospitals
29 exempt from the Medicare Prospective Payment System as of
30 September 1, 1991. For hospitals defined as exempt under
31 this subsection, the Illinois Department shall by rule
32 establish a reimbursement system for payment of inpatient
33 hospital services rendered on and after September 1,
34 1991. For all hospitals that are children's hospitals as

1 defined in Section 5-5.02 of this Code, the reimbursement
2 methodology shall, through June 30, 1992, net of all
3 applicable fees, at least equal each children's hospital
4 1990 ICARE payment rates, indexed to the current year by
5 application of the DRI hospital cost index from 1989 to
6 the year in which payments are made. Excepting county
7 providers as defined in Article XV of this Code,
8 hospitals licensed under the University of Illinois
9 Hospital Act, and facilities operated by the Department
10 of Mental Health and Developmental Disabilities (or its
11 successor, the Department of Human Services) for hospital
12 inpatient services rendered on or after July 1, 1995, the
13 Illinois Department shall reimburse children's hospitals,
14 as defined in 89 Illinois Administrative Code Section
15 149.50(c)(3), at the rates in effect on June 30, 1995,
16 and shall reimburse all other hospitals at the rates in
17 effect on June 30, 1995, less the portion of such rates
18 attributed by the Illinois Department to the cost of
19 medical education. For inpatient hospital services
20 provided on or after August 1, 1998, the Illinois
21 Department may establish by rule a means of adjusting the
22 rates of children's hospitals, as defined in 89 Illinois
23 Administrative Code Section 149.50(c)(3), that did not
24 meet that definition on June 30, 1995, in order for the
25 inpatient hospital rates of such hospitals to take into
26 account the average inpatient hospital rates of those
27 children's hospitals that did meet the definition of
28 children's hospitals on June 30, 1995.

29 (3) (Blank)

30 (4) Notwithstanding any other provision of this
31 Section, hospitals that on August 31, 1991, have a
32 contract with the Illinois Department under Section 3-4
33 of the Illinois Health Finance Reform Act may elect to
34 continue to be reimbursed at rates stated in such

1 contracts for general and specialty care.

2 (5) In addition to any payments made under this
3 subsection (a), the Illinois Department shall make the
4 adjustment payments required by Section 5-5.02 of this
5 Code; provided, that in the case of any hospital
6 reimbursed under a per case methodology, the Illinois
7 Department shall add an amount equal to the product of
8 the hospital's average length of stay, less one day,
9 multiplied by 20, for inpatient hospital services
10 rendered on or after September 1, 1991 and on or before
11 September 30, 1992.

12 (b) (Blank)

13 (b-5) Excepting county providers as defined in Article
14 XV of this Code, hospitals licensed under the University of
15 Illinois Hospital Act, and facilities operated by the
16 Illinois Department of Mental Health and Developmental
17 Disabilities (or its successor, the Department of Human
18 Services), for outpatient services rendered on or after July
19 1, 1995 and before July 1, 1998 the Illinois Department shall
20 reimburse children's hospitals, as defined in the Illinois
21 Administrative Code Section 149.50(c)(3), at the rates in
22 effect on June 30, 1995, less that portion of such rates
23 attributed by the Illinois Department to the outpatient
24 indigent volume adjustment and shall reimburse all other
25 hospitals at the rates in effect on June 30, 1995, less the
26 portions of such rates attributed by the Illinois Department
27 to the cost of medical education and attributed by the
28 Illinois Department to the outpatient indigent volume
29 adjustment. For outpatient services provided on or after
30 July 1, 1998, reimbursement rates shall be established by
31 rule.

32 (c) In addition to any other payments under this Code,
33 the Illinois Department shall develop a hospital
34 disproportionate share reimbursement methodology that,

1 effective July 1, 1991, through September 30, 1992, shall
2 reimburse hospitals sufficiently to expend the fee monies
3 described in subsection (b) of Section 14-3 of this Code and
4 the federal matching funds received by the Illinois
5 Department as a result of expenditures made by the Illinois
6 Department as required by this subsection (c) and Section
7 14-2 that are attributable to fee monies deposited in the
8 Fund, less amounts applied to adjustment payments under
9 Section 5-5.02.

10 (d) Critical Care Access Payments.

11 (1) In addition to any other payments made under
12 this Code, the Illinois Department shall develop a
13 reimbursement methodology that shall reimburse Critical
14 Care Access Hospitals for the specialized services that
15 qualify them as Critical Care Access Hospitals. No
16 adjustment payments shall be made under this subsection
17 on or after July 1, 1995.

18 (2) "Critical Care Access Hospitals" includes, but
19 is not limited to, hospitals that meet at least one of
20 the following criteria:

21 (A) Hospitals located outside of a
22 metropolitan statistical area that are designated as
23 Level II Perinatal Centers and that provide a
24 disproportionate share of perinatal services to
25 recipients; or

26 (B) Hospitals that are designated as Level I
27 Trauma Centers (adult or pediatric) and certain
28 Level II Trauma Centers as determined by the
29 Illinois Department; or

30 (C) Hospitals located outside of a
31 metropolitan statistical area and that provide a
32 disproportionate share of obstetrical services to
33 recipients.

34 (e) Inpatient high volume adjustment. For hospital

1 inpatient services, effective with rate periods beginning on
2 or after October 1, 1993, in addition to rates paid for
3 inpatient services by the Illinois Department, the Illinois
4 Department shall make adjustment payments for inpatient
5 services furnished by Medicaid high volume hospitals. The
6 Illinois Department shall establish by rule criteria for
7 qualifying as a Medicaid high volume hospital and shall
8 establish by rule a reimbursement methodology for calculating
9 these adjustment payments to Medicaid high volume hospitals.
10 No adjustment payment shall be made under this subsection for
11 services rendered on or after July 1, 1995.

12 (f) The Illinois Department shall modify its current
13 rules governing adjustment payments for targeted access,
14 critical care access, and uncompensated care to classify
15 those adjustment payments as not being payments to
16 disproportionate share hospitals under Title XIX of the
17 federal Social Security Act. Rules adopted under this
18 subsection shall not be effective with respect to services
19 rendered on or after July 1, 1995. The Illinois Department
20 has no obligation to adopt or implement any rules or make any
21 payments under this subsection for services rendered on or
22 after July 1, 1995.

23 (f-5) The State recognizes that adjustment payments to
24 hospitals providing certain services or incurring certain
25 costs may be necessary to assure that recipients of medical
26 assistance have adequate access to necessary medical
27 services. These adjustments include payments for teaching
28 costs and uncompensated care, trauma center payments,
29 rehabilitation hospital payments, perinatal center payments,
30 obstetrical care payments, targeted access payments, Medicaid
31 high volume payments, and outpatient indigent volume
32 payments. On or before April 1, 1995, the Illinois
33 Department shall issue recommendations regarding (i)
34 reimbursement mechanisms or adjustment payments to reflect

1 these costs and services, including methods by which the
 2 payments may be calculated and the method by which the
 3 payments may be financed, and (ii) reimbursement mechanisms
 4 or adjustment payments to reflect costs and services of
 5 federally qualified health centers with respect to recipients
 6 of medical assistance.

7 (g) If one or more hospitals file suit in any court
 8 challenging any part of this Article XIV, payments to
 9 hospitals under this Article XIV shall be made only to the
 10 extent that sufficient monies are available in the Fund and
 11 only to the extent that any monies in the Fund are not
 12 prohibited from disbursement under any order of the court.

13 (h) Payments under the disbursement methodology
 14 described in this Section are subject to approval by the
 15 federal government in an appropriate State plan amendment.

16 (i) The Illinois Department may by rule establish
 17 criteria for and develop methodologies for adjustment
 18 payments to hospitals participating under this Article.

19 (j) Hospital Residing Long Term Care Services. In
 20 addition to any other payments made under this Code, the
 21 Illinois Department may by rule establish criteria and
 22 develop methodologies for payments to hospitals for Hospital
 23 Residing Long Term Care Services.

24 (k) Nothing in this Section shall preclude the
 25 Department of Public Aid from recognizing in its inpatient
 26 reimbursement methodology, by rule, the direct cost of new
 27 technologies that are expected to reduce the overall cost of
 28 inpatient services when the new technology has been
 29 recognized by Medicare for inpatient reimbursement.

30 (Source: P.A. 93-20, eff. 6-20-03.)

31 (305 ILCS 5/Art. V-D rep.)

32 (305 ILCS 5/14-2 rep.)

33 (305 ILCS 5/14-3 rep.)

1 (305 ILCS 5/14-4 rep.)

2 (305 ILCS 5/14-5 rep.)

3 (305 ILCS 5/14-6 rep.)

4 (305 ILCS 5/14-7 rep.)

5 (305 ILCS 5/14-9 rep.)

6 (305 ILCS 5/14-10 rep.)

7 Section 11. The Illinois Public Aid Code is amended by
8 repealing Article V-D and Sections 14-2, 14-3, 14-4, 14-5,
9 14-6, 14-7, 14-9, and 14-10.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law."