

1 AMENDMENT TO SENATE BILL 740

2 AMENDMENT NO. _____. Amend Senate Bill 740 by replacing
3 the title with the following:

4 "AN ACT concerning public assistance."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Public Aid Code is amended by
8 changing Section 5-5.02 as follows:

9 (305 ILCS 5/5-5.02) (from Ch. 23, par. 5-5.02)

10 Sec. 5-5.02. Hospital reimbursements.

11 (a) Reimbursement to Hospitals; July 1, 1992 through
12 September 30, 1992. Notwithstanding any other provisions of
13 this Code or the Illinois Department's Rules promulgated
14 under the Illinois Administrative Procedure Act,
15 reimbursement to hospitals for services provided during the
16 period July 1, 1992 through September 30, 1992, shall be as
17 follows:

18 (1) For inpatient hospital services rendered, or if
19 applicable, for inpatient hospital discharges occurring,
20 on or after July 1, 1992 and on or before September 30,

1 1992, the Illinois Department shall reimburse hospitals
2 for inpatient services under the reimbursement
3 methodologies in effect for each hospital, and at the
4 inpatient payment rate calculated for each hospital, as
5 of June 30, 1992. For purposes of this paragraph,
6 "reimbursement methodologies" means all reimbursement
7 methodologies that pertain to the provision of inpatient
8 hospital services, including, but not limited to, any
9 adjustments for disproportionate share, targeted access,
10 critical care access and uncompensated care, as defined
11 by the Illinois Department on June 30, 1992.

12 (2) For the purpose of calculating the inpatient
13 payment rate for each hospital eligible to receive
14 quarterly adjustment payments for targeted access and
15 critical care, as defined by the Illinois Department on
16 June 30, 1992, the adjustment payment for the period July
17 1, 1992 through September 30, 1992, shall be 25% of the
18 annual adjustment payments calculated for each eligible
19 hospital, as of June 30, 1992. The Illinois Department
20 shall determine by rule the adjustment payments for
21 targeted access and critical care beginning October 1,
22 1992.

23 (3) For the purpose of calculating the inpatient
24 payment rate for each hospital eligible to receive
25 quarterly adjustment payments for uncompensated care, as
26 defined by the Illinois Department on June 30, 1992, the
27 adjustment payment for the period August 1, 1992 through
28 September 30, 1992, shall be one-sixth of the total
29 uncompensated care adjustment payments calculated for
30 each eligible hospital for the uncompensated care rate
31 year, as defined by the Illinois Department, ending on
32 July 31, 1992. The Illinois Department shall determine
33 by rule the adjustment payments for uncompensated care
34 beginning October 1, 1992.

1 (b) Inpatient payments. For inpatient services provided
2 on or after October 1, 1993, in addition to rates paid for
3 hospital inpatient services pursuant to the Illinois Health
4 Finance Reform Act, as now or hereafter amended, or the
5 Illinois Department's prospective reimbursement methodology,
6 or any other methodology used by the Illinois Department for
7 inpatient services, the Illinois Department shall make
8 adjustment payments, in an amount calculated pursuant to the
9 methodology described in paragraph (c) of this Section, to
10 hospitals that the Illinois Department determines satisfy any
11 one of the following requirements:

12 (1) Hospitals that are described in Section 1923 of
13 the federal Social Security Act, as now or hereafter
14 amended; or

15 (2) Illinois hospitals that have a Medicaid
16 inpatient utilization rate which is at least one-half a
17 standard deviation above the mean Medicaid inpatient
18 utilization rate for all hospitals in Illinois receiving
19 Medicaid payments from the Illinois Department; or

20 (3) Illinois hospitals that on July 1, 1991 had a
21 Medicaid inpatient utilization rate, as defined in
22 paragraph (h) of this Section, that was at least the mean
23 Medicaid inpatient utilization rate for all hospitals in
24 Illinois receiving Medicaid payments from the Illinois
25 Department and which were located in a planning area with
26 one-third or fewer excess beds as determined by the
27 Illinois Health Facilities Planning Board, and that, as
28 of June 30, 1992, were located in a federally designated
29 Health Manpower Shortage Area; or

30 (4) Illinois hospitals that:

31 (A) have a Medicaid inpatient utilization rate
32 that is at least equal to the mean Medicaid
33 inpatient utilization rate for all hospitals in
34 Illinois receiving Medicaid payments from the

1 Department; and

2 (B) also have a Medicaid obstetrical inpatient
3 utilization rate that is at least one standard
4 deviation above the mean Medicaid obstetrical
5 inpatient utilization rate for all hospitals in
6 Illinois receiving Medicaid payments from the
7 Department for obstetrical services; or

8 (5) Any children's hospital, which means a hospital
9 devoted exclusively to caring for children. A hospital
10 which includes a facility devoted exclusively to caring
11 for children ~~that is separately licensed as a hospital by~~
12 ~~a municipality prior to September 30, 1998~~ shall be
13 considered a children's hospital to the degree that the
14 hospital's Medicaid care is provided to children if
15 either (i) the facility devoted exclusively to caring for
16 children is separately licensed as a hospital by a
17 municipality prior to September 30, 1998 or (ii) the
18 hospital has been designated by the State as a Level III
19 perinatal care facility, has a Medicaid Inpatient
20 Utilization rate greater than 55% for the rate year 2003
21 disproportionate share determination, and has more than
22 10,000 qualified children days as defined by the
23 Department in rulemaking.

24 (c) Inpatient adjustment payments. The adjustment
25 payments required by paragraph (b) shall be calculated based
26 upon the hospital's Medicaid inpatient utilization rate as
27 follows:

28 (1) hospitals with a Medicaid inpatient utilization
29 rate below the mean shall receive a per day adjustment
30 payment equal to \$25;

31 (2) hospitals with a Medicaid inpatient
32 utilization rate that is equal to or greater than the
33 mean Medicaid inpatient utilization rate but less than
34 one standard deviation above the mean Medicaid inpatient

1 utilization rate shall receive a per day adjustment
2 payment equal to the sum of \$25 plus \$1 for each one
3 percent that the hospital's Medicaid inpatient
4 utilization rate exceeds the mean Medicaid inpatient
5 utilization rate;

6 (3) hospitals with a Medicaid inpatient
7 utilization rate that is equal to or greater than one
8 standard deviation above the mean Medicaid inpatient
9 utilization rate but less than 1.5 standard deviations
10 above the mean Medicaid inpatient utilization rate shall
11 receive a per day adjustment payment equal to the sum of
12 \$40 plus \$7 for each one percent that the hospital's
13 Medicaid inpatient utilization rate exceeds one standard
14 deviation above the mean Medicaid inpatient utilization
15 rate; and

16 (4) hospitals with a Medicaid inpatient
17 utilization rate that is equal to or greater than 1.5
18 standard deviations above the mean Medicaid inpatient
19 utilization rate shall receive a per day adjustment
20 payment equal to the sum of \$90 plus \$2 for each one
21 percent that the hospital's Medicaid inpatient
22 utilization rate exceeds 1.5 standard deviations above
23 the mean Medicaid inpatient utilization rate.

24 (d) Supplemental adjustment payments. In addition to
25 the adjustment payments described in paragraph (c), hospitals
26 as defined in clauses (1) through (5) of paragraph (b),
27 excluding county hospitals (as defined in subsection (c) of
28 Section 15-1 of this Code) and a hospital organized under the
29 University of Illinois Hospital Act, shall be paid
30 supplemental inpatient adjustment payments of \$60 per day.
31 For purposes of Title XIX of the federal Social Security Act,
32 these supplemental adjustment payments shall not be
33 classified as adjustment payments to disproportionate share
34 hospitals.

1 (e) The inpatient adjustment payments described in
2 paragraphs (c) and (d) shall be increased on October 1, 1993
3 and annually thereafter by a percentage equal to the lesser
4 of (i) the increase in the DRI hospital cost index for the
5 most recent 12 month period for which data are available, or
6 (ii) the percentage increase in the statewide average
7 hospital payment rate over the previous year's statewide
8 average hospital payment rate. The sum of the inpatient
9 adjustment payments under paragraphs (c) and (d) to a
10 hospital, other than a county hospital (as defined in
11 subsection (c) of Section 15-1 of this Code) or a hospital
12 organized under the University of Illinois Hospital Act,
13 however, shall not exceed \$275 per day; that limit shall be
14 increased on October 1, 1993 and annually thereafter by a
15 percentage equal to the lesser of (i) the increase in the DRI
16 hospital cost index for the most recent 12-month period for
17 which data are available or (ii) the percentage increase in
18 the statewide average hospital payment rate over the previous
19 year's statewide average hospital payment rate.

20 (f) Children's hospital inpatient adjustment payments.
21 For children's hospitals, as defined in clause (5) of
22 paragraph (b), the adjustment payments required pursuant to
23 paragraphs (c) and (d) shall be multiplied by 2.0.

24 (g) County hospital inpatient adjustment payments. For
25 county hospitals, as defined in subsection (c) of Section
26 15-1 of this Code, there shall be an adjustment payment as
27 determined by rules issued by the Illinois Department.

28 (h) For the purposes of this Section the following
29 terms shall be defined as follows:

30 (1) "Medicaid inpatient utilization rate" means a
31 fraction, the numerator of which is the number of a
32 hospital's inpatient days provided in a given 12-month
33 period to patients who, for such days, were eligible for
34 Medicaid under Title XIX of the federal Social Security

1 Act, and the denominator of which is the total number of
2 the hospital's inpatient days in that same period.

3 (2) "Mean Medicaid inpatient utilization rate"
4 means the total number of Medicaid inpatient days
5 provided by all Illinois Medicaid-participating hospitals
6 divided by the total number of inpatient days provided by
7 those same hospitals.

8 (3) "Medicaid obstetrical inpatient utilization
9 rate" means the ratio of Medicaid obstetrical inpatient
10 days to total Medicaid inpatient days for all Illinois
11 hospitals receiving Medicaid payments from the Illinois
12 Department.

13 (i) Inpatient adjustment payment limit. In order to
14 meet the limits of Public Law 102-234 and Public Law 103-66,
15 the Illinois Department shall by rule adjust disproportionate
16 share adjustment payments.

17 (j) University of Illinois Hospital inpatient adjustment
18 payments. For hospitals organized under the University of
19 Illinois Hospital Act, there shall be an adjustment payment
20 as determined by rules adopted by the Illinois Department.

21 (k) The Illinois Department may by rule establish
22 criteria for and develop methodologies for adjustment
23 payments to hospitals participating under this Article.

24 (Source: P.A. 90-588, eff. 7-1-98; 91-533, eff. 8-13-99.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law."