



Sen. Jeffrey M. Schoenberg

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1 AMENDMENT TO HOUSE BILL 2934

2 AMENDMENT NO. _____. Amend House Bill 2934 as follows:

3 on page 3, immediately below line 13, by inserting the
4 following:

5 "Section 20. The Illinois Public Aid Code is amended by
6 changing Sections 5A-4 and 5A-12.2 as follows:

7 (305 ILCS 5/5A-4) (from Ch. 23, par. 5A-4)

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

9 (a) The annual assessment imposed by Section 5A-2 for State
10 fiscal year 2004 shall be due and payable on June 18 of the
11 year. The assessment imposed by Section 5A-2 for State fiscal
12 year 2005 shall be due and payable in quarterly installments,
13 each equalling one-fourth of the assessment for the year, on
14 July 19, October 19, January 18, and April 19 of the year. The
15 assessment imposed by Section 5A-2 for State fiscal years 2006

1 through 2008 shall be due and payable in quarterly
2 installments, each equaling one-fourth of the assessment for
3 the year, on the fourteenth State business day of September,
4 December, March, and May. Except as provided in subsection
5 (a-5) of this Section, the assessment imposed by Section 5A-2
6 for State fiscal year 2009 and each subsequent State fiscal
7 year, with the exception of State fiscal year 2012, shall be
8 due and payable in monthly installments, each equaling
9 one-twelfth of the assessment for the year, on the fourteenth
10 State business day of each month. No installment payment of an
11 assessment imposed by Section 5A-2 shall be due and payable,
12 however, until after: (i) the Department notifies the hospital
13 provider, in writing, that the payment methodologies to
14 hospitals required under Section 5A-12, Section 5A-12.1, or
15 Section 5A-12.2, whichever is applicable for that fiscal year,
16 have been approved by the Centers for Medicare and Medicaid
17 Services of the U.S. Department of Health and Human Services
18 and the waiver under 42 CFR 433.68 for the assessment imposed
19 by Section 5A-2, if necessary, has been granted by the Centers
20 for Medicare and Medicaid Services of the U.S. Department of
21 Health and Human Services; and (ii) the Comptroller has issued
22 the payments required under Section 5A-12, Section 5A-12.1, or
23 Section 5A-12.2, whichever is applicable for that fiscal year.
24 Upon notification to the Department of approval of the payment
25 methodologies required under Section 5A-12, Section 5A-12.1,
26 or Section 5A-12.2, whichever is applicable for that fiscal

1 year, and the waiver granted under 42 CFR 433.68, all
2 installments otherwise due under Section 5A-2 prior to the date
3 of notification shall be due and payable to the Department upon
4 written direction from the Department and issuance by the
5 Comptroller of the payments required under Section 5A-12.1 or
6 Section 5A-12.2, whichever is applicable for that fiscal year.

7 (a-5) The Illinois Department may, for the purpose of
8 maximizing federal revenue, accelerate the schedule upon which
9 assessment installments are due and payable by hospitals with a
10 payment ratio greater than or equal to one. Such acceleration
11 of due dates for payment of the assessment may be made only in
12 conjunction with a corresponding acceleration in access
13 payments identified in Section 5A-12.2 to the same hospitals.
14 For the purposes of this subsection (a-5), a hospital's payment
15 ratio is defined as the quotient obtained by dividing the total
16 payments for the State fiscal year, as authorized under Section
17 5A-12.2, by the total assessment for the State fiscal year
18 imposed under Section 5A-2.

19 (a-10) During State fiscal year 2012, the assessment
20 imposed by Section 5A-2 shall be due and payable by hospitals
21 with a payment ratio greater than or equal to one in 6 monthly
22 installments, each equaling one-sixth of the assessment for the
23 year, on the 14th State business day of each month from July
24 2011 to December 2011. For the purposes of this subsection
25 (a-10), a hospital's payment ratio is defined as the quotient
26 obtained by dividing the total payments for the State fiscal

1 year, as authorized under Section 5A-12.2, by the total
2 assessment for the State fiscal year imposed under Section
3 5A-2.

4 (b) The Illinois Department is authorized to establish
5 delayed payment schedules for hospital providers that are
6 unable to make installment payments when due under this Section
7 due to financial difficulties, as determined by the Illinois
8 Department.

9 (c) If a hospital provider fails to pay the full amount of
10 an installment when due (including any extensions granted under
11 subsection (b)), there shall, unless waived by the Illinois
12 Department for reasonable cause, be added to the assessment
13 imposed by Section 5A-2 a penalty assessment equal to the
14 lesser of (i) 5% of the amount of the installment not paid on
15 or before the due date plus 5% of the portion thereof remaining
16 unpaid on the last day of each 30-day period thereafter or (ii)
17 100% of the installment amount not paid on or before the due
18 date. For purposes of this subsection, payments will be
19 credited first to unpaid installment amounts (rather than to
20 penalty or interest), beginning with the most delinquent
21 installments.

22 (d) Any assessment amount that is due and payable to the
23 Illinois Department more frequently than once per calendar
24 quarter shall be remitted to the Illinois Department by the
25 hospital provider by means of electronic funds transfer. The
26 Illinois Department may provide for remittance by other means

1 if (i) the amount due is less than \$10,000 or (ii) electronic
2 funds transfer is unavailable for this purpose.

3 (Source: P.A. 95-331, eff. 8-21-07; 95-859, eff. 8-19-08;
4 96-821, eff. 11-20-09.)

5 (305 ILCS 5/5A-12.2)

6 (Section scheduled to be repealed on July 1, 2013)

7 Sec. 5A-12.2. Hospital access payments on or after July 1,
8 2008.

9 (a) To preserve and improve access to hospital services,
10 for hospital services rendered on or after July 1, 2008, the
11 Illinois Department shall, except for hospitals described in
12 subsection (b) of Section 5A-3, make payments to hospitals as
13 set forth in this Section. These payments shall be paid in 12
14 equal installments on or before the seventh State business day
15 of each month, except that no payment shall be due within 100
16 days after the later of the date of notification of federal
17 approval of the payment methodologies required under this
18 Section or any waiver required under 42 CFR 433.68, at which
19 time the sum of amounts required under this Section prior to
20 the date of notification is due and payable. Payments under
21 this Section are not due and payable, however, until (i) the
22 methodologies described in this Section are approved by the
23 federal government in an appropriate State Plan amendment and
24 (ii) the assessment imposed under this Article is determined to
25 be a permissible tax under Title XIX of the Social Security

1 Act.

2 (a-5) The Illinois Department may, when practicable,
3 accelerate the schedule upon which payments authorized under
4 this Section are made.

5 (a-10) During State fiscal year 2012 only, the payments set
6 forth in this Section shall be paid in 6 monthly installments,
7 each equaling one-sixth of the amount due for the year, on or
8 before the 7th State business day of each month from July 2011
9 to December 2011.

10 (b) Across-the-board inpatient adjustment.

11 (1) In addition to rates paid for inpatient hospital
12 services, the Department shall pay to each Illinois general
13 acute care hospital an amount equal to 40% of the total
14 base inpatient payments paid to the hospital for services
15 provided in State fiscal year 2005.

16 (2) In addition to rates paid for inpatient hospital
17 services, the Department shall pay to each freestanding
18 Illinois specialty care hospital as defined in 89 Ill. Adm.
19 Code 149.50(c)(1), (2), or (4) an amount equal to 60% of
20 the total base inpatient payments paid to the hospital for
21 services provided in State fiscal year 2005.

22 (3) In addition to rates paid for inpatient hospital
23 services, the Department shall pay to each freestanding
24 Illinois rehabilitation or psychiatric hospital an amount
25 equal to \$1,000 per Medicaid inpatient day multiplied by
26 the increase in the hospital's Medicaid inpatient

1 utilization ratio (determined using the positive
2 percentage change from the rate year 2005 Medicaid
3 inpatient utilization ratio to the rate year 2007 Medicaid
4 inpatient utilization ratio, as calculated by the
5 Department for the disproportionate share determination).

6 (4) In addition to rates paid for inpatient hospital
7 services, the Department shall pay to each Illinois
8 children's hospital an amount equal to 20% of the total
9 base inpatient payments paid to the hospital for services
10 provided in State fiscal year 2005 and an additional amount
11 equal to 20% of the base inpatient payments paid to the
12 hospital for psychiatric services provided in State fiscal
13 year 2005.

14 (5) In addition to rates paid for inpatient hospital
15 services, the Department shall pay to each Illinois
16 hospital eligible for a pediatric inpatient adjustment
17 payment under 89 Ill. Adm. Code 148.298, as in effect for
18 State fiscal year 2007, a supplemental pediatric inpatient
19 adjustment payment equal to:

20 (i) For freestanding children's hospitals as
21 defined in 89 Ill. Adm. Code 149.50(c)(3)(A), 2.5
22 multiplied by the hospital's pediatric inpatient
23 adjustment payment required under 89 Ill. Adm. Code
24 148.298, as in effect for State fiscal year 2008.

25 (ii) For hospitals other than freestanding
26 children's hospitals as defined in 89 Ill. Adm. Code

1 149.50(c)(3)(B), 1.0 multiplied by the hospital's
2 pediatric inpatient adjustment payment required under
3 89 Ill. Adm. Code 148.298, as in effect for State
4 fiscal year 2008.

5 (c) Outpatient adjustment.

6 (1) In addition to the rates paid for outpatient
7 hospital services, the Department shall pay each Illinois
8 hospital an amount equal to 2.2 multiplied by the
9 hospital's ambulatory procedure listing payments for
10 categories 1, 2, 3, and 4, as defined in 89 Ill. Adm. Code
11 148.140(b), for State fiscal year 2005.

12 (2) In addition to the rates paid for outpatient
13 hospital services, the Department shall pay each Illinois
14 freestanding psychiatric hospital an amount equal to 3.25
15 multiplied by the hospital's ambulatory procedure listing
16 payments for category 5b, as defined in 89 Ill. Adm. Code
17 148.140(b)(1)(E), for State fiscal year 2005.

18 (d) Medicaid high volume adjustment. In addition to rates
19 paid for inpatient hospital services, the Department shall pay
20 to each Illinois general acute care hospital that provided more
21 than 20,500 Medicaid inpatient days of care in State fiscal
22 year 2005 amounts as follows:

23 (1) For hospitals with a case mix index equal to or
24 greater than the 85th percentile of hospital case mix
25 indices, \$350 for each Medicaid inpatient day of care
26 provided during that period; and

1 (2) For hospitals with a case mix index less than the
2 85th percentile of hospital case mix indices, \$100 for each
3 Medicaid inpatient day of care provided during that period.

4 (e) Capital adjustment. In addition to rates paid for
5 inpatient hospital services, the Department shall pay an
6 additional payment to each Illinois general acute care hospital
7 that has a Medicaid inpatient utilization rate of at least 10%
8 (as calculated by the Department for the rate year 2007
9 disproportionate share determination) amounts as follows:

10 (1) For each Illinois general acute care hospital that
11 has a Medicaid inpatient utilization rate of at least 10%
12 and less than 36.94% and whose capital cost is less than
13 the 60th percentile of the capital costs of all Illinois
14 hospitals, the amount of such payment shall equal the
15 hospital's Medicaid inpatient days multiplied by the
16 difference between the capital costs at the 60th percentile
17 of the capital costs of all Illinois hospitals and the
18 hospital's capital costs.

19 (2) For each Illinois general acute care hospital that
20 has a Medicaid inpatient utilization rate of at least
21 36.94% and whose capital cost is less than the 75th
22 percentile of the capital costs of all Illinois hospitals,
23 the amount of such payment shall equal the hospital's
24 Medicaid inpatient days multiplied by the difference
25 between the capital costs at the 75th percentile of the
26 capital costs of all Illinois hospitals and the hospital's

1 capital costs.

2 (f) Obstetrical care adjustment.

3 (1) In addition to rates paid for inpatient hospital
4 services, the Department shall pay \$1,500 for each Medicaid
5 obstetrical day of care provided in State fiscal year 2005
6 by each Illinois rural hospital that had a Medicaid
7 obstetrical percentage (Medicaid obstetrical days divided
8 by Medicaid inpatient days) greater than 15% for State
9 fiscal year 2005.

10 (2) In addition to rates paid for inpatient hospital
11 services, the Department shall pay \$1,350 for each Medicaid
12 obstetrical day of care provided in State fiscal year 2005
13 by each Illinois general acute care hospital that was
14 designated a level III perinatal center as of December 31,
15 2006, and that had a case mix index equal to or greater
16 than the 45th percentile of the case mix indices for all
17 level III perinatal centers.

18 (3) In addition to rates paid for inpatient hospital
19 services, the Department shall pay \$900 for each Medicaid
20 obstetrical day of care provided in State fiscal year 2005
21 by each Illinois general acute care hospital that was
22 designated a level II or II+ perinatal center as of
23 December 31, 2006, and that had a case mix index equal to
24 or greater than the 35th percentile of the case mix indices
25 for all level II and II+ perinatal centers.

26 (g) Trauma adjustment.

1 (1) In addition to rates paid for inpatient hospital
2 services, the Department shall pay each Illinois general
3 acute care hospital designated as a trauma center as of
4 July 1, 2007, a payment equal to 3.75 multiplied by the
5 hospital's State fiscal year 2005 Medicaid capital
6 payments.

7 (2) In addition to rates paid for inpatient hospital
8 services, the Department shall pay \$400 for each Medicaid
9 acute inpatient day of care provided in State fiscal year
10 2005 by each Illinois general acute care hospital that was
11 designated a level II trauma center, as defined in 89 Ill.
12 Adm. Code 148.295(a)(3) and 148.295(a)(4), as of July 1,
13 2007.

14 (3) In addition to rates paid for inpatient hospital
15 services, the Department shall pay \$235 for each Illinois
16 Medicaid acute inpatient day of care provided in State
17 fiscal year 2005 by each level I pediatric trauma center
18 located outside of Illinois that had more than 8,000
19 Illinois Medicaid inpatient days in State fiscal year 2005.

20 (h) Supplemental tertiary care adjustment. In addition to
21 rates paid for inpatient services, the Department shall pay to
22 each Illinois hospital eligible for tertiary care adjustment
23 payments under 89 Ill. Adm. Code 148.296, as in effect for
24 State fiscal year 2007, a supplemental tertiary care adjustment
25 payment equal to the tertiary care adjustment payment required
26 under 89 Ill. Adm. Code 148.296, as in effect for State fiscal

1 year 2007.

2 (i) Crossover adjustment. In addition to rates paid for
3 inpatient services, the Department shall pay each Illinois
4 general acute care hospital that had a ratio of crossover days
5 to total inpatient days for medical assistance programs
6 administered by the Department (utilizing information from
7 2005 paid claims) greater than 50%, and a case mix index
8 greater than the 65th percentile of case mix indices for all
9 Illinois hospitals, a rate of \$1,125 for each Medicaid
10 inpatient day including crossover days.

11 (j) Magnet hospital adjustment. In addition to rates paid
12 for inpatient hospital services, the Department shall pay to
13 each Illinois general acute care hospital and each Illinois
14 freestanding children's hospital that, as of February 1, 2008,
15 was recognized as a Magnet hospital by the American Nurses
16 Credentialing Center and that had a case mix index greater than
17 the 75th percentile of case mix indices for all Illinois
18 hospitals amounts as follows:

19 (1) For hospitals located in a county whose eligibility
20 growth factor is greater than the mean, \$450 multiplied by
21 the eligibility growth factor for the county in which the
22 hospital is located for each Medicaid inpatient day of care
23 provided by the hospital during State fiscal year 2005.

24 (2) For hospitals located in a county whose eligibility
25 growth factor is less than or equal to the mean, \$225
26 multiplied by the eligibility growth factor for the county

1 in which the hospital is located for each Medicaid
2 inpatient day of care provided by the hospital during State
3 fiscal year 2005.

4 For purposes of this subsection, "eligibility growth
5 factor" means the percentage by which the number of Medicaid
6 recipients in the county increased from State fiscal year 1998
7 to State fiscal year 2005.

8 (k) For purposes of this Section, a hospital that is
9 enrolled to provide Medicaid services during State fiscal year
10 2005 shall have its utilization and associated reimbursements
11 annualized prior to the payment calculations being performed
12 under this Section.

13 (l) For purposes of this Section, the terms "Medicaid
14 days", "ambulatory procedure listing services", and
15 "ambulatory procedure listing payments" do not include any
16 days, charges, or services for which Medicare or a managed care
17 organization reimbursed on a capitated basis was liable for
18 payment, except where explicitly stated otherwise in this
19 Section.

20 (m) For purposes of this Section, in determining the
21 percentile ranking of an Illinois hospital's case mix index or
22 capital costs, hospitals described in subsection (b) of Section
23 5A-3 shall be excluded from the ranking.

24 (n) Definitions. Unless the context requires otherwise or
25 unless provided otherwise in this Section, the terms used in
26 this Section for qualifying criteria and payment calculations

1 shall have the same meanings as those terms have been given in
2 the Illinois Department's administrative rules as in effect on
3 March 1, 2008. Other terms shall be defined by the Illinois
4 Department by rule.

5 As used in this Section, unless the context requires
6 otherwise:

7 "Base inpatient payments" means, for a given hospital, the
8 sum of base payments for inpatient services made on a per diem
9 or per admission (DRG) basis, excluding those portions of per
10 admission payments that are classified as capital payments.
11 Disproportionate share hospital adjustment payments, Medicaid
12 Percentage Adjustments, Medicaid High Volume Adjustments, and
13 outlier payments, as defined by rule by the Department as of
14 January 1, 2008, are not base payments.

15 "Capital costs" means, for a given hospital, the total
16 capital costs determined using the most recent 2005 Medicare
17 cost report as contained in the Healthcare Cost Report
18 Information System file, for the quarter ending on December 31,
19 2006, divided by the total inpatient days from the same cost
20 report to calculate a capital cost per day. The resulting
21 capital cost per day is inflated to the midpoint of State
22 fiscal year 2009 utilizing the national hospital market price
23 proxies (DRI) hospital cost index. If a hospital's 2005
24 Medicare cost report is not contained in the Healthcare Cost
25 Report Information System, the Department may obtain the data
26 necessary to compute the hospital's capital costs from any

1 source available, including, but not limited to, records
2 maintained by the hospital provider, which may be inspected at
3 all times during business hours of the day by the Illinois
4 Department or its duly authorized agents and employees.

5 "Case mix index" means, for a given hospital, the sum of
6 the DRG relative weighting factors in effect on January 1,
7 2005, for all general acute care admissions for State fiscal
8 year 2005, excluding Medicare crossover admissions and
9 transplant admissions reimbursed under 89 Ill. Adm. Code
10 148.82, divided by the total number of general acute care
11 admissions for State fiscal year 2005, excluding Medicare
12 crossover admissions and transplant admissions reimbursed
13 under 89 Ill. Adm. Code 148.82.

14 "Medicaid inpatient day" means, for a given hospital, the
15 sum of days of inpatient hospital days provided to recipients
16 of medical assistance under Title XIX of the federal Social
17 Security Act, excluding days for individuals eligible for
18 Medicare under Title XVIII of that Act (Medicaid/Medicare
19 crossover days), as tabulated from the Department's paid claims
20 data for admissions occurring during State fiscal year 2005
21 that was adjudicated by the Department through March 23, 2007.

22 "Medicaid obstetrical day" means, for a given hospital, the
23 sum of days of inpatient hospital days grouped by the
24 Department to DRGs of 370 through 375 provided to recipients of
25 medical assistance under Title XIX of the federal Social
26 Security Act, excluding days for individuals eligible for

1 Medicare under Title XVIII of that Act (Medicaid/Medicare
2 crossover days), as tabulated from the Department's paid claims
3 data for admissions occurring during State fiscal year 2005
4 that was adjudicated by the Department through March 23, 2007.

5 "Outpatient ambulatory procedure listing payments" means,
6 for a given hospital, the sum of payments for ambulatory
7 procedure listing services, as described in 89 Ill. Adm. Code
8 148.140(b), provided to recipients of medical assistance under
9 Title XIX of the federal Social Security Act, excluding
10 payments for individuals eligible for Medicare under Title
11 XVIII of the Act (Medicaid/Medicare crossover days), as
12 tabulated from the Department's paid claims data for services
13 occurring in State fiscal year 2005 that were adjudicated by
14 the Department through March 23, 2007.

15 (o) The Department may adjust payments made under this
16 Section 12.2 to comply with federal law or regulations
17 regarding hospital-specific payment limitations on
18 government-owned or government-operated hospitals.

19 (p) Notwithstanding any of the other provisions of this
20 Section, the Department is authorized to adopt rules that
21 change the hospital access improvement payments specified in
22 this Section, but only to the extent necessary to conform to
23 any federally approved amendment to the Title XIX State plan.
24 Any such rules shall be adopted by the Department as authorized
25 by Section 5-50 of the Illinois Administrative Procedure Act.
26 Notwithstanding any other provision of law, any changes

1 implemented as a result of this subsection (p) shall be given
2 retroactive effect so that they shall be deemed to have taken
3 effect as of the effective date of this Section.

4 (q) For State fiscal years 2012 and 2013, the Department
5 may make recommendations to the General Assembly regarding the
6 use of more recent data for purposes of calculating the
7 assessment authorized under Section 5A-2 and the payments
8 authorized under this Section 5A-12.2.

9 (Source: P.A. 95-859, eff. 8-19-08; 96-821, eff. 11-20-09.)".