



Rep. Sara Feigenholtz

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1 AMENDMENT TO SENATE BILL 1802

2 AMENDMENT NO. _____. Amend Senate Bill 1802, AS AMENDED,
3 with reference to page and line numbers of House Amendment No.
4 4 as follows:

5 on page 15, line 14, after "5-4.1,", by inserting "5-5.02,";
6 and

7 on page 31, immediately below line 18, by inserting the
8 following:

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 under
14 the Illinois Administrative Procedure Act, reimbursement to
15 hospitals for services provided during the period July 1, 1992

1 through September 30, 1992, shall be as follows:

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

16 (2) For the purpose of calculating the inpatient
17 payment rate for each hospital eligible to receive
18 quarterly adjustment payments for targeted access and
19 critical care, as defined by the Illinois Department on
20 June 30, 1992, the adjustment payment for the period July
21 1, 1992 through September 30, 1992, shall be 25% of the
22 annual adjustment payments calculated for each eligible
23 hospital, as of June 30, 1992. The Illinois Department
24 shall determine by rule the adjustment payments for
25 targeted access and critical care beginning October 1,
26 1992.

1 (3) For the purpose of calculating the inpatient
2 payment rate for each hospital eligible to receive
3 quarterly adjustment payments for uncompensated care, as
4 defined by the Illinois Department on June 30, 1992, the
5 adjustment payment for the period August 1, 1992 through
6 September 30, 1992, shall be one-sixth of the total
7 uncompensated care adjustment payments calculated for each
8 eligible hospital for the uncompensated care rate year, as
9 defined by the Illinois Department, ending on July 31,
10 1992. The Illinois Department shall determine by rule the
11 adjustment payments for uncompensated care beginning
12 October 1, 1992.

13 (b) Inpatient payments. For inpatient services provided on
14 or after October 1, 1993, in addition to rates paid for
15 hospital inpatient services pursuant to the Illinois Health
16 Finance Reform Act, as now or hereafter amended, or the
17 Illinois Department's prospective reimbursement methodology,
18 or any other methodology used by the Illinois Department for
19 inpatient services, the Illinois Department shall make
20 adjustment payments, in an amount calculated pursuant to the
21 methodology described in paragraph (c) of this Section, to
22 hospitals that the Illinois Department determines satisfy any
23 one of the following requirements:

24 (1) Hospitals that are described in Section 1923 of the
25 federal Social Security Act, as now or hereafter amended,
26 provided, however, that for rate years beginning in fiscal

1 year 2012 the Department may by emergency rule modify the
2 qualifying criteria in this paragraph (1) provided that the
3 qualifying criteria in such a rule shall, at a minimum,
4 include (i) a hospital described in Section 1923 (b) (1) (A)
5 of the federal Social Security Act and (ii) a hospital
6 described in Section 1923 (b) (1) (B) of the federal Social
7 Security Act that qualified for the payments described in
8 subsection (c) of this Section for Rate Year 2011 and that
9 continues to meet the description in Section 1923 (b) (1) (B)
10 in the current determination year; or

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

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

26 (4) Illinois hospitals that:

1 (A) have a Medicaid inpatient utilization rate
2 that is at least equal to the mean Medicaid inpatient
3 utilization rate for all hospitals in Illinois
4 receiving Medicaid payments from the Department; and

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

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

25 (c) Inpatient adjustment payments. The adjustment payments
26 required by paragraph (b) shall be calculated based upon the

1 hospital's Medicaid inpatient utilization rate as follows:

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

5 (2) hospitals with a Medicaid inpatient utilization
6 rate that is equal to or greater than the mean Medicaid
7 inpatient utilization rate but less than one standard
8 deviation above the mean Medicaid inpatient utilization
9 rate shall receive a per day adjustment payment equal to
10 the sum of \$25 plus \$1 for each one percent that the
11 hospital's Medicaid inpatient utilization rate exceeds the
12 mean Medicaid inpatient utilization rate;

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

22 (4) hospitals with a Medicaid inpatient utilization
23 rate that is equal to or greater than 1.5 standard
24 deviations above the mean Medicaid inpatient utilization
25 rate shall receive a per day adjustment payment equal to
26 the sum of \$90 plus \$2 for each one percent that the

1 hospital's Medicaid inpatient utilization rate exceeds 1.5
2 standard deviations above the mean Medicaid inpatient
3 utilization rate.

4 (d) Supplemental adjustment payments. In addition to the
5 adjustment payments described in paragraph (c), hospitals as
6 defined in clauses (1) through (5) of paragraph (b), excluding
7 county hospitals (as defined in subsection (c) of Section 15-1
8 of this Code) and a hospital organized under the University of
9 Illinois Hospital Act, shall be paid supplemental inpatient
10 adjustment payments of \$60 per day. For purposes of Title XIX
11 of the federal Social Security Act, these supplemental
12 adjustment payments shall not be classified as adjustment
13 payments to disproportionate share hospitals.

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

1 thereafter by a percentage equal to the lesser of (i) the
2 increase in the DRI hospital cost index for the most recent
3 12-month period for which data are available or (ii) the
4 percentage increase in the statewide average hospital payment
5 rate over the previous year's statewide average hospital
6 payment rate.

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

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

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

17 (1) "Medicaid inpatient utilization rate" means a
18 fraction, the numerator of which is the number of a
19 hospital's inpatient days provided in a given 12-month
20 period to patients who, for such days, were eligible for
21 Medicaid under Title XIX of the federal Social Security
22 Act, and the denominator of which is the total number of
23 the hospital's inpatient days in that same period.

24 (2) "Mean Medicaid inpatient utilization rate" means
25 the total number of Medicaid inpatient days provided by all
26 Illinois Medicaid-participating hospitals divided by the

1 total number of inpatient days provided by those same
2 hospitals.

3 (3) "Medicaid obstetrical inpatient utilization rate"
4 means the ratio of Medicaid obstetrical inpatient days to
5 total Medicaid inpatient days for all Illinois hospitals
6 receiving Medicaid payments from the Illinois Department.

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

11 (j) University of Illinois Hospital inpatient adjustment
12 payments. For hospitals organized under the University of
13 Illinois Hospital Act, there shall be an adjustment payment as
14 determined by rules adopted by the Illinois Department.

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

18 (Source: P.A. 96-31, eff. 6-30-09.)".