

1 AN ACT in relation to public aid.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

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

6 (305 ILCS 5/5-5.02) (from Ch. 23, par. 5-5.02)

7 Sec. 5-5.02. Hospital reimbursements.

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

15 (1) For inpatient hospital services rendered, or if
16 applicable, for inpatient hospital discharges occurring,
17 on or after July 1, 1992 and on or before September 30,
18 1992, the Illinois Department shall reimburse hospitals
19 for inpatient services under the reimbursement
20 methodologies in effect for each hospital, and at the
21 inpatient payment rate calculated for each hospital, as
22 of June 30, 1992. For purposes of this paragraph,
23 "reimbursement methodologies" means all reimbursement
24 methodologies that pertain to the provision of inpatient
25 hospital services, including, but not limited to, any
26 adjustments for disproportionate share, targeted access,
27 critical care access and uncompensated care, as defined
28 by the Illinois Department on June 30, 1992.

29 (2) For the purpose of calculating the inpatient
30 payment rate for each hospital eligible to receive
31 quarterly adjustment payments for targeted access and

1 critical care, as defined by the Illinois Department on
2 June 30, 1992, the adjustment payment for the period July
3 1, 1992 through September 30, 1992, shall be 25% of the
4 annual adjustment payments calculated for each eligible
5 hospital, as of June 30, 1992. The Illinois Department
6 shall determine by rule the adjustment payments for
7 targeted access and critical care beginning October 1,
8 1992.

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

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

32 (1) Hospitals that are described in Section 1923 of
33 the federal Social Security Act, as now or hereafter
34 amended; or

1 (2) Illinois hospitals that have a Medicaid
2 inpatient utilization rate which is at least one-half a
3 standard deviation above the mean Medicaid inpatient
4 utilization rate for all hospitals in Illinois receiving
5 Medicaid payments from the Illinois Department; or

6 (3) Illinois hospitals that on July 1, 1991 had a
7 Medicaid inpatient utilization rate, as defined in
8 paragraph (h) of this Section, that was at least the mean
9 Medicaid inpatient utilization rate for all hospitals in
10 Illinois receiving Medicaid payments from the Illinois
11 Department and which were located in a planning area with
12 one-third or fewer excess beds as determined by the
13 Illinois Health Facilities Planning Board, and that, as
14 of June 30, 1992, were located in a federally designated
15 Health Manpower Shortage Area; or

16 (4) Illinois hospitals that:

17 (A) have a Medicaid inpatient utilization rate
18 that is at least equal to the mean Medicaid
19 inpatient utilization rate for all hospitals in
20 Illinois receiving Medicaid payments from the
21 Department; and

22 (B) also have a Medicaid obstetrical inpatient
23 utilization rate that is at least one standard
24 deviation above the mean Medicaid obstetrical
25 inpatient utilization rate for all hospitals in
26 Illinois receiving Medicaid payments from the
27 Department for obstetrical services; or

28 (5) Any children's hospital, which means a hospital
29 devoted exclusively to caring for children. A hospital
30 which includes a facility devoted exclusively to caring
31 for children that is separately licensed as a hospital by
32 a municipality prior to September 30, 1998 shall be
33 considered a children's hospital to the degree that the
34 hospital's Medicaid care is provided to children.

1 (c) Inpatient adjustment payments. The adjustment
2 payments required by paragraph (b) shall be calculated based
3 upon the hospital's Medicaid inpatient utilization rate as
4 follows:

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

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

17 (3) hospitals with a Medicaid inpatient
18 utilization rate that is equal to or greater than one
19 standard deviation above the mean Medicaid inpatient
20 utilization rate but less than 1.5 standard deviations
21 above the mean Medicaid inpatient utilization rate shall
22 receive a per day adjustment payment equal to the sum of
23 \$40 plus \$7 for each one percent that the hospital's
24 Medicaid inpatient utilization rate exceeds one standard
25 deviation above the mean Medicaid inpatient utilization
26 rate; and

27 (4) hospitals with a Medicaid inpatient
28 utilization rate that is equal to or greater than 1.5
29 standard deviations above the mean Medicaid inpatient
30 utilization rate shall receive a per day adjustment
31 payment equal to the sum of \$90 plus \$2 for each one
32 percent that the hospital's Medicaid inpatient
33 utilization rate exceeds 1.5 standard deviations above
34 the mean Medicaid inpatient utilization rate.

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

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

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

1 (g) County hospital inpatient adjustment payments. For
2 county hospitals, as defined in subsection (c) of Section
3 15-1 of this Code, there shall be an adjustment payment as
4 determined by rules issued by the Illinois Department.

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

7 (1) "Medicaid inpatient utilization rate" means a
8 fraction, the numerator of which is the number of a
9 hospital's inpatient days provided in a given 12-month
10 period to patients who, for such days, were eligible for
11 Medicaid under Title XIX of the federal Social Security
12 Act, and the denominator of which is the total number of
13 the hospital's inpatient days in that same period.

14 (2) "Mean Medicaid inpatient utilization rate"
15 means the total number of Medicaid inpatient days
16 provided by all Illinois Medicaid-participating hospitals
17 divided by the total number of inpatient days provided by
18 those same hospitals.

19 (3) "Medicaid obstetrical inpatient utilization
20 rate" means the ratio of Medicaid obstetrical inpatient
21 days to total Medicaid inpatient days for all Illinois
22 hospitals receiving Medicaid payments from the Illinois
23 Department.

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

28 (j) University of Illinois Hospital inpatient adjustment
29 payments. For hospitals organized under the University of
30 Illinois Hospital Act, there shall be an adjustment payment
31 as determined by rules adopted by the Illinois Department.

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

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