

THE FLINN REPORT

ILLINOIS GENERAL ASSEMBLY JOINT COMMITTEE ON ADMINISTRATIVE RULES

Elaine Spencer, Editor

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The Flinn Report is a weekly summary of regulatory actions of State agencies published in the *Illinois Register* and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules (JCAR). The Flinn Report honors founding JCAR member Representative Monroe Flinn, and is designed to inform and involve the public in changes taking place in agency administration.

Adopted Rules

▪ MEDICAID MCOs

The DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES adopted amendments to Medical Payment (89 IAC 140; proposed at 49 Ill Reg 8871) effective 11/26/25 at 49 Ill Reg 15705, replacing emergency amendments that were effective 7/1/25. This rulemaking implements Public Acts 103-593 and 104-9 by standardizing utilization review and transparency practices for Medicaid managed care organizations. These rules apply to all Medicaid MCO service authorization programs and their decisions to approve, wholly or partially deny, change the level of payment, or otherwise limit coverage for a health care service, whether made before, concurrent with, or after provision of that service. Hospitals and other healthcare providers enrolled in the Medicaid program are affected.

Coverage

Any health care services included in the Inpatient Only (IPO) list established by HFS as of 11/19/25 (changed since 1st Notice from the federal Centers for Medicare and Medicaid Services Medicare Inpatient Only (IPO) list, which CMMS now plans to phase out) must be approved at the level of care requested by the provider

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and reimbursed according to the applicable payment methodology. If the provider determines that, in a specific case, it is clinically appropriate to deliver the service in an outpatient setting and the provider bills for the service at the outpatient rate, the MCO must reimburse the provider at the appropriate outpatient rate. These requirements do not apply to rehabilitation hospitals, long-term acute care hospitals (LTACHs), or behavioral health or substance use disorder services provided by

psychiatric hospitals. A healthcare service in a hospital setting that has already been rendered, or is in the process of being rendered, shall not be subject to a second or subsequent medical necessity review when the MCO's service authorization program previously determined that the service was medically necessary. Coverage of approved and planned readmissions shall not be denied based on an MCO's coverage policies for unplanned readmissions. MCOs must also adhere to requirements contained in these rulemakings for peer-to-peer reviews, admissions to long-term acute care hospitals, and timelines for urgent service authorization requests. However, nothing in these rules supersedes or waives federal or State requirements regarding coverage of behavioral health or substance use disorder services.

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ADOPTED RULES: Rules adopted by agencies this week. **EMERGENCY RULES:** Temporary rules adopted for no more than 150 days.

PROPOSED RULEMAKINGS: Rules proposed by agencies this week, commencing a First Notice public comment period of at least 45 days.

PEREMPTORY RULES: Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.

▪ - Designates rules of special interest to small businesses, small municipalities and/or non-profit organizations. Agencies must consider comments from these groups and attempt to minimize regulatory burdens on them.

QUESTIONS/COMMENTS: Submit mail, e-mail or phone calls to the agency personnel listed below each summary.

RULE TEXT: First Notice proposed text, emergency rule and peremptory rule text is available at the Secretary of State website (<https://www.ilsos.gov/departments/index/register/home.html>) or at the Illinois General Assembly website (<http://www.ilga.gov>) under "Illinois Register". Second Notice text for proposed rulemakings (original version with any changes made by the agency during First Notice included) is available at the JCAR website.

Adopted Rules

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Transparency

Effective 9/2/25, all Medicaid MCOs must publish, or link to, on their public website home pages their Illinois-specific policies and procedures for prior authorization or other forms of utilization review for medical services. These policies must be plainly written and must not require an account, password or credentials to access. At a minimum these policies must list all health care services included in each service authorization program and must also: specify, for each service, in-network and out-of-network coverage; list any MCO-specific payment and clinical review guidelines that replace or supplement nationally recognized review criteria; list commonly used service authorization program terms and their definitions; specify the dates when each requirement became effective in Illinois and any requirements were revised, removed or terminated; and

the MCO's rationale for these revisions, removals or terminations. If an MCO plans to implement new requirements or change an existing requirement, it must update the website and notify providers at least 60 days prior to the effective date of the change. The website must also provide access to electronic service authorization request forms and outline the process by which a provider or an enrollee can appeal or request an external independent review of an adverse decision. Appeal forms shall be in a format prescribed by HFS. Since 1st Notice, in addition to the IPO list change noted above, HFS has clarified that the prohibition on subsequent medical necessity reviews applies specifically to services delivered in a hospital setting, and has removed provisions concerning its audits of MCO compliance and its annual report to the General Assembly, since these provisions do not directly affect the public.

Questions/requests for copies: Kathy Hunt Muse, HFS, 201 S. Grand Ave.

East, 3rd Floor, Springfield IL 62763-0002, 217-782-1233, HFS.Rules@illinois.gov

AUDITOR GENERAL

The OFFICE OF THE AUDITOR GENERAL adopted amendments to the Parts titled Code of Regulations (74 IAC 420; proposed at 49 Ill Reg 11209) and Code of Rules (74 IAC 440; proposed at 49 Ill Reg 11217), both effective 11/25/25 at 49 Ill Reg 15692 and 15700. The Part 420 amendment updates the incorporated version of the federal Government Auditing Standards from the 2018 to the 2024 edition. The Part 440 rulemaking updates the mailing address for the Fraud hotline in Section 440.910.

Questions/requests for copies of the 2 AudGen rulemakings: Margaret Livingston, Office of the Auditor General, 400 W. Monroe St., Suite 306, Springfield IL 62704, 217-782-6046, mlivingston@auditor.illinois.gov

Proposed Rulemaking

DHS REPEALER

The DEPARTMENT OF HUMAN SERVICES proposed repeal of the Part titled Autism Research Fund Scientific Review Committee (59 IAC 270; 49 Ill Reg 15684) due to the enactment of Public Act 104-270. This PA, effective 1/1/26, repeals provisions of the Department of Human Services Act

[20 ILCS 1305], State Finance Act [30 ILCS 105] and Illinois Income Tax Act [35 ILCS 5] that established an income tax checkoff fund for autism research grants and a Scientific Review Committee to evaluate grant applications. The PA dissolves the checkoff fund and transfers its remaining balance to the Autism Awareness Fund, a separate DHS grant

fund supported by purchases of Autism Awareness vehicle plates from the Secretary of State.

Questions/requests for copies/comments through 1/26/26: Tracie Drew, DHS, 100 S. Grand Ave. East, Harris Building, 3rd Floor, Springfield IL 62762, 217-785-9772, DHS.AdministrativeRules@illinois.gov

Second Notices

The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. The Department of Corrections rulemaking will be considered at the December 17, 2025 meeting in Chicago. All other rulemakings listed will be considered at the January meeting, at a time and location to be determined. Further comments concerning these rulemakings should be addressed to JCAR at jcar@ilga.gov.

DEPT OF CORRECTIONS

Rights and Privileges (20 IAC 525; 49 Ill Reg 12567) proposed 10/10/25

DEPT OF CENTRAL MGMT SERVICES

Internal Service Funds (74 IAC 1000; 49 Ill Reg 8289) proposed 6/20/25

Travel (80 IAC 2800; 49 Ill Reg 8293) proposed 6/20/25

IL COMMUNITY COLLEGE BOARD

Administration of the Illinois Public Community College Act (23 IAC 1501; 49 Ill Reg 7743) proposed 6/6/25

IL EDUCATIONAL LABOR RELATIONS BOARD

Collective Bargaining and Impasse Resolution (80 IAC 1130; 49 Ill Reg 12603) proposed 10/10/25

DEPT OF EMPLOYMENT SECURITY

Wages (56 IAC 2730; 49 Ill Reg 11988) proposed 9/26/25

DEPT OF FINANCIAL AND PROFESSIONAL REGULATION

The Structural Engineering Practice Act of 1989 (68 IAC 1480; 49 Ill Reg 10903) proposed 8/29/25

IL GAMING BOARD

Video Gaming (General) (11 IAC 1800; 49 Ill Reg 10965) proposed 9/5/25

Sports Wagering (11 IAC 1900; 49 Ill Reg 10978) proposed 9/5/25

Riverboat and Casino Gambling (86 IAC 3000; 49 Ill Reg 10988) proposed 9/5/25

DEPT OF HEALTHCARE AND FAMILY SERVICES

Reimbursement for Nursing Costs for Geriatric Facilities (89 IAC 147; 49 Ill Reg 2835) proposed 3/14/25

SECRETARY OF STATE

Certificates of Title, Registration of Vehicles (92 IAC 1010; 49 Ill Reg 12451) proposed 10/3/25

Next JCAR Meeting: Wednesday, Dec. 17, 11 a.m.

Room C-600, Bilandic Bldg., 160 N. LaSalle St., Chicago

Meeting will be live streamed on the JCAR website

Joint Committee on Administrative Rules

Senator Bill Cunningham, Co-Chair
Senator Cristina Castro
Senator Donald DeWitte
Senator Dale Fowler
Senator Napoleon Harris, III
Senator Sally Turner

Representative Ryan Spain, Co-Chair
Representative Eva-Dina Delgado
Representative Jackie Haas
Representative Steven Reick
Representative Curtis Tarver, II
Representative Dave Vella

Kim Schultz, Executive Director ■ Kevin Kulavic, Deputy Director
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