



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1391

Introduced 1/29/2025, by Sen. Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5e.1
305 ILCS 5/14-12.6 new

Amends the Illinois Public Aid Code. In a provision in the Medical Assistance Article concerning safety-net hospitals, provides that, subject to federal approval, reimbursement rates for inpatient hospital services in effect January 1, 2025 under the All Patient Refined-Diagnosis Related Groups system shall be increased by 10% for safety-net hospitals; and reimbursement rates for outpatient hospital services in effect January 1, 2025 under the Enhanced Ambulatory Procedure Grouping system shall be increased by 10% for safety-net hospitals. Requires the Department of Healthcare and Family Services to take all actions necessary to ensure the rate increases for safety-net hospitals are in effect for dates of service on and after January 1, 2026, including publishing all appropriate public notices, applying for federal approval of amendments to the Illinois Title XIX State Plan, and adopting administrative rules if necessary. In the Hospital Services Trust Fund Article, provides that, subject to federal approval, reimbursement rates for inpatient hospital services in effect January 1, 2025 under the All Patient Refined-Diagnosis Related Groups system shall be increased by 10%; and reimbursement rates for outpatient hospital services in effect January 1, 2025 under the Enhanced Ambulatory Procedure Grouping system shall be increased by 10%. Requires the Department of Healthcare and Family Services to take all actions necessary to ensure the rate increases are in effect for dates of service on and after January 1, 2026, including publishing all appropriate public notices, applying for federal approval of amendments to the Illinois Title XIX State Plan, and adopting administrative rules if necessary. Effective immediately.

LRB104 09551 KTG 19614 b

1 AN ACT concerning 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 adding Sections 5-5e.1 and 14-12.6 as follows:

6 (305 ILCS 5/5-5e.1)

7 Sec. 5-5e.1. Safety-Net Hospitals.

8 (a) A Safety-Net Hospital is an Illinois hospital that:

9 (1) is licensed by the Department of Public Health as
10 a general acute care or pediatric hospital; and

11 (2) is a disproportionate share hospital, as described
12 in Section 1923 of the federal Social Security Act, as
13 determined by the Department; and

14 (3) meets one of the following:

15 (A) has a MIUR of at least 40% and a charity
16 percent of at least 4%; or

17 (B) has a MIUR of at least 50%.

18 (b) Definitions. As used in this Section:

19 (1) "Charity percent" means the ratio of (i) the
20 hospital's charity charges for services provided to
21 individuals without health insurance or another source of
22 third party coverage to (ii) the Illinois total hospital
23 charges, each as reported on the hospital's OBRA form.

1 (2) "MIUR" means Medicaid Inpatient Utilization Rate
2 and is defined as a fraction, the numerator of which is the
3 number of a hospital's inpatient days provided in the
4 hospital's fiscal year ending 3 years prior to the rate
5 year, to patients who, for such days, were eligible for
6 Medicaid under Title XIX of the federal Social Security
7 Act, 42 USC 1396a et seq., excluding those persons
8 eligible for medical assistance pursuant to 42 U.S.C.
9 1396a(a)(10)(A)(i)(VIII) as set forth in paragraph 18 of
10 Section 5-2 of this Article, and the denominator of which
11 is the total number of the hospital's inpatient days in
12 that same period, excluding those persons eligible for
13 medical assistance pursuant to 42 U.S.C.
14 1396a(a)(10)(A)(i)(VIII) as set forth in paragraph 18 of
15 Section 5-2 of this Article.

16 (3) "OBRA form" means form HFS-3834, OBRA '93 data
17 collection form, for the rate year.

18 (4) "Rate year" means the 12-month period beginning on
19 October 1.

20 (c) Beginning July 1, 2012 and ending on December 31,
21 2026, a hospital that would have qualified for the rate year
22 beginning October 1, 2011 or October 1, 2012 shall be a
23 Safety-Net Hospital.

24 (c-5) Beginning July 1, 2020 and ending on December 31,
25 2026, a hospital that would have qualified for the rate year
26 beginning October 1, 2020 and was designated a federal rural

1 referral center under 42 CFR 412.96 as of October 1, 2020 shall
2 be a Safety-Net Hospital.

3 (d) No later than August 15 preceding the rate year, each
4 hospital shall submit the OBRA form to the Department. Prior
5 to October 1, the Department shall notify each hospital
6 whether it has qualified as a Safety-Net Hospital.

7 (e) The Department may promulgate rules in order to
8 implement this Section.

9 (f) Nothing in this Section shall be construed as limiting
10 the ability of the Department to include the Safety-Net
11 Hospitals in the hospital rate reform mandated by Section
12 14-11 of this Code and implemented under Section 14-12 of this
13 Code and by administrative rulemaking.

14 (g) Notwithstanding any other provision of this Code,
15 effective for dates of service on and after January 1, 2026,
16 subject to federal approval, reimbursement rates for
17 safety-net hospitals shall be revised as follows:

18 (1) For inpatient hospital services, reimbursement
19 rates in effect January 1, 2025 under the All Patient
20 Refined-Diagnosis Related Groups system shall be increased
21 by 10% for safety-net hospitals.

22 (2) For outpatient hospital services, reimbursement
23 rates in effect January 1, 2025 under the Enhanced
24 Ambulatory Procedure Grouping system shall be increased by
25 10% for safety-net hospitals.

26 The Department shall take all actions necessary to ensure

1 the rate increases for safety-net hospitals authorized by this
2 amendatory Act of the 104th General Assembly are in effect for
3 dates of service on and after January 1, 2026, including
4 publishing all appropriate public notices, applying for
5 federal approval of amendments to the Illinois Title XIX State
6 Plan, and adopting administrative rules if necessary.

7 (Source: P.A. 101-650, eff. 7-7-20; 101-669, eff. 4-2-21;
8 102-886, eff. 5-17-22.)

9 (305 ILCS 5/14-12.6 new)

10 Sec. 14-12.6. Hospital services; rate increases.

11 (a) Notwithstanding any other provision of this Code,
12 effective for dates of service on and after January 1, 2026,
13 subject to federal approval, hospital reimbursement rates
14 shall be revised as follows:

15 (1) For inpatient hospital services, reimbursement
16 rates in effect January 1, 2025 under the All Patient
17 Refined-Diagnosis Related Groups system shall be increased
18 by 10%.

19 (2) For outpatient hospital services, reimbursement
20 rates in effect January 1, 2025 under the Enhanced
21 Ambulatory Procedure Grouping system shall be increased by
22 10%.

23 (b) The Department shall take all actions necessary to
24 ensure the rate increases authorized in this amendatory Act of
25 the 104th General Assembly are in effect for dates of service

1 on and after January 1, 2026, including publishing all
2 appropriate public notices, applying for federal approval of
3 amendments to the Illinois Title XIX State Plan, and adopting
4 administrative rules if necessary.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.