**Section 1110.2540 Subacute Care Hospital Model – HFSRB Review**

a) HFSRB Evaluation. HFSRB shall evaluate each application for the subacute care hospital model category of service based upon compliance with the conditions set forth in subsections (b), (c) and (d) of this Section.

b) HFSRB Prioritization of Hospital Applications

1) All hospital applications for each planning area shall be rank ordered based on points awarded as follows:

A) Compliance with all applicable review criteria of Subpart C – 10 Points.

B) Compliance with all review criteria of Section 1110.2530 (Subacute Care Hospital Model − Review Criteria) – 10 Points.

C) Compliance with all applicable review criteria of 77 Ill. Adm. Code 1120 – 10 Points.

D) In rural areas an applicant shall be awarded 25 Points if documentation is provided that the subacute care hospital model will provide the necessary financial support for the facility to provide continued acute care services. The documentation shall consist of:

i) Factors within the facility or area will prevent the facility from complying with the minimum financial ratios established in 77 Ill. Adm. Code 1120 within the next two years; and

ii) Historical documentation that the facility has failed to comply with the minimum financial ratios in each of the last three calendar years; and

iii) Projected revenue from the:

• subacute hospital care model and the positive impact of that revenue on the financial position of the applicant facility. The applicant must explain how the revenue will impact the facility's financial position such that the facility will comply with the financial viability ratios of 77 Ill. Adm. Code 1120; or

• subacute hospital model will be sufficient to operate the subacute care hospital care model in compliance with the financial viability ratios of 77 Ill. Adm. Code 1120, or that the applicant facility has entered into a binding agreement with another institution that guarantees the financial viability of the subacute hospital care model in accordance with the ratios established in 77 Ill. Adm. Code 1120 for a period of at least five years, regardless of the financial ratios of the applicant facility.

E) Location in a medically underserved area (as defined by the Department of Health and Human Services (Section 332 of the Public Health Service Act) (42 USC 254E) as a health professional shortage area) – 3 Points.

F) A multi-institutional system arrangement exists for the referral of subacute patients where the applicant facility serves as the receiving facility for the system. A multi-institutional system consists of a network of licensed hospitals and long-term care facilities located within the planning area and within 60 minutes travel time of the applicant that are inter-related by contractual agreement that provides for an exclusive best effort arrangement concerning the transfer of patients between facilities. Best effort arrangement means that the referring facility will encourage and recommend to its medical staff that patients requiring subacute care will be transferred only to the applicant facility – 1 Point per each additional facility in the multi-institutional system, to a maximum of 10 Points.

G) The existence of Medicare and Medicaid certification at the applicant facility and historic volume at the applicant facility. The following point allocation will be applied:

i) In the last calendar or fiscal year Medicare/Medicaid patient days were between 10% and 25% of total facility patient days – 2 Points.

ii) In the last calendar or fiscal year Medicare/Medicaid patient days were between 26% and 50% of total facility patient days – 4 Points.

iii) In the last calendar or fiscal year Medicare/Medicaid patient days exceeded 50% of total facility patient days – 6 Points.

H) If, in each of the last five calendar years, the applicant facility documents a case mix consisting of: ventilator cases, head trauma cases, rehabilitation patients including spinal cord injuries, amputees and patients with orthopaedic problems requiring subacute care or patients with multiple complex diagnoses that included physiological monitoring on a continual basis, of such magnitude that if placed in the proposed subacute facility these patients would have constituted an annual occupancy exceeding 75% in each past year. If a multi-institutional system, as defined in subsection (b)(1)(F), has an exclusive best efforts agreement, then each of the cases listed in this subsection (b)(1)(H) from such signatory facilities may be counted in computing the 75% annual occupancy threshold – 5 Points.

I) The applicant institution has documented that, during the last calendar year, at least 25% of all patient days of the applicant facility were reimbursed through contractual relationships with preferred provider organizations or HMOs – 3 Points.

J) If the applicant institution, over the last five calendar year period, has been issued a notice of revocation of license from IDPH or has been decertified from the federal Title XVIII or XIX programs – Loss of 25 Points.

K) The applicant institution is accredited by the Joint Commission on Accreditation of Healthcare Organizations – 3 Points and 1 additional Point if accreditation is "with commendation".

L) Staff support for the subacute care hospital model:

i) Full time Medical Director exclusively for the model – 1 Point.

ii) Physical therapist, 2 full-time equivalents (FTEs) or more – 1 Point.

iii) Occupational therapist, 1 FTE or more – 1 Point.

iv) Speech therapist, 1 FTE or more – 1 Point.

M) In areas where competing applications have been filed, 3 Points will be allocated to the applicant with the lowest positive mean net margin over the last three fiscal years. Each applicant must submit copies of the audited financial reports of the applicant facility for the latest three fiscal years.

2) Required Point Totals – Hospital Applications

A hospital application for the development of a subacute care hospital model must obtain a minimum of 50 points for approval. The applicant within the planning area receiving the most points shall be granted the permit for the category of service if the minimum point total has been exceeded. In the case of tie scores, HFSRB shall base its decision on considerations relating to location, scope of service and access.

c) State Board Prioritization – Long-term Care Facilities

1) All long-term care applications for each planning area shall be rank ordered based on points awarded as follows:

A) Compliance with all applicable review criteria of Subpart C – 10 Points.

B) Compliance with all review criteria of Section 1110.2530 (Subacute Care Hospital Model − Review Criteria) – 10 Points.

C) Compliance with all applicable review criteria of 77 Ill. Adm. Code 1120 – 10 Points.

D) The applicant has had an Exceptional Care Contract with the Illinois Department of Healthcare and Family Services for at least two years in the past four years – 3 Points.

E) Location in a medically underserved area (as defined by the federal Department of Health and Human Services (section 332 of the Public Health Service Act (42 USC 254E)) as a health professional shortage area) – 3 Points.

F) The existence of Medicare and Medicaid certification at the applicant facility and historic volume at the facility. The following point allocation will be applied:

i) In the last calendar year or fiscal year Medicare/Medicaid patient days were between 10% and 25% of total facility patient days – 3 Points.

ii) In the last calendar or fiscal year Medicare/Medicaid patient days were between 26% and 50% of total facility patient days – 6 Points.

iii) In the last calendar or fiscal year Medicare/Medicaid patient days exceeded 50% of total facility patient days – 9 Points.

G) If in each of the last two calendar years the applicant institution documents a casemix consisting of: ventilator cases, head trauma cases, rehabilitation patients including stroke cases, spinal cord injury, amputees and patients with orthopaedic problems requiring subacute care or patients with multiple complex diagnoses that included physiological monitoring on a continual basis, of such magnitude that, if placed in the proposed subacute facility, these patients would have constituted an annual occupancy exceeding 50% in each past year. If a multi-institutional system, as defined in subsection (c)(1)(M), has an exclusive best efforts agreement, then each of the cases listed in this subsection (c)(1)(G) from such signatory facilities may be counted in computing the 50% annual occupancy threshold – 5 Points

H) The applicant has documented that, during the last calendar year, at least 20% of all patient days of the applicant facility were reimbursed through contractual relationships with preferred provider organizations or HMOs – 3 Points

I) If the applicant, over the last five year period, has been issued a notice of revocation of license from IDPH or decertified from the federal Title XVIII or XIX programs – Loss of 25 Points

J) Staff support for the subacute care hospital model:

i) Full time Medical Director exclusively for the model – 1 Point

ii) Physical therapist, 2 FTEs or more – 1 Point

iii) Occupational therapist, 1 FTE or more – 1 Point

iv) Speech therapist, 1 FTE or more – 1 Point

K) In areas where competing applications have been filed, 3 Points will be allocated to the application with the lowest positive mean net margin over the last three fiscal years. Each applicant must submit copies of the audited financial reports of the applicant facility for the latest three fiscal years.

L) The applicant institution is accredited by the Joint Commission – 3 Points and 1 additional Point if accreditation is "with commendation".

M) A multi-institutional system arrangement exists for the referral of subacute patients where the applicant facility serves as the receiving facility for the system. A multi-institutional system consists of a network of licensed hospitals and long-term care facilities located within the planning area and within 60 minutes travel time of the applicant that are inter-related by contractual agreement that provides for an exclusive best effort arrangement concerning the transfer of patients between facilities. Best effort arrangement means the referring facility will encourage and recommend to its medical staff that patients requiring subacute care will only be transferred to the applicant facility – 1 Point per each additional facility in the multi-institutional system to a maximum of 10 Points.

2) A long-term application for the development of a subacute care hospital model must obtain a minimum of 50 Points for approval. The applicant within the planning area receiving the most points shall be granted the permit for the category of service if the minimum point total has been exceeded. In the case of tie scores, HFSRB shall base its selection on considerations relating to location, scope of service and access.

d) HFSRB Prioritization of Previously Licensed Hospital Applications in Chicago

1) All applications for sites previously licensed as hospitals in Chicago shall be rank ordered based upon points awarded as follows:

A) Compliance with all applicable review criteria of Subpart C – 10 Points.

B) Compliance with all review criteria of Section 1110.2530 (Subacute Care Hospital Model − Review Criteria) – 10 Points.

C) Compliance with all applicable review criteria of 77 Ill. Adm. Code 1120 – 10 Points.

D) Documentation that the proposed number of beds will be utilized at an occupancy rate of 75% or more within two years after permit approval. Documentation shall consist of historical subacute caseload from one or more referral facilities where such caseload would in the future be transferred to the subacute model for care, anticipated caseload from physician referrals to the unit and demographic studies projecting the need for subacute service within the primary market of the proposed subacute hospital care model – 10 Points.

2) Required Point Totals – Previously Licensed Hospitals

The applicant within the planning area receiving the most points shall be granted the permit for the category of service. In the case of tie scores, HFSRB shall base its selection on considerations relating to location, scope of service and access.

(Source: Amended at 38 Ill. Reg. 8861, effective April 15, 2014)