

1 AN ACT concerning public assistance.

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; July 1, 1992 through  
9 September 30, 1992. Notwithstanding any other provisions of  
10 this Code or the Illinois Department's Rules promulgated  
11 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

1 quarterly adjustment payments for targeted access and  
2 critical care, as defined by the Illinois Department on  
3 June 30, 1992, the adjustment payment for the period July  
4 1, 1992 through September 30, 1992, shall be 25% of the  
5 annual adjustment payments calculated for each eligible  
6 hospital, as of June 30, 1992. The Illinois Department  
7 shall determine by rule the adjustment payments for  
8 targeted access and critical care beginning October 1,  
9 1992.

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

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

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

1 amended; or

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

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

17 (4) Illinois hospitals that:

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

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

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

1 hospital's Medicaid care is provided to children if  
 2 either (i) the facility devoted exclusively to caring for  
 3 children is separately licensed as a hospital by a  
 4 municipality prior to September 30, 1998 or (ii) the  
 5 hospital has been designated by the State as a Level III  
 6 perinatal care facility, has a Medicaid Inpatient  
 7 Utilization rate greater than 55% for the rate year 2003  
 8 disproportionate share determination, and has more than  
 9 10,000 qualified children days as defined by the  
 10 Department in rulemaking.

11 (c) Inpatient adjustment payments. The adjustment  
 12 payments required by paragraph (b) shall be calculated based  
 13 upon the hospital's Medicaid inpatient utilization rate as  
 14 follows:

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

18 (2) hospitals with a Medicaid inpatient  
 19 utilization rate that is equal to or greater than the  
 20 mean Medicaid inpatient utilization rate but less than  
 21 one standard deviation above the mean Medicaid inpatient  
 22 utilization rate shall receive a per day adjustment  
 23 payment equal to the sum of \$25 plus \$1 for each one  
 24 percent that the hospital's Medicaid inpatient  
 25 utilization rate exceeds the mean Medicaid inpatient  
 26 utilization rate;

27 (3) hospitals with a Medicaid inpatient  
 28 utilization rate that is equal to or greater than one  
 29 standard deviation above the mean Medicaid inpatient  
 30 utilization rate but less than 1.5 standard deviations  
 31 above the mean Medicaid inpatient utilization rate shall  
 32 receive a per day adjustment payment equal to the sum of  
 33 \$40 plus \$7 for each one percent that the hospital's  
 34 Medicaid inpatient utilization rate exceeds one standard

1 deviation above the mean Medicaid inpatient utilization  
2 rate; and

3 (4) hospitals with a Medicaid inpatient  
4 utilization rate that is equal to or greater than 1.5  
5 standard deviations above the mean Medicaid inpatient  
6 utilization rate shall receive a per day adjustment  
7 payment equal to the sum of \$90 plus \$2 for each one  
8 percent that the hospital's Medicaid inpatient  
9 utilization rate exceeds 1.5 standard deviations above  
10 the mean Medicaid inpatient utilization rate.

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

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

1 increased on October 1, 1993 and annually thereafter by a  
2 percentage equal to the lesser of (i) the increase in the DRI  
3 hospital cost index for the most recent 12-month period for  
4 which data are available or (ii) the percentage increase in  
5 the statewide average hospital payment rate over the previous  
6 year's statewide average hospital payment rate.

7 (f) Children's hospital inpatient adjustment payments.  
8 For children's hospitals, as defined in clause (5) of  
9 paragraph (b), the adjustment payments required pursuant to  
10 paragraphs (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  
13 15-1 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  
16 terms 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"  
25 means the total number of Medicaid inpatient days  
26 provided by all Illinois Medicaid-participating hospitals  
27 divided by the total number of inpatient days provided by  
28 those same hospitals.

29 (3) "Medicaid obstetrical inpatient utilization  
30 rate" means the ratio of Medicaid obstetrical inpatient  
31 days to total Medicaid inpatient days for all Illinois  
32 hospitals receiving Medicaid payments from the Illinois  
33 Department.

34 (i) Inpatient adjustment payment limit. In order to

1 meet the limits of Public Law 102-234 and Public Law 103-66,  
2 the Illinois Department shall by rule adjust disproportionate  
3 share adjustment payments.

4 (j) University of Illinois Hospital inpatient adjustment  
5 payments. For hospitals organized under the University of  
6 Illinois Hospital Act, there shall be an adjustment payment  
7 as determined by rules adopted by the Illinois Department.

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

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

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.