

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 Excellence in Academic Medicine Act is  
5 amended by changing Sections 25, 30, and 35 as follows:

6 (30 ILCS 775/25)

7 Sec. 25. Medical research and development challenge  
8 program.

9 (a) The State shall provide the following financial  
10 incentives to draw private and federal funding for biomedical  
11 research, technology and programmatic development:

12 (1) Each qualified Chicago Medicare Metropolitan  
13 Statistical Area academic medical center hospital shall  
14 receive a percentage of the amount available for  
15 distribution from the National Institutes of Health  
16 Account, equal to that hospital's percentage of the total  
17 contracts and grants from the National Institutes of Health  
18 awarded to qualified Chicago Medicare Metropolitan  
19 Statistical Area academic medical center hospitals and  
20 their affiliated medical schools during the preceding  
21 calendar year. These amounts shall be paid from the  
22 National Institutes of Health Account.

23 (2) Each qualified Chicago Medicare Metropolitan

1 Statistical Area academic medical center hospital shall  
2 receive a payment from the State equal to 25% of all funded  
3 grants (other than grants funded by the State of Illinois  
4 or the National Institutes of Health) for biomedical  
5 research, technology, or programmatic development received  
6 by that qualified Chicago Medicare Metropolitan  
7 Statistical Area academic medical center hospital during  
8 the preceding calendar year. These amounts shall be paid  
9 from the Philanthropic Medical Research Account.

10 (3) Each qualified Chicago Medicare Metropolitan  
11 Statistical Area academic medical center hospital that (i)  
12 contributes 40% of the funding for a biomedical research or  
13 technology project or a programmatic development project  
14 and (ii) obtains contributions from the private sector  
15 equal to 40% of the funding for the project shall receive  
16 from the State an amount equal to 20% of the funding for  
17 the project upon submission of documentation demonstrating  
18 those facts to the Comptroller; however, the State shall  
19 not be required to make the payment unless the contribution  
20 of the qualified Chicago Medicare Metropolitan Statistical  
21 Area academic medical center hospital exceeds \$100,000.  
22 The documentation must be submitted within 180 days of the  
23 beginning of the fiscal year. These amounts shall be paid  
24 from the Market Medical Research Account.

25 (b) No hospital under the Medical Research and Development  
26 Challenge Program shall receive more than 20% of the total

1 amount appropriated to the Medical Research and Development  
2 Fund.

3 The amounts received under the Medical Research and  
4 Development Challenge Program by the Southern Illinois  
5 University School of Medicine in Springfield and its affiliated  
6 primary teaching hospitals, considered as a single entity,  
7 shall not exceed an amount equal to one-sixth of the total  
8 amount available for distribution from the Medical Research and  
9 Development Fund, multiplied by a fraction, the numerator of  
10 which is the amount awarded the Southern Illinois University  
11 School of Medicine and its affiliated teaching hospitals in  
12 grants or contracts by the National Institutes of Health and  
13 the denominator of which is \$8,000,000.

14 (c) On or after the 180th day of the fiscal year the  
15 Comptroller may transfer unexpended funds in any account of the  
16 Medical Research and Development Fund to pay appropriate claims  
17 against another account.

18 (d) The amounts due each qualified Chicago Medicare  
19 Metropolitan Statistical Area academic medical center hospital  
20 under the Medical Research and Development Fund from the  
21 National Institutes of Health Account, the Philanthropic  
22 Medical Research Account, and the Market Medical Research  
23 Account shall be combined and one quarter of the amount payable  
24 to each qualified Chicago Medicare Metropolitan Statistical  
25 Area academic medical center hospital shall be paid on the  
26 fifteenth working day after July 1, October 1, January 1, and

1 March 1 or on a schedule determined by the Department of  
2 Healthcare and Family Services by rule that results in a more  
3 expeditious payment of the amounts due.

4 (e) The Southern Illinois University School of Medicine in  
5 Springfield and its affiliated primary teaching hospitals,  
6 considered as a single entity, shall be deemed to be a  
7 qualified Chicago Medicare Metropolitan Statistical Area  
8 academic medical center hospital for the purposes of this  
9 Section.

10 (f) In each State fiscal year, beginning in fiscal year  
11 2008, the full amount appropriated for the Medical research and  
12 development challenge program for that fiscal year shall be  
13 distributed as described in this Section.

14 (Source: P.A. 95-744, eff. 7-18-08.)

15 (30 ILCS 775/30)

16 Sec. 30. Post-Tertiary Clinical Services Program. The  
17 State shall provide incentives to develop and enhance  
18 post-tertiary clinical services. Qualified academic medical  
19 center hospitals as defined in Section 15 may receive funding  
20 under the Post-Tertiary Clinical Services Program for up to 3  
21 qualified programs as defined in Section 15 in any given year;  
22 however, qualified academic medical center hospitals may  
23 receive continued funding for previously funded qualified  
24 programs rather than receive funding for a new program so long  
25 as the number of qualified programs receiving funding does not

1 exceed 3. Each qualified academic medical center hospital as  
2 defined in Section 15 shall receive an equal percentage of the  
3 Post-Tertiary Clinical Services Fund to be used in the funding  
4 of qualified programs. In each State fiscal year, beginning in  
5 fiscal year 2008, the full amount appropriated for the  
6 Post-Tertiary Clinical Services Program for that fiscal year  
7 shall be distributed as described in this Section. One quarter  
8 of the amount payable to each qualified academic medical center  
9 hospital shall be paid on the fifteenth working day after July  
10 1, October 1, January 1, and March 1 or on a schedule  
11 determined by the Department of Healthcare and Family Services  
12 by rule that results in a more expeditious payment of the  
13 amounts due.

14 (Source: P.A. 95-744, eff. 7-18-08.)

15 (30 ILCS 775/35)

16 Sec. 35. Independent Academic Medical Center Program.  
17 There is created an Independent Academic Medical Center Program  
18 to provide incentives to develop and enhance the independent  
19 academic medical center hospital. In each State fiscal year,  
20 beginning in fiscal year 2002, the independent academic medical  
21 center hospital shall receive funding under the Program, equal  
22 to the full amount appropriated for that purpose for that  
23 fiscal year. In each fiscal year, one quarter of the amount  
24 payable to the independent academic medical center hospital  
25 shall be paid on the fifteenth working day after July 1,

1 October 1, January 1, and March 1 or on a schedule determined  
2 by the Department of Healthcare and Family Services by rule  
3 that results in a more expeditious payment of the amounts due.

4 (Source: P.A. 92-10, eff. 6-11-01.)

5 Section 10. The Illinois Public Aid Code is amended by  
6 changing Sections 5A-4, 5A-8, 5A-12.2, and 5A-14 and by adding  
7 Section 5A-12.3 as follows:

8 (305 ILCS 5/5A-4) (from Ch. 23, par. 5A-4)

9 Sec. 5A-4. Payment of assessment; penalty.

10 (a) The annual assessment imposed by Section 5A-2 for State  
11 fiscal year 2004 shall be due and payable on June 18 of the  
12 year. The assessment imposed by Section 5A-2 for State fiscal  
13 year 2005 shall be due and payable in quarterly installments,  
14 each equalling one-fourth of the assessment for the year, on  
15 July 19, October 19, January 18, and April 19 of the year. The  
16 assessment imposed by Section 5A-2 for State fiscal years 2006  
17 through 2008 shall be due and payable in quarterly  
18 installments, each equaling one-fourth of the assessment for  
19 the year, on the fourteenth State business day of September,  
20 December, March, and May. Except as provided in subsection  
21 (a-5) of this Section, the ~~The~~ assessment imposed by Section  
22 5A-2 for State fiscal year 2009 and each subsequent State  
23 fiscal year shall be due and payable in monthly installments,  
24 each equaling one-twelfth of the assessment for the year, on

1 the fourteenth State business day of each month. No installment  
2 payment of an assessment imposed by Section 5A-2 shall be due  
3 and payable, however, until after: (i) the Department notifies  
4 the hospital provider, in writing, that the payment  
5 methodologies to hospitals required under Section 5A-12,  
6 Section 5A-12.1, or Section 5A-12.2, whichever is applicable  
7 for that fiscal year, have been approved by the Centers for  
8 Medicare and Medicaid Services of the U.S. Department of Health  
9 and Human Services and the waiver under 42 CFR 433.68 for the  
10 assessment imposed by Section 5A-2, if necessary, has been  
11 granted by the Centers for Medicare and Medicaid Services of  
12 the U.S. Department of Health and Human Services; and (ii) the  
13 Comptroller has issued the payments required under Section  
14 5A-12, Section 5A-12.1, or Section 5A-12.2, whichever is  
15 applicable for that fiscal year. Upon notification to the  
16 Department of approval of the payment methodologies required  
17 under Section 5A-12, Section 5A-12.1, or Section 5A-12.2,  
18 whichever is applicable for that fiscal year, and the waiver  
19 granted under 42 CFR 433.68, all installments otherwise due  
20 under Section 5A-2 prior to the date of notification shall be  
21 due and payable to the Department upon written direction from  
22 the Department and issuance by the Comptroller of the payments  
23 required under Section 5A-12.1 or Section 5A-12.2, whichever is  
24 applicable for that fiscal year.

25 (a-5) The Illinois Department may, for the purpose of  
26 maximizing federal revenue, accelerate the schedule upon which

1 assessment installments are due and payable by hospitals with a  
2 payment ratio greater than or equal to one. Such acceleration  
3 of due dates for payment of the assessment may be made only in  
4 conjunction with a corresponding acceleration in access  
5 payments identified in Section 5A-12.2 to the same hospitals.  
6 For the purposes of this subsection (a-5), a hospital's payment  
7 ratio is defined as the quotient obtained by dividing the total  
8 payments for the State fiscal year, as authorized under Section  
9 5A-12.2, by the total assessment for the State fiscal year  
10 imposed under Section 5A-2.

11 (b) The Illinois Department is authorized to establish  
12 delayed payment schedules for hospital providers that are  
13 unable to make installment payments when due under this Section  
14 due to financial difficulties, as determined by the Illinois  
15 Department.

16 (c) If a hospital provider fails to pay the full amount of  
17 an installment when due (including any extensions granted under  
18 subsection (b)), there shall, unless waived by the Illinois  
19 Department for reasonable cause, be added to the assessment  
20 imposed by Section 5A-2 a penalty assessment equal to the  
21 lesser of (i) 5% of the amount of the installment not paid on  
22 or before the due date plus 5% of the portion thereof remaining  
23 unpaid on the last day of each 30-day period thereafter or (ii)  
24 100% of the installment amount not paid on or before the due  
25 date. For purposes of this subsection, payments will be  
26 credited first to unpaid installment amounts (rather than to



1 penalty or interest), beginning with the most delinquent  
2 installments.

3 (d) Any assessment amount that is due and payable to the  
4 Illinois Department more frequently than once per calendar  
5 quarter shall be remitted to the Illinois Department by the  
6 hospital provider by means of electronic funds transfer. The  
7 Illinois Department may provide for remittance by other means  
8 if (i) the amount due is less than \$10,000 or (ii) electronic  
9 funds transfer is unavailable for this purpose.

10 (Source: P.A. 94-242, eff. 7-18-05; 95-331, eff. 8-21-07;  
11 95-859, eff. 8-19-08.)

12 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

13 Sec. 5A-8. Hospital Provider Fund.

14 (a) There is created in the State Treasury the Hospital  
15 Provider Fund. Interest earned by the Fund shall be credited to  
16 the Fund. The Fund shall not be used to replace any moneys  
17 appropriated to the Medicaid program by the General Assembly.

18 (b) The Fund is created for the purpose of receiving moneys  
19 in accordance with Section 5A-6 and disbursing moneys only for  
20 the following purposes, notwithstanding any other provision of  
21 law:

22 (1) For making payments to hospitals as required under  
23 Articles V, V-A, VI, and XIV of this Code, under the  
24 Children's Health Insurance Program Act, ~~and~~ under the  
25 Covering ALL KIDS Health Insurance Act, and under the

1       Senior Citizens and Disabled Persons Property Tax Relief  
2       and Pharmaceutical Assistance Act.

3           (2) For the reimbursement of moneys collected by the  
4       Illinois Department from hospitals or hospital providers  
5       through error or mistake in performing the activities  
6       authorized under this Article and Article V of this Code.

7           (3) For payment of administrative expenses incurred by  
8       the Illinois Department or its agent in performing the  
9       activities authorized by this Article.

10          (4) For payments of any amounts which are reimbursable  
11       to the federal government for payments from this Fund which  
12       are required to be paid by State warrant.

13          (5) For making transfers, as those transfers are  
14       authorized in the proceedings authorizing debt under the  
15       Short Term Borrowing Act, but transfers made under this  
16       paragraph (5) shall not exceed the principal amount of debt  
17       issued in anticipation of the receipt by the State of  
18       moneys to be deposited into the Fund.

19          (6) For making transfers to any other fund in the State  
20       treasury, but transfers made under this paragraph (6) shall  
21       not exceed the amount transferred previously from that  
22       other fund into the Hospital Provider Fund.

23          (6.5) For making transfers to the Healthcare Provider  
24       Relief Fund, except that transfers made under this  
25       paragraph (6.5) shall not exceed \$60,000,000 in the  
26       aggregate.

1           (7) For State fiscal years 2004 and 2005 for making  
2 transfers to the Health and Human Services Medicaid Trust  
3 Fund, including 20% of the moneys received from hospital  
4 providers under Section 5A-4 and transferred into the  
5 Hospital Provider Fund under Section 5A-6. For State fiscal  
6 year 2006 for making transfers to the Health and Human  
7 Services Medicaid Trust Fund of up to \$130,000,000 per year  
8 of the moneys received from hospital providers under  
9 Section 5A-4 and transferred into the Hospital Provider  
10 Fund under Section 5A-6. Transfers under this paragraph  
11 shall be made within 7 days after the payments have been  
12 received pursuant to the schedule of payments provided in  
13 subsection (a) of Section 5A-4.

14           (7.5) For State fiscal year 2007 for making transfers  
15 of the moneys received from hospital providers under  
16 Section 5A-4 and transferred into the Hospital Provider  
17 Fund under Section 5A-6 to the designated funds not  
18 exceeding the following amounts in that State fiscal year:

19           Health and Human Services

20           Medicaid Trust Fund .....	\$20,000,000
21           Long-Term Care Provider Fund .....	\$30,000,000
22           General Revenue Fund .....	\$80,000,000.

23           Transfers under this paragraph shall be made within 7  
24 days after the payments have been received pursuant to the  
25 schedule of payments provided in subsection (a) of Section  
26 5A-4.

1           (7.8) For State fiscal year 2008, for making transfers  
 2 of the moneys received from hospital providers under  
 3 Section 5A-4 and transferred into the Hospital Provider  
 4 Fund under Section 5A-6 to the designated funds not  
 5 exceeding the following amounts in that State fiscal year:

6           Health and Human Services

7           Medicaid Trust Fund .....	\$40,000,000
8           Long-Term Care Provider Fund .....	\$60,000,000
9           General Revenue Fund .....	\$160,000,000.

10           Transfers under this paragraph shall be made within 7  
 11 days after the payments have been received pursuant to the  
 12 schedule of payments provided in subsection (a) of Section  
 13 5A-4.

14           (7.9) For State fiscal years 2009 through 2013, for  
 15 making transfers of the moneys received from hospital  
 16 providers under Section 5A-4 and transferred into the  
 17 Hospital Provider Fund under Section 5A-6 to the designated  
 18 funds not exceeding the following amounts in that State  
 19 fiscal year:

20           Health and Human Services

21           Medicaid Trust Fund .....	\$20,000,000
22           Long Term Care Provider Fund .....	\$30,000,000
23           General Revenue Fund .....	\$80,000,000.

24           Except as provided under this paragraph, transfers  
 25 under this paragraph shall be made within 7 business days  
 26 after the payments have been received pursuant to the

1 schedule of payments provided in subsection (a) of Section  
2 5A-4. For State fiscal year 2009, transfers to the General  
3 Revenue Fund under this paragraph shall be made on or  
4 before June 30, 2009, as sufficient funds become available  
5 in the Hospital Provider Fund to both make the transfers  
6 and continue hospital payments.

7 (8) For making refunds to hospital providers pursuant  
8 to Section 5A-10.

9 Disbursements from the Fund, other than transfers  
10 authorized under paragraphs (5) and (6) of this subsection,  
11 shall be by warrants drawn by the State Comptroller upon  
12 receipt of vouchers duly executed and certified by the Illinois  
13 Department.

14 (c) The Fund shall consist of the following:

15 (1) All moneys collected or received by the Illinois  
16 Department from the hospital provider assessment imposed  
17 by this Article.

18 (2) All federal matching funds received by the Illinois  
19 Department as a result of expenditures made by the Illinois  
20 Department that are attributable to moneys deposited in the  
21 Fund.

22 (3) Any interest or penalty levied in conjunction with  
23 the administration of this Article.

24 (4) Moneys transferred from another fund in the State  
25 treasury.

26 (5) All other moneys received for the Fund from any

1 other source, including interest earned thereon.

2 (d) (Blank).

3 (Source: P.A. 95-707, eff. 1-11-08; 95-859, eff. 8-19-08; 96-3,  
4 eff. 2-27-09; 96-45, eff. 7-15-09.)

5 (305 ILCS 5/5A-12.2)

6 (Section scheduled to be repealed on July 1, 2013)

7 Sec. 5A-12.2. Hospital access payments on or after July 1,  
8 2008.

9 (a) To preserve and improve access to hospital services,  
10 for hospital services rendered on or after July 1, 2008, the  
11 Illinois Department shall, except for hospitals described in  
12 subsection (b) of Section 5A-3, make payments to hospitals as  
13 set forth in this Section. These payments shall be paid in 12  
14 equal installments on or before the seventh State business day  
15 of each month, except that no payment shall be due within 100  
16 days after the later of the date of notification of federal  
17 approval of the payment methodologies required under this  
18 Section or any waiver required under 42 CFR 433.68, at which  
19 time the sum of amounts required under this Section prior to  
20 the date of notification is due and payable. Payments under  
21 this Section are not due and payable, however, until (i) the  
22 methodologies described in this Section are approved by the  
23 federal government in an appropriate State Plan amendment and  
24 (ii) the assessment imposed under this Article is determined to  
25 be a permissible tax under Title XIX of the Social Security

1 Act.

2 (a-5) The Illinois Department may, when practicable,  
3 accelerate the schedule upon which payments authorized under  
4 this Section are made.

5 (b) Across-the-board inpatient adjustment.

6 (1) In addition to rates paid for inpatient hospital  
7 services, the Department shall pay to each Illinois general  
8 acute care hospital an amount equal to 40% of the total  
9 base inpatient payments paid to the hospital for services  
10 provided in State fiscal year 2005.

11 (2) In addition to rates paid for inpatient hospital  
12 services, the Department shall pay to each freestanding  
13 Illinois specialty care hospital as defined in 89 Ill. Adm.  
14 Code 149.50(c)(1), (2), or (4) an amount equal to 60% of  
15 the total base inpatient payments paid to the hospital for  
16 services provided in State fiscal year 2005.

17 (3) In addition to rates paid for inpatient hospital  
18 services, the Department shall pay to each freestanding  
19 Illinois rehabilitation or psychiatric hospital an amount  
20 equal to \$1,000 per Medicaid inpatient day multiplied by  
21 the increase in the hospital's Medicaid inpatient  
22 utilization ratio (determined using the positive  
23 percentage change from the rate year 2005 Medicaid  
24 inpatient utilization ratio to the rate year 2007 Medicaid  
25 inpatient utilization ratio, as calculated by the  
26 Department for the disproportionate share determination).

1           (4) In addition to rates paid for inpatient hospital  
2 services, the Department shall pay to each Illinois  
3 children's hospital an amount equal to 20% of the total  
4 base inpatient payments paid to the hospital for services  
5 provided in State fiscal year 2005 and an additional amount  
6 equal to 20% of the base inpatient payments paid to the  
7 hospital for psychiatric services provided in State fiscal  
8 year 2005.

9           (5) In addition to rates paid for inpatient hospital  
10 services, the Department shall pay to each Illinois  
11 hospital eligible for a pediatric inpatient adjustment  
12 payment under 89 Ill. Adm. Code 148.298, as in effect for  
13 State fiscal year 2007, a supplemental pediatric inpatient  
14 adjustment payment equal to:

15           (i) For freestanding children's hospitals as  
16 defined in 89 Ill. Adm. Code 149.50(c)(3)(A), 2.5  
17 multiplied by the hospital's pediatric inpatient  
18 adjustment payment required under 89 Ill. Adm. Code  
19 148.298, as in effect for State fiscal year 2008.

20           (ii) For hospitals other than freestanding  
21 children's hospitals as defined in 89 Ill. Adm. Code  
22 149.50(c)(3)(B), 1.0 multiplied by the hospital's  
23 pediatric inpatient adjustment payment required under  
24 89 Ill. Adm. Code 148.298, as in effect for State  
25 fiscal year 2008.

26           (c) Outpatient adjustment.



1           (1) In addition to the rates paid for outpatient  
2 hospital services, the Department shall pay each Illinois  
3 hospital an amount equal to 2.2 multiplied by the  
4 hospital's ambulatory procedure listing payments for  
5 categories 1, 2, 3, and 4, as defined in 89 Ill. Adm. Code  
6 148.140(b), for State fiscal year 2005.

7           (2) In addition to the rates paid for outpatient  
8 hospital services, the Department shall pay each Illinois  
9 freestanding psychiatric hospital an amount equal to 3.25  
10 multiplied by the hospital's ambulatory procedure listing  
11 payments for category 5b, as defined in 89 Ill. Adm. Code  
12 148.140(b)(1)(E), for State fiscal year 2005.

13           (d) Medicaid high volume adjustment. In addition to rates  
14 paid for inpatient hospital services, the Department shall pay  
15 to each Illinois general acute care hospital that provided more  
16 than 20,500 Medicaid inpatient days of care in State fiscal  
17 year 2005 amounts as follows:

18           (1) For hospitals with a case mix index equal to or  
19 greater than the 85th percentile of hospital case mix  
20 indices, \$350 for each Medicaid inpatient day of care  
21 provided during that period; and

22           (2) For hospitals with a case mix index less than the  
23 85th percentile of hospital case mix indices, \$100 for each  
24 Medicaid inpatient day of care provided during that period.

25           (e) Capital adjustment. In addition to rates paid for  
26 inpatient hospital services, the Department shall pay an

1 additional payment to each Illinois general acute care hospital  
2 that has a Medicaid inpatient utilization rate of at least 10%  
3 (as calculated by the Department for the rate year 2007  
4 disproportionate share determination) amounts as follows:

5 (1) For each Illinois general acute care hospital that  
6 has a Medicaid inpatient utilization rate of at least 10%  
7 and less than 36.94% and whose capital cost is less than  
8 the 60th percentile of the capital costs of all Illinois  
9 hospitals, the amount of such payment shall equal the  
10 hospital's Medicaid inpatient days multiplied by the  
11 difference between the capital costs at the 60th percentile  
12 of the capital costs of all Illinois hospitals and the  
13 hospital's capital costs.

14 (2) For each Illinois general acute care hospital that  
15 has a Medicaid inpatient utilization rate of at least  
16 36.94% and whose capital cost is less than the 75th  
17 percentile of the capital costs of all Illinois hospitals,  
18 the amount of such payment shall equal the hospital's  
19 Medicaid inpatient days multiplied by the difference  
20 between the capital costs at the 75th percentile of the  
21 capital costs of all Illinois hospitals and the hospital's  
22 capital costs.

23 (f) Obstetrical care adjustment.

24 (1) In addition to rates paid for inpatient hospital  
25 services, the Department shall pay \$1,500 for each Medicaid  
26 obstetrical day of care provided in State fiscal year 2005

1 by each Illinois rural hospital that had a Medicaid  
2 obstetrical percentage (Medicaid obstetrical days divided  
3 by Medicaid inpatient days) greater than 15% for State  
4 fiscal year 2005.

5 (2) In addition to rates paid for inpatient hospital  
6 services, the Department shall pay \$1,350 for each Medicaid  
7 obstetrical day of care provided in State fiscal year 2005  
8 by each Illinois general acute care hospital that was  
9 designated a level III perinatal center as of December 31,  
10 2006, and that had a case mix index equal to or greater  
11 than the 45th percentile of the case mix indices for all  
12 level III perinatal centers.

13 (3) In addition to rates paid for inpatient hospital  
14 services, the Department shall pay \$900 for each Medicaid  
15 obstetrical day of care provided in State fiscal year 2005  
16 by each Illinois general acute care hospital that was  
17 designated a level II or II+ perinatal center as of  
18 December 31, 2006, and that had a case mix index equal to  
19 or greater than the 35th percentile of the case mix indices  
20 for all level II and II+ perinatal centers.

21 (g) Trauma adjustment.

22 (1) In addition to rates paid for inpatient hospital  
23 services, the Department shall pay each Illinois general  
24 acute care hospital designated as a trauma center as of  
25 July 1, 2007, a payment equal to 3.75 multiplied by the  
26 hospital's State fiscal year 2005 Medicaid capital

1 payments.

2 (2) In addition to rates paid for inpatient hospital  
3 services, the Department shall pay \$400 for each Medicaid  
4 acute inpatient day of care provided in State fiscal year  
5 2005 by each Illinois general acute care hospital that was  
6 designated a level II trauma center, as defined in 89 Ill.  
7 Adm. Code 148.295(a)(3) and 148.295(a)(4), as of July 1,  
8 2007.

9 (3) In addition to rates paid for inpatient hospital  
10 services, the Department shall pay \$235 for each Illinois  
11 Medicaid acute inpatient day of care provided in State  
12 fiscal year 2005 by each level I pediatric trauma center  
13 located outside of Illinois that had more than 8,000  
14 Illinois Medicaid inpatient days in State fiscal year 2005.

15 (h) Supplemental tertiary care adjustment. In addition to  
16 rates paid for inpatient services, the Department shall pay to  
17 each Illinois hospital eligible for tertiary care adjustment  
18 payments under 89 Ill. Adm. Code 148.296, as in effect for  
19 State fiscal year 2007, a supplemental tertiary care adjustment  
20 payment equal to the tertiary care adjustment payment required  
21 under 89 Ill. Adm. Code 148.296, as in effect for State fiscal  
22 year 2007.

23 (i) Crossover adjustment. In addition to rates paid for  
24 inpatient services, the Department shall pay each Illinois  
25 general acute care hospital that had a ratio of crossover days  
26 to total inpatient days for medical assistance programs

1 administered by the Department (utilizing information from  
2 2005 paid claims) greater than 50%, and a case mix index  
3 greater than the 65th percentile of case mix indices for all  
4 Illinois hospitals, a rate of \$1,125 for each Medicaid  
5 inpatient day including crossover days.

6 (j) Magnet hospital adjustment. In addition to rates paid  
7 for inpatient hospital services, the Department shall pay to  
8 each Illinois general acute care hospital and each Illinois  
9 freestanding children's hospital that, as of February 1, 2008,  
10 was recognized as a Magnet hospital by the American Nurses  
11 Credentialing Center and that had a case mix index greater than  
12 the 75th percentile of case mix indices for all Illinois  
13 hospitals amounts as follows:

14 (1) For hospitals located in a county whose eligibility  
15 growth factor is greater than the mean, \$450 multiplied by  
16 the eligibility growth factor for the county in which the  
17 hospital is located for each Medicaid inpatient day of care  
18 provided by the hospital during State fiscal year 2005.

19 (2) For hospitals located in a county whose eligibility  
20 growth factor is less than or equal to the mean, \$225  
21 multiplied by the eligibility growth factor for the county  
22 in which the hospital is located for each Medicaid  
23 inpatient day of care provided by the hospital during State  
24 fiscal year 2005.

25 For purposes of this subsection, "eligibility growth  
26 factor" means the percentage by which the number of Medicaid

1 recipients in the county increased from State fiscal year 1998  
2 to State fiscal year 2005.

3 (k) For purposes of this Section, a hospital that is  
4 enrolled to provide Medicaid services during State fiscal year  
5 2005 shall have its utilization and associated reimbursements  
6 annualized prior to the payment calculations being performed  
7 under this Section.

8 (l) For purposes of this Section, the terms "Medicaid  
9 days", "ambulatory procedure listing services", and  
10 "ambulatory procedure listing payments" do not include any  
11 days, charges, or services for which Medicare or a managed care  
12 organization reimbursed on a capitated basis was liable for  
13 payment, except where explicitly stated otherwise in this  
14 Section.

15 (m) For purposes of this Section, in determining the  
16 percentile ranking of an Illinois hospital's case mix index or  
17 capital costs, hospitals described in subsection (b) of Section  
18 5A-3 shall be excluded from the ranking.

19 (n) Definitions. Unless the context requires otherwise or  
20 unless provided otherwise in this Section, the terms used in  
21 this Section for qualifying criteria and payment calculations  
22 shall have the same meanings as those terms have been given in  
23 the Illinois Department's administrative rules as in effect on  
24 March 1, 2008. Other terms shall be defined by the Illinois  
25 Department by rule.

26 As used in this Section, unless the context requires

1 otherwise:

2 "Base inpatient payments" means, for a given hospital, the  
3 sum of base payments for inpatient services made on a per diem  
4 or per admission (DRG) basis, excluding those portions of per  
5 admission payments that are classified as capital payments.  
6 Disproportionate share hospital adjustment payments, Medicaid  
7 Percentage Adjustments, Medicaid High Volume Adjustments, and  
8 outlier payments, as defined by rule by the Department as of  
9 January 1, 2008, are not base payments.

10 "Capital costs" means, for a given hospital, the total  
11 capital costs determined using the most recent 2005 Medicare  
12 cost report as contained in the Healthcare Cost Report  
13 Information System file, for the quarter ending on December 31,  
14 2006, divided by the total inpatient days from the same cost  
15 report to calculate a capital cost per day. The resulting  
16 capital cost per day is inflated to the midpoint of State  
17 fiscal year 2009 utilizing the national hospital market price  
18 proxies (DRI) hospital cost index. If a hospital's 2005  
19 Medicare cost report is not contained in the Healthcare Cost  
20 Report Information System, the Department may obtain the data  
21 necessary to compute the hospital's capital costs from any  
22 source available, including, but not limited to, records  
23 maintained by the hospital provider, which may be inspected at  
24 all times during business hours of the day by the Illinois  
25 Department or its duly authorized agents and employees.

26 "Case mix index" means, for a given hospital, the sum of

1 the DRG relative weighting factors in effect on January 1,  
2 2005, for all general acute care admissions for State fiscal  
3 year 2005, excluding Medicare crossover admissions and  
4 transplant admissions reimbursed under 89 Ill. Adm. Code  
5 148.82, divided by the total number of general acute care  
6 admissions for State fiscal year 2005, excluding Medicare  
7 crossover admissions and transplant admissions reimbursed  
8 under 89 Ill. Adm. Code 148.82.

9 "Medicaid inpatient day" means, for a given hospital, the  
10 sum of days of inpatient hospital days provided to recipients  
11 of medical assistance under Title XIX of the federal Social  
12 Security Act, excluding days for individuals eligible for  
13 Medicare under Title XVIII of that Act (Medicaid/Medicare  
14 crossover days), as tabulated from the Department's paid claims  
15 data for admissions occurring during State fiscal year 2005  
16 that was adjudicated by the Department through March 23, 2007.

17 "Medicaid obstetrical day" means, for a given hospital, the  
18 sum of days of inpatient hospital days grouped by the  
19 Department to DRGs of 370 through 375 provided to recipients of  
20 medical assistance under Title XIX of the federal Social  
21 Security Act, excluding days for individuals eligible for  
22 Medicare under Title XVIII of that Act (Medicaid/Medicare  
23 crossover days), as tabulated from the Department's paid claims  
24 data for admissions occurring during State fiscal year 2005  
25 that was adjudicated by the Department through March 23, 2007.

26 "Outpatient ambulatory procedure listing payments" means,



1 for a given hospital, the sum of payments for ambulatory  
2 procedure listing services, as described in 89 Ill. Adm. Code  
3 148.140(b), provided to recipients of medical assistance under  
4 Title XIX of the federal Social Security Act, excluding  
5 payments for individuals eligible for Medicare under Title  
6 XVIII of the Act (Medicaid/Medicare crossover days), as  
7 tabulated from the Department's paid claims data for services  
8 occurring in State fiscal year 2005 that were adjudicated by  
9 the Department through March 23, 2007.

10 (o) The Department may adjust payments made under this  
11 Section 12.2 to comply with federal law or regulations  
12 regarding hospital-specific payment limitations on  
13 government-owned or government-operated hospitals.

14 (p) Notwithstanding any of the other provisions of this  
15 Section, the Department is authorized to adopt rules that  
16 change the hospital access improvement payments specified in  
17 this Section, but only to the extent necessary to conform to  
18 any federally approved amendment to the Title XIX State plan.  
19 Any such rules shall be adopted by the Department as authorized  
20 by Section 5-50 of the Illinois Administrative Procedure Act.  
21 Notwithstanding any other provision of law, any changes  
22 implemented as a result of this subsection (p) shall be given  
23 retroactive effect so that they shall be deemed to have taken  
24 effect as of the effective date of this Section.

25 (q) For State fiscal years 2012 and 2013, the Department  
26 may make recommendations to the General Assembly regarding the

1 use of more recent data for purposes of calculating the  
2 assessment authorized under Section 5A-2 and the payments  
3 authorized under this Section 5A-12.2.

4 (Source: P.A. 95-859, eff. 8-19-08.)

5 (305 ILCS 5/5A-12.3 new)

6 Sec. 5A-12.3. Hospital Medicaid Stimulus Payments.

7 (a) Supplemental payments. Subject to federal approval and  
8 as soon as practicable after the effective date of this  
9 amendatory Act of the 96th General Assembly, the Department  
10 shall make a one-time Medicaid supplemental payment to  
11 hospitals for inpatient and outpatient Medicaid services. This  
12 payment shall be the sum of the following payment  
13 methodologies:

14 (1) In addition to the rates paid for outpatient  
15 hospital services, the Department shall pay all rural  
16 hospitals a supplemental outpatient payment in an amount  
17 equal to the hospital's outpatient ambulatory procedure  
18 listing payments for Group 3 as defined in 89 Ill. Adm.  
19 Code 148.140(b)(1)(C), for State fiscal year 2005. For a  
20 hospital qualified as a critical access hospital, as  
21 designated by the Illinois Department of Public Health in  
22 accordance with 42 CFR 485, Subpart F (2001), the payment  
23 amount under this paragraph (1) shall be multiplied by 3.5.  
24 In order to qualify for payments under this Section a  
25 hospital must:

1           (A) Be a hospital that is licensed by the  
2           Department of Public Health under the Hospital  
3           Licensing Act, certified by that Department to  
4           participate in the Illinois Medicaid Program, and  
5           enrolled with the Department of Healthcare and Family  
6           Services to participate in the Illinois Medicaid  
7           Program;

8           (B) Provide services as required under 77 Ill. Adm.  
9           Code 250.710 in an emergency room subject to the  
10           requirements under either 77 Ill. Adm. Code  
11           250.2440(k) or 77 Ill. Adm. Code 250.2630(k); and

12           (C) Be a rural Illinois hospital, as defined at 89  
13           Ill. Adm. Code 148.25(g) (3).

14           (2) In addition to the rates paid for inpatient  
15           hospital services, the Department shall pay \$175 for each  
16           Medicaid obstetrical day of care by each Illinois general  
17           acute care hospital that was designated a level III  
18           perinatal center as of July 1, 2009 and provided more than  
19           2,000 Medicaid obstetrical days of service.

20           (3) In addition to the rates paid for inpatient  
21           hospital services, the Department shall pay \$22 for each  
22           Medicaid inpatient day to each hospital designated as a  
23           Level I Trauma Center. For the purpose of this Section, a  
24           Level I Trauma Center is a hospital designated by the  
25           Department of Public Health using the criteria under 77  
26           Ill. Adm. Code 515.2030 or 77 Ill. Adm. Code 515.2035 as of

1 July 1, 2009. For the purposes of this payment, hospitals  
2 located in the same city that alternate their Level I  
3 Trauma Center designation as defined in 89 Ill. Adm. Code  
4 148.295(a)(2) shall both be eligible to receive this  
5 payment.

6 (4) In addition to the rates paid for inpatient  
7 hospital services, the Department shall pay \$37 for each  
8 Medicaid inpatient day.

9 (5) In addition to the rates paid for inpatient  
10 hospital services, the Department shall pay an additional  
11 \$35 for each Medicaid inpatient day to each hospital  
12 qualifying for a payment in paragraph (4) of this  
13 subsection (a) that also qualifies for payments under 89  
14 Ill. Adm. Code 148.120 or 89 Ill. Adm. Code 148.122 for the  
15 rate period beginning October 1, 2009.

16 (b) Exclusions from payments under this Section.

17 (1) A hospital that is operated by a State agency, a  
18 State university, or a county with a population of  
19 3,000,000 or more is not eligible for any payment under  
20 this Section.

21 (2) A hospital as defined in 89 Ill. Adm. Code  
22 149.50(c)(4) is not eligible for any payment under  
23 paragraph (4) or (5) of subsection (a) of this Section.

24 (3) A hospital as defined in 89 Ill. Adm. Code  
25 149.50(c)(1) or 89 Ill. Adm. Code 149.50(c)(2) is not  
26 eligible for any payment under paragraph (5) of subsection

1 (a) of this Section.

2 (4) A hospital that ceases operations prior to federal  
3 approval of, and adoption of administrative rules  
4 necessary to effect, payments under this Section is not  
5 eligible for any payment under this Section.

6 (5) A hospital that has filed for bankruptcy or is  
7 operating under bankruptcy protection under any Chapter of  
8 Title 11 of the United States Code (Bankruptcy) is not  
9 eligible for any payment under this Section.

10 (c) Definitions. Unless the context requires otherwise or  
11 unless provided otherwise in this Section, the terms used in  
12 this Section for qualifying criteria and payment calculations  
13 shall have the same meanings as those terms have been given in  
14 the Department's administrative rules as in effect on March 1,  
15 2008. As used in this Section, unless the context requires  
16 otherwise:

17 (1) "Medicaid inpatient day" has the same meaning as  
18 defined in subsection (n) of Section 5A-12.2.

19 (2) "Hospital" means any facility located in Illinois  
20 that is required to submit cost reports as mandated under  
21 89 Ill. Adm. Code 148.210.

22 (3) "Medicaid obstetrical day" has the same meaning  
23 ascribed to it in subsection (n) of Section 5A-12.2.

24 (4) "Outpatient ambulatory procedure listing payments"  
25 means, for a given hospital, the sum of payments for  
26 ambulatory procedure listing services, as described in 89

1 Ill. Adm. Code 148.140(b)(1)(C), provided to recipients of  
2 medical assistance under Title XIX of the federal Social  
3 Security Act, excluding payments for individuals eligible  
4 for Medicare under Title XVIII of the Act  
5 (Medicaid/Medicare crossover days), as tabulated from the  
6 Department's paid claims data for services occurring in  
7 State fiscal year 2005 that were adjudicated by the  
8 Department through March 23, 2007.

9 (d) Funding sources. Payments under this Section shall be  
10 made from the Healthcare Provider Relief Fund.

11 (e) Adjustments. The Department may pay a portion of  
12 payments made under this Section in a subsequent State fiscal  
13 year to comply with federal law or regulations regarding  
14 hospital-specific payment limitations.

15 (305 ILCS 5/5A-14)

16 Sec. 5A-14. Repeal of assessments and disbursements.

17 (a) Section 5A-2 is repealed on July 1, 2013.

18 (b) Section 5A-12 is repealed on July 1, 2005.

19 (c) Section 5A-12.1 is repealed on July 1, 2008.

20 (d) Section 5A-12.2 is repealed on July 1, 2013.

21 (e) Section 5A-12.3 is repealed on July 1, 2011.

22 (Source: P.A. 94-242, eff. 7-18-05; 95-859, eff. 8-19-08.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.