98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3107

Introduced 2/7/2014, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5A-2 305 ILCS 5/5A-14 from Ch. 23, par. 5A-2

Amends the Hospital Provider Funding Article of the Illinois Public Aid Code. Extends the period of time certain hospital assessments are imposed through State fiscal year 2016. Effective immediately.

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FISCAL NOTE ACT MAY APPLY

A BILL FOR

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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 changing Sections 5A-2 and 5A-14 as follows:

6 (305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)

7 (Section scheduled to be repealed on January 1, 2015)

8 Sec. 5A-2. Assessment.

9 (a) Subject to Sections 5A-3 and 5A-10, for State fiscal 10 years 2009 through <u>2016</u> 2014, and from July 1, 2014 through 11 December 31, 2014, an annual assessment on inpatient services 12 is imposed on each hospital provider in an amount equal to 13 \$218.38 multiplied by the difference of the hospital's occupied 14 bed days less the hospital's Medicare bed days.

For State fiscal years 2009 through 2016 2014, and after a 15 16 hospital's occupied bed days and Medicare bed days shall be 17 determined using the most recent data available from each hospital's 2005 Medicare cost report as contained in the 18 19 Healthcare Cost Report Information System file, for the quarter ending on December 31, 2006, without regard to any subsequent 20 21 adjustments or changes to such data. If a hospital's 2005 22 Medicare cost report is not contained in the Healthcare Cost Report Information System, then the Illinois Department may 23

obtain the hospital provider's occupied bed days and Medicare bed days from any source available, including, but not limited to, records maintained by the hospital provider, which may be inspected at all times during business hours of the day by the Illinois Department or its duly authorized agents and employees.

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(b) (Blank).

(b-5) Subject to Sections 5A-3 and 5A-10, for the portion 8 9 of State fiscal year 2012, beginning June 10, 2012 through June 10 30, 2012, and for State fiscal years 2013 through 2016 2014, 11 and July 1, 2014 through December 31, 2014, an annual 12 assessment on outpatient services is imposed on each hospital 13 provider in an amount equal to .008766 multiplied by the hospital's outpatient gross revenue. For the period beginning 14 June 10, 2012 through June 30, 2012, the annual assessment on 15 outpatient services shall be prorated by multiplying the 16 17 assessment amount by a fraction, the numerator of which is 21 days and the denominator of which is 365 days. 18

For the portion of State fiscal year 2012, beginning June 19 10, 2012 through June 30, 2012, and State fiscal years 2013 20 through 2016 2014, and July 1, 2014 through December 31, 2014, 21 22 a hospital's outpatient gross revenue shall be determined using 23 the most recent data available from each hospital's 2009 Medicare cost report as contained in the Healthcare Cost Report 24 25 Information System file, for the quarter ending on June 30, 26 2011, without regard to any subsequent adjustments or changes

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to such data. If a hospital's 2009 Medicare cost report is not 1 2 contained in the Healthcare Cost Report Information System, Department may obtain the hospital provider's 3 the then outpatient gross revenue from any source available, including, 4 5 but not limited to, records maintained by the hospital provider, which may be inspected at all times during business 6 7 hours of the day by the Department or its duly authorized 8 agents and employees.

9 (c) (Blank).

10 (d) Notwithstanding any of the other provisions of this 11 Section, the Department is authorized to adopt rules to reduce 12 the rate of any annual assessment imposed under this Section, 13 as authorized by Section 5-46.2 of the Illinois Administrative 14 Procedure Act.

(e) Notwithstanding any other provision of this Section, 15 16 any plan providing for an assessment on a hospital provider as a permissible tax under Title XIX of the federal Social 17 Security Act and Medicaid-eligible payments to hospital 18 providers from the revenues derived from that assessment shall 19 20 be reviewed by the Illinois Department of Healthcare and Family 21 Services, as the Single State Medicaid Agency required by 22 federal law, to determine whether those assessments and 23 hospital provider payments meet federal Medicaid standards. If 24 the Department determines that the elements of the plan may 25 meet federal Medicaid standards and a related State Medicaid 26 Plan Amendment is prepared in a manner and form suitable for

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submission, that State Plan Amendment shall be submitted in a 1 2 timely manner for review by the Centers for Medicare and 3 Medicaid Services of the United States Department of Health and Human Services and subject to approval by the Centers for 4 5 Medicare and Medicaid Services of the United States Department 6 of Health and Human Services. No such plan shall become 7 effective without approval by the Illinois General Assembly by the enactment into law of related legislation. Notwithstanding 8 9 any other provision of this Section, the Department is 10 authorized to adopt rules to reduce the rate of any annual 11 assessment imposed under this Section. Any such rules may be 12 adopted by the Department under Section 5-50 of the Illinois 13 Administrative Procedure Act.

14 (Source: P.A. 97-688, eff. 6-14-12; 97-689, eff. 6-14-12; 15 98-104, eff. 7-22-13.)

16 (305 ILCS 5/5A-14)

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

18 (a) Section 5A-2 is repealed on <u>July 1, 2016</u> January 1,
 19 2015.

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

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

22 (d) Section 5A-12.2 and Section 5A-12.4 are repealed on

23 <u>July 1, 2016</u> January 1, 2015.

(e) Section 5A-12.3 is repealed on July 1, 2011.
(Source: P.A. 96-821, eff. 11-20-09; 96-1530, eff. 2-16-11;

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2 Section 99. Effective date. This Act takes effect upon
3 becoming law.

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