**Section 148.110 Reimbursement Methodologies for Inpatient Psychiatric Services**

Effective for dates of discharge on or after July 1, 2014:

a) Inpatient psychiatric services not excluded from the DRG PPS pursuant to 89 Ill. Adm. Code 149.50(b) shall be reimbursed through the DRG PPS.

b) Inpatient psychiatric services excluded from the DRG PPS shall be reimbursed a hospital-specific rate paid per day of covered inpatient care, determined pursuant to subsection (c), (d) or (g), as applicable. The total payment for an inpatient stay will equal the sum of:

1) the payment determined in this Section; and

2) any applicable adjustments to the payment specified in Section 148.290.

c) Psychiatric Hospital. Payment for inpatient psychiatric services provided by a psychiatric hospital, as defined in Section 148.25(d)(1):

1) For psychiatric hospitals not enrolled with the Department on June 30, 2014, shall be the product of:

A) The lowest hospital psychiatric rate determined pursuant to subsection (e); and

B) The length of stay, as defined in 89 Ill. Adm. Code 149.100(i).

2) For psychiatric hospitals enrolled with the Department on June 30, 2014, shall be the product of:

A) The hospital's psychiatric rate, as determined in subsection (e).

B) The length of stay, as defined in 89 Ill. Adm. Code 149.100(i).

d) Distinct Part Psychiatric Unit. Payment for psychiatric services provided by a distinct part psychiatric unit, as defined in Section 148.25(c)(1):

1) For which the Department had no inpatient base period paid claims data, shall be the product of the following:

A) 80 percent of the arithmetic mean transition rate for psychiatric distinct part units; and

B) The length of stay, as defined in 89 Ill. Adm. Code 149.100(i).

2) For which the Department had inpatient base period paid claims data, shall be the product of the following:

A) The lesser of:

i) The greater of:

● The distinct part psychiatric unit rate, as determined in subsection (e); and

● 80 percent of the arithmetic mean psychiatric rate for psychiatric distinct part units.

ii) The arithmetic mean rate for psychiatric distinct part units plus the value of two standard deviations of the psychiatric rate for psychiatric distinct part units.

B) The length of stay, as defined in 89 Ill. Adm. Code 149.100(i).

3) For Safety Net Hospitals, as defined in 305 ILCS 5/5-5e.1(a), effective January 1, 2021, shall be the product of the following:

A) The greater of

i) the hospital’s inpatient psychiatric rate as of June 30, 2021, or

ii) $630.

B) The length of stay, as defined in 89 Ill. Adm. Code 149.100(i).

4) For general acute care hospitals that provide more than 9,500 inpatient psychiatric days in a calendar year, effective January 1, 2022, the per diem rate for psychiatric services is as follows:

A) The greater of

i) the hospital's per diem rate for psychiatric services as of December 31, 2021; or

ii) $630.

e) The psychiatric rate is calculated as the sum of:

1) The per diem rate for psychiatric services in effect on June 30, 2014.

2) The quotient, rounded to the nearest hundredth, of the psychiatric provider's allocated static payments divided by the psychiatric provider's inpatient covered days in the inpatient base period paid claims data.

f) Definitions

"Allocated static payments" means the adjustment payments made to the hospital pursuant to Sections 148.105, 148.115, 148.126, 148.295, 148.296 and 148.298 during the SFY 2011, excluding those payments that continue after July 1, 2014, pursuant to the methodologies outlined in rule as of February 21, 2014 (see http://www2.illinois.gov/hfs/PublicInvolvement/hospitalratereform/Pages/ Rules.aspx), as determined by the Department, allocated to psychiatric services based on the ratio of psychiatric claim charges to total inpatient claim charges determined using inpatient base period claims data.

"Inpatient base period paid claims data" means SFY 2011 inpatient Medicaid fee‑for-service paid claims data, excluding Medicare dual eligible claims, for psychiatric payment for services provided in SFY 2015 and 2016.

g) Psychiatric hospital adjustors for dates of service beginning July 1, 2014 through June 30, 2018. For Illinois freestanding psychiatric hospitals, defined in Section 148.25(d)(1), that were not children's hospitals as defined in Section 148.25(d)(3) in FY 2013 and whose Medicaid covered days were 90% or more for individuals under 20 years of age in FY 2013, the Department shall pay a per day add-on of $48.25.

(Source: Amended at 47 Ill. Reg. 16418, effective November 3, 2023)