**Section 240.1970 Enhanced Rate for Health Insurance Costs**

The Department may be appropriated funds to pay an enhanced rate under CCP to those in-home service provider agencies that offer health insurance coverage as a benefit to their direct service worker employees.

a) Definitions

For purposes of this Section:

"Direct service worker" means an employee who provides homecare aide services for an in-home service provider agency under CCP.

"Health insurance" means a Type 1 plan or a Type 2 plan.

1) Type 1 Plan

A Type 1 plan must comply with, be comparable to, or exceed required mandated benefits, coverages, and co-payment levels for individual and group insurance policies under the Illinois Insurance Code [215 ILCS 5] and 50 Ill. Adm. Code, Subchapter ww and individual and group contracts for health maintenance organizations under the Health Maintenance Organization Act [215 ILCS 125] and 50 Ill. Adm. Code 4521.

2) Type 2 Plan

A Type 2 plan is employer-paid health insurance as part of collective bargaining with unionized direct service workers through a Taft-Hartley Multi-employer Health and Welfare Plan that defines the eligibility requirements and coverage under section 302(c)(5) of the Labor Management Relations Act of 1947 (29 USC 141).

b) Initial Application

An interested in-home service provider agency must submit an initial application at least 120 days prior to the end of each State fiscal year. Applications will be accepted by the Department at its main office located in Springfield.

c) Eligibility

Eligibility requirements include:

1) Verification of a current contract as an in-home service provider agency with the Department under CCP.

2) A copy of a health insurance plan or a certificate of insurance, and the effective date of that document, to establish that:

A) the in-home service provider agency provides health insurance at its own expense to its direct service workers, which may include coverage for those employees' dependents; or

B) the in-home service provider agency will provide for health insurance as part of collective bargaining with unionized direct service workers, which may include coverage for those employees' dependents through a Taft-Hartley Multi-employer Health and Welfare Plan.

3) Specification of the total number of employees and the total number of direct service workers, together with a certification from a responsible party for the in-home service provider agency to the effect that:

A) under a Type 1 health insurance plan:

i) health insurance coverage is offered to all direct service workers who have worked at least an average of 20 hours per week for 3 consecutive months under the CCP; and

ii) at least 25% of the total number of direct service workers accept the offer of health insurance.

B) under a Type 2 health insurance plan:

i) health insurance coverage is offered to all of the direct service workers subject to the collective bargaining agreement who have worked at least an average of 20 hours per week for 3 consecutive months under the CCP; and

ii) at least 25% of the total number of direct service workers, or any higher percentage required under federal law, accept the offer of health insurance.

4) Submission of any other relevant information requested by the Department for administrative or audit purposes.

d) Impact on Financial Reporting

1) An in-home service provider agency shall not report the enhanced rate for health insurance costs paid by the Department under this Section as part of its revenue for purposes of the required financial reporting under Subpart T.

2) An in-home service provider agency shall not report health insurance for direct service workers as an incurred cost for purposes of the required financial reporting under Subpart T, except for an amount in excess of the enhanced rate paid by the Department during a reporting period.

e) Payment

1) If an in-home service provider agency is determined eligible for this enhanced rate, the Department will thereafter calculate the appropriate payment based on the number of units of in-home service accepted as billed per contract once the provider agency submits its VRFP under the CCP (see Section 240.1520) for reimbursement under this Section. Payments may be adjusted by the Department to properly account for services provided to participants. Payment is subject to the availability of appropriations during the State fiscal year.

2) An in-home service provider agency that makes a switch between a Type 1 and a Type 2 plan is not entitled to any retroactive payments for a period of time preceding the date on which benefits are actually available under the new plan.

3) No in-home service provider agency is entitled to a duplicate payment for the same period of time or for the same units of in-home service accepted as billed per contract.

4) By accepting any payment under the CCP, an in-home service provider agency agrees to repay the State of Illinois if:

A) the total revenue from the enhanced rate for health insurance costs exceeds the actual, documented expenses for its heath insurance costs for the reporting period; or

B) an error in eligibility of an in-home service provider agency or the amount of revenue from the enhanced rate for health insurance or the amount of the health insurance costs is subsequently determined by an in-home service provider agency or the Department.

5) In the case of a financial or operational hardship, the Department may deduct an overpayment from future VRFPs submitted by the in-home service provider agency instead of collecting a lump-sum amount.

f) Notification

It is the responsibility of an in-home service provider agency to notify the Department within 7 days after any change in its eligibility status, including, but not limited to, cancellation or termination of the health insurance plan or purchase of a new plan. An in-home service provider agency is only required to monitor participation by direct service workers in order to submit the initial application, the annual insurance review, and required financial reporting.

g) Annual Insurance Review

1) Once an in-home service provider agency is determined eligible by the Department and is paid an enhanced rate for health insurance costs, the provider agency shall thereafter substantiate its continued eligibility under subsection (c) by submitting appropriate supporting documentation at the same time as its annual financial report under Subpart T.

2) As part of the annual insurance review, an independent certified public accounting firm for the in-home service provider agency must verify the actual, documented expense for health insurance for the period listed as part of the required financial reporting under Subpart T.

3) The Department reserves the right to require an in-home service provider agency to engage an independent certified public accounting firm to verify the information and data submitted by the provider agency if the Department is in possession of evidence to suggest the information and data submitted is inaccurate, incomplete or fraudulent. This audit will be performed at the in-home service provider agency's expense.

4) The Department shall notify an in-home service provider agency in the event of a determination during the annual insurance review that:

A) the in-home service provider agency is no longer eligible for continued payment of the enhanced rate for health insurance costs;

B) the total revenue from the enhanced rate for health insurance costs exceeds the actual, documented expenses for health insurance costs for the reporting period;

C) there was an error in eligibility of an in-home service provider agency for the prior reporting period;

D) there was an error in the amount of revenue from the enhanced rate for health insurance costs; or

E) there was an error in the amount of the health insurance costs.

5) An in-home service provider agency may appeal from an adverse eligibility decision regarding continued payment of the enhanced rate for health insurance costs or a repayment decision in accordance with Section 240.1661. The Department will continue to pay the enhanced rate for health insurance costs until the appeal is resolved.

6) Supporting documentation may be subject to release under the Freedom of Information Act unless an applicable exemption for confidentiality, privacy, or other proprietary business purpose is marked on the face of any submission.

(Source: Amended at 42 Ill. Reg. 20653, effective January 1, 2019)