

1 AN ACT in relation to 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 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  
31 quarterly adjustment payments for targeted access and

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

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

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

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

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

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

16           (4) Illinois hospitals that:

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

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

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

1           (6) Any Illinois hospital located in a county with a  
2           population determined by the 1990 decennial census to be  
3           over 250,000 and under 300,000 that borders another state  
4           which is within 25 miles of at least 2 hospitals which  
5           receive disproportionate share payments under Title XIX  
6           of the Social Security Act and Article V of this Code.

7           (c) Inpatient adjustment payments. The adjustment  
8           payments required by paragraph (b) shall be calculated based  
9           upon the hospital's Medicaid inpatient utilization rate as  
10          follows:

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

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

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

33           (4) hospitals with a Medicaid inpatient  
34          utilization rate that is equal to or greater than 1.5

1 standard deviations above the mean Medicaid inpatient  
2 utilization rate shall receive a per day adjustment  
3 payment equal to the sum of \$90 plus \$2 for each one  
4 percent that the hospital's Medicaid inpatient  
5 utilization rate exceeds 1.5 standard deviations above  
6 the mean Medicaid inpatient utilization rate.

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

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

1 the statewide average hospital payment rate over the previous  
2 year's statewide average hospital payment rate.

3 (f) Children's hospital inpatient adjustment payments.  
4 For children's hospitals, as defined in clause (5) of  
5 paragraph (b), the adjustment payments required pursuant to  
6 paragraphs (c) and (d) shall be multiplied by 2.0.

7 (g) County hospital inpatient adjustment payments. For  
8 county hospitals, as defined in subsection (c) of Section  
9 15-1 of this Code, there shall be an adjustment payment as  
10 determined by rules issued by the Illinois Department.

11 (h) For the purposes of this Section the following  
12 terms shall be defined as follows:

13 (1) "Medicaid inpatient utilization rate" means a  
14 fraction, the numerator of which is the number of a  
15 hospital's inpatient days provided in a given 12-month  
16 period to patients who, for such days, were eligible for  
17 Medicaid under Title XIX of the federal Social Security  
18 Act, and the denominator of which is the total number of  
19 the hospital's inpatient days in that same period.

20 (2) "Mean Medicaid inpatient utilization rate"  
21 means the total number of Medicaid inpatient days  
22 provided by all Illinois Medicaid-participating hospitals  
23 divided by the total number of inpatient days provided by  
24 those same hospitals.

25 (3) "Medicaid obstetrical inpatient utilization  
26 rate" means the ratio of Medicaid obstetrical inpatient  
27 days to total Medicaid inpatient days for all Illinois  
28 hospitals receiving Medicaid payments from the Illinois  
29 Department.

30 (i) Inpatient adjustment payment limit. In order to  
31 meet the limits of Public Law 102-234 and Public Law 103-66,  
32 the Illinois Department shall by rule adjust disproportionate  
33 share adjustment payments.

34 (j) University of Illinois Hospital inpatient adjustment

1 payments. For hospitals organized under the University of  
2 Illinois Hospital Act, there shall be an adjustment payment  
3 as determined by rules adopted by the Illinois Department.

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

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