

HB3286



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3286

by Rep. Naomi D. Jakobsson

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5e
305 ILCS 5/5-5e.1

Amends the Medical Assistance Article of the Illinois Public Aid Code. In addition to other specified criteria, provides that a Safety-Net Hospital is an Illinois hospital that is licensed by the Department of Public Health as a general acute care, psychiatric, or pediatric hospital (rather than a general acute care or pediatric hospital). Includes psychiatric hospitals to the types of hospitals that shall experience a 3.5% reduction in rates or payments for hospital services. Effective immediately.

LRB098 09443 KTG 41676 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Illinois Public Aid Code is amended by
5 changing Sections 5-5e and 5-5e.1 as follows:

6 (305 ILCS 5/5-5e)

7 Sec. 5-5e. Adjusted rates of reimbursement.

8 (a) Rates or payments for services in effect on June 30,
9 2012 shall be adjusted and services shall be affected as
10 required by any other provision of this amendatory Act of the
11 97th General Assembly. In addition, the Department shall do the
12 following:

13 (1) Delink the per diem rate paid for supportive living
14 facility services from the per diem rate paid for nursing
15 facility services, effective for services provided on or
16 after May 1, 2011.

17 (2) Cease payment for bed reserves in nursing
18 facilities, specialized mental health rehabilitation
19 facilities, and, except in the instance of residents who
20 are under 21 years of age, intermediate care facilities for
21 persons with developmental disabilities.

22 (3) Cease payment of the \$10 per day add-on payment to
23 nursing facilities for certain residents with

1 developmental disabilities.

2 (b) After the application of subsection (a),
3 notwithstanding any other provision of this Code to the
4 contrary and to the extent permitted by federal law, on and
5 after July 1, 2012, the rates of reimbursement for services and
6 other payments provided under this Code shall further be
7 reduced as follows:

8 (1) Rates or payments for physician services, dental
9 services, or community health center services reimbursed
10 through an encounter rate, and services provided under the
11 Medicaid Rehabilitation Option of the Illinois Title XIX
12 State Plan shall not be further reduced.

13 (2) Rates or payments, or the portion thereof, paid to
14 a provider that is operated by a unit of local government
15 or State University that provides the non-federal share of
16 such services shall not be further reduced.

17 (3) Rates or payments for hospital services delivered
18 by a hospital defined as a Safety-Net Hospital under
19 Section 5-5e.1 of this Code shall not be further reduced.

20 (4) Rates or payments for hospital services delivered
21 by a Critical Access Hospital, which is an Illinois
22 hospital designated as a critical care hospital by the
23 Department of Public Health in accordance with 42 CFR 485,
24 Subpart F, shall not be further reduced.

25 (5) Rates or payments for Nursing Facility Services
26 shall only be further adjusted pursuant to Section 5-5.2 of

1 this Code.

2 (6) Rates or payments for services delivered by long
3 term care facilities licensed under the ID/DD Community
4 Care Act and developmental training services shall not be
5 further reduced.

6 (7) Rates or payments for services provided under
7 capitation rates shall be adjusted taking into
8 consideration the rates reduction and covered services
9 required by this amendatory Act of the 97th General
10 Assembly.

11 (8) For hospitals not previously described in this
12 subsection or for a psychiatric hospital defined as a
13 Safety-Net Hospital under Section 5-5e.1 of this Code, the
14 rates or payments for hospital services shall be further
15 reduced by 3.5%, except for payments authorized under
16 Section 5A-12.4 of this Code.

17 (9) For all other rates or payments for services
18 delivered by providers not specifically referenced in
19 paragraphs (1) through (8), rates or payments shall be
20 further reduced by 2.7%.

21 (c) Any assessment imposed by this Code shall continue and
22 nothing in this Section shall be construed to cause it to
23 cease.

24 (Source: P.A. 97-689, eff. 6-14-12.)

25 (305 ILCS 5/5-5e.1)

1 Sec. 5-5e.1. Safety-Net Hospitals.

2 (a) A Safety-Net Hospital is an Illinois hospital that:

3 (1) is licensed by the Department of Public Health as a
4 general acute care, psychiatric, or pediatric hospital;
5 and

6 (2) is a disproportionate share hospital, as described
7 in Section 1923 of the federal Social Security Act, as
8 determined by the Department; and

9 (3) meets one of the following:

10 (A) has a MIUR of at least 40% and a charity
11 percent of at least 4%; or

12 (B) has a MIUR of at least 50%.

13 (b) Definitions. As used in this Section:

14 (1) "Charity percent" means the ratio of (i) the
15 hospital's charity charges for services provided to
16 individuals without health insurance or another source of
17 third party coverage to (ii) the Illinois total hospital
18 charges, each as reported on the hospital's OBRA form.

19 (2) "MIUR" means Medicaid Inpatient Utilization Rate
20 and is defined as a fraction, the numerator of which is the
21 number of a hospital's inpatient days provided in the
22 hospital's fiscal year ending 3 years prior to the rate
23 year, to patients who, for such days, were eligible for
24 Medicaid under Title XIX of the federal Social Security
25 Act, 42 USC 1396a et seq., and the denominator of which is
26 the total number of the hospital's inpatient days in that

1 same period.

2 (3) "OBRA form" means form HFS-3834, OBRA '93 data
3 collection form, for the rate year.

4 (4) "Rate year" means the 12-month period beginning on
5 October 1.

6 (c) For the 27-month period beginning July 1, 2012, a
7 hospital that would have qualified for the rate year beginning
8 October 1, 2011, shall be a Safety-Net Hospital.

9 (d) No later than August 15 preceding the rate year, each
10 hospital shall submit the OBRA form to the Department. Prior to
11 October 1, the Department shall notify each hospital whether it
12 has qualified as a Safety-Net Hospital.

13 (e) The Department may promulgate rules in order to
14 implement this Section.

15 (Source: P.A. 97-689, eff. 6-14-12.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.