DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

1. TRANSMITTAL NUMBER 00-9

2. STATE Illinois

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)**

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: July 1, 2000

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 431.11 & Section 1902(a)(4) Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2000 - $135,000
b. FFY 2001 - $564,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, page 6

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable):
Attachment 4.19-B, page 6

10. SUBJECT OF AMENDMENT: **METHODS AND STANDARDS FOR ESTABLISHING OUTPATIENT RATES FOR HOSPITAL REIMBURSEMENT**

11. ☐ GOVERNOR'S REVIEW (Check One):
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☒ OTHER, AS SPECIFIED:
Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: Ann Patla

13. TYPED NAME: **Ann Patla**

14. TITLE: **DIRECTOR**

15. DATE SUBMITTED: 8-29-00

16. RETURN TO:
ILLINOIS DEPARTMENT OF PUBLIC AID
201 SOUTH GRAND AVENUE, EAST
SPRINGFIELD, IL. 62762
ATTENTION: Lynn Handy
Deputy DIRECTOR

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 8/30/00

18. DATE APPROVED: 6/6/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2000

20. SIGNATURE OF REGIONAL OFFICIAL: Cheryl Harris

21. TYPED NAME: Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

FORM HCFA-179 (07-92)

Instructions on Back

AUG 30 2000

DMO - ELMHOH

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

07/98 D. Group 4 for observation services is established to reimburse such services that are provided when a patient's current condition does not warrant an inpatient admission but does require an extended period of observation in order to evaluate and treat the patient in a setting which provides ancillary resources for diagnosis or treatment with appropriate medical and skilled nursing care. The hospital may bill for both observation and other APL procedures but will be reimbursed only for the procedure (group) with the highest reimbursement rate. Observation services will be reimbursed under one of three categories: at least one hour but less than six hours and thirty-one minutes of services; at least six hours and thirty-one minutes but less than twelve hours and thirty-one minutes of services; or, twelve hours and thirty-one minutes of services or more.

07/99 E. Group 5 for psychiatric treatment services is established to reimburse for certain outpatient treatment psychiatric services that are provided by a hospital that is enrolled with the Department to provide inpatient psychiatric services. Under this group, the Department will reimburse Type A and Type B Psychiatric Clinic Services, at different rates, as defined in the Illinois Administrative Code at 89 Ill. Adm. Code Section 148.40.d.2. and the Illinois Medicaid State Plan. A different rate will also be reimbursed to children's hospitals as defined in 89 Ill. Adm. 149.50(c)(3) and Attachment 4.19A. Chapter 11.C.3 in the Illinois Medicaid State Plan. The rate for such services is based on periodic negotiations with representatives of the hospital industry.

07/99 F. Group 6 for physical rehabilitation services is established to reimburse for certain outpatient physical rehabilitation services. Under this group, the Department will reimburse for services provided by a general care hospital not enrolled with the Department to provide inpatient physical rehabilitation services at a different rate than will be reimbursed for physical rehabilitation services provided by a hospital that is enrolled with the Department that provides specialized physical rehabilitation services. The rate for such services is based on periodic negotiations with representatives of the hospital industry. A different rate will be reimbursed to children's hospitals as defined in 89 Ill. Adm. 149.50(c)(3) and Attachment 4.19A. Chapter 11.C.3 in the Illinois Medicaid State Plan. The rate for such services is based on periodic negotiations with representatives of the hospital industry.