

PROPOSED CHANGES IN METHODS AND STANDARDS FOR ESTABLISHING MEDICAL ASSISTANCE PAYMENT RATES

STATE OF ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

The Illinois Department of Healthcare and Family Services (HFS) is proposing several changes in the methods and standards by which the Department will reimburse providers. The proposed changes can be reviewed in [Senate Bill 2541](#) which is located on the General Assembly's [website](#). The proposed effective for dates of service begin on or after July 1, 2020. These changes will be applicable to fee for service payments, as well as included in actuarially sound rates.

Hospital Reimbursement Through Assessment

Current hospital inpatient and outpatient static payments funded through assessment will be repealed and replaced with new payments under the Illinois Medical Assistance program. The annual spending for these new payments is estimated to be \$3.1 billion:

- \$183.4 million in fee-for-service inpatient static payments.
- \$256.2 million in fee-for-service outpatient static payments.
- \$104.5 million in graduate medical education (GME) payments.
- \$1.2 billion estimated to be moved into utilization based Directed Payments.
- \$1.4 billion in pass through payments.

The base year data set used for calculation of the new fee-for-service payments is calendar year 2019 dates of service.

Outpatient Hospital – Claim Format Change

Outpatient services currently billed by hospital providers on the professional claim format and paid via the posted fee schedule will be billed on the institutional claim format and reimbursed through the EAPG system.

Additional annual spending for these outpatient services is estimated to be \$113 million.

The static and claims reimbursement changes described above result in an estimated \$394 million in additional annual hospital payments.

Physician Reimbursement Increases

The Department shall increase rates of reimbursement for physician services to nearly 60% of Medicare rates in effect as of January 1, 2020 utilizing the rates of Illinois Locality 99 facility rates.

The proposed change will increase expenditures by approximately \$150 million.

The proposed changes are subject to approval by the federal Centers for Medicare and Medicaid Services and may be modified or revised during the approval process.

Any interested party may submit questions or comments concerning these proposed changes in reimbursement methods and standards. All questions or comments must be submitted in writing within thirty (30) days of the publication date of this notice and addressed to:

Bureau of Program and Policy Coordination
Division of Medical Programs
Healthcare and Family Services
201 South Grand Avenue East
Springfield, IL 62763-0001
E-mail address: HFS.bpra@illinois.gov

The notice may be viewed at the DHS local offices (except in Cook County). In Cook County, the notice and clarification may be reviewed at the Office of the Director, Illinois Department of Healthcare and Family Services, 401 South Clinton Street, 1st Floor, Chicago, Illinois. Comments received regarding this notice shall be published on the HFS web site at <http://www.illinois.gov/hfs/info/legal/PublicNotices/Pages/>.

This notice is being provided in accordance with federal requirements found at 42 *CFR* 447.205.