

**STATE OF ILLINOIS  
HEALTHCARE AND FAMILY SERVICES  
PROPOSED CHANGES IN METHODS AND STANDARDS FOR  
ESTABLISHING MEDICAL ASSISTANCE PAYMENT RATES  
FOR LONG TERM CARE AND HOSPITAL SERVICES**

The Department of Healthcare and Family Services proposes to change the methods and standards by which nursing facility and hospital services are reimbursed under the Illinois Medical Assistance Program.

Pursuant to *Public Act 096-1530*, the following changes will be effective May 1, 2011, and are contingent upon federal approval, for nursing facilities that are certified to participate in the Illinois Medicaid program:

- An annual amount of \$222.5 million will be added to the funding used to compute the MDS nursing component rate. This amount is expected to complete the transition to the MDS methodology for the nursing component of the rate.
- In addition, nursing facilities that are federally defined as institutions for mental diseases (IMD) and also Medicaid certified will have the nursing component of their rate fully funded using the MDS methodology, and will also receive an increase to their socio-development component rate. The socio-development component rate increase will be equal to two-thirds of the difference between the highest nursing rate among the IMD facilities and the individual IMD's nursing rate. The annual cost of these rate changes is \$6.6 million.

*Public Act 096-1501* requires that by January 1, 2015, at least 50% of Medical Assistance Program beneficiaries be enrolled in a coordinated care program. The Department is prospectively adjusting certain payment methodologies to encourage hospital participation in these coordinated care programs. Effective six months after the Department begins mandatory enrollment of beneficiaries, hospitals located in areas with coordinated care programs must participate in such a program to be eligible for specified supplemental payment increases or new payments. This change is expected to be budget neutral.

**Time, place and manner in which interested persons may  
comment on the proposed changes**

Any interested party may submit comments, data, views, or arguments concerning these proposed changes. All comments must be in writing and should be addressed to:

Bureau of Program and Reimbursement Analysis  
Division of Medical Programs  
Healthcare and Family Services  
201 South Grand Avenue East  
Springfield, Illinois 62763-0002  
E-mail address: [hfs.bpra@illinois.gov](mailto:hfs.bpra@illinois.gov)

Interested persons may review these proposed changes on the Internet <<http://www.hfs.illinois.gov/publicnotice>>. Local access to the Internet is available through any local public library. In addition, this material may be viewed at the DHS local offices (except in Cook County). In Cook County, the changes may be reviewed at the Office of the Director, Healthcare and Family Services, 401 South Clinton, 7<sup>th</sup> floor, Chicago, Illinois. The changes may be reviewed at all offices Monday through Friday from 8:30 a.m. until 5:00 p.m. This notice is being provided in accordance with federal requirements found at 42 *CFR* 447.205.