

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
SUBCHAPTER d: MEDICAL PROGRAMS

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HOSPITAL SERVICES

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effective July 2, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 10147, effective August 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 13349, effective September 23, 1997; emergency amendment at 21 Ill. Reg. 13675, effective September 27, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 16161, effective November 26, 1997; amended at 22 Ill. Reg. 1408, effective December 29, 1997; amended at 22 Ill. Reg. 3083, effective January 26, 1998; amended at 22 Ill. Reg. 11514, effective June 22, 1998; emergency amendment at 22 Ill. Reg. 13070, effective July 1, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 15027, effective August 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16273, effective August 28, 1998; amended at 22 Ill. Reg. 21490, effective November 25, 1998; amended at 23 Ill. Reg. 5784, effective April 30, 1999; amended at 23 Ill. Reg. 7115, effective June 1, 1999; amended at 23 Ill. Reg. 7908, effective June 30, 1999; emergency amendment at 23 Ill. Reg. 8213, effective July 1, 1999, for a maximum of 150 days; emergency amendment at 23 Ill. Reg. 12772, effective October 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13621, effective November 1, 1999; amended at 24 Ill. Reg. 2400, effective February 1, 2000; amended at 24 Ill. Reg. 3845, effective February 25, 2000; emergency amendment at 24 Ill. Reg. 10386, effective July 1, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 11846, effective August 1, 2000; amended at 24 Ill. Reg. 16067, effective October 16, 2000; amended at 24 Ill. Reg. 17146, effective November 1, 2000; amended at 24 Ill. Reg. 18293, effective December 1, 2000; amended at 25 Ill. Reg. 5359, effective April 1, 2001; emergency amendment at 25 Ill. Reg. 5432, effective April 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 6959, effective June 1, 2001; emergency amendment at 25 Ill. Reg. 9974, effective July 23, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 10513, effective August 2, 2001; emergency amendment at 25 Ill. Reg. 12870, effective October 1, 2001, for a maximum of 150 days; emergency expired February 27, 2002; amended at 25 Ill. Reg. 16087, effective December 1, 2001; emergency amendment at 26 Ill. Reg. 536, effective December 31, 2001, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 680, effective January 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 4825, effective March 15, 2002; emergency amendment at 26 Ill. Reg. 4953, effective March 18, 2002, for a maximum of 150 days; emergency amendment repealed at 26 Ill. Reg. 7786, effective July 1, 2002; emergency amendment at 26 Ill. Reg. 7340, effective April 30, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 8395, effective May 28, 2002; emergency amendment at 26 Ill. Reg. 11040, effective July 1, 2002, for a maximum of 150 days; emergency amendment repealed at 26 Ill. Reg. 16612, effective October 22, 2002; amended at 26 Ill. Reg. 12322, effective July 26, 2002; amended at 26 Ill. Reg. 13661, effective September 3, 2002; amended at 26 Ill. Reg. 14808, effective September 26, 2002; emergency amendment at 26 Ill. Reg. 14887, effective October 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17775, effective November 27, 2002; emergency amendment at 27 Ill. Reg. 580, effective January 1, 2003, for a maximum of 150 days; emergency amendment at 27 Ill. Reg. 866, effective January 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 4386, effective February 24, 2003; emergency amendment at 27 Ill. Reg. 8320, effective April 28, 2003, for a maximum of 150 days; emergency amendment repealed at 27 Ill. Reg. 12121, effective July 10, 2003; amended at 27 Ill. Reg. 9178, effective May 28, 2003; emergency amendment at 27 Ill. Reg. 11041, effective July 1, 2003, for a maximum of 150 days; emergency amendment at 27 Ill.

259 Reg. 16185, effective October 1, 2003, for a maximum of 150 days; emergency amendment at 27
 260 Ill. Reg. 16268, effective October 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg.
 261 18843, effective November 26, 2003; emergency amendment at 28 Ill. Reg. 1418, effective
 262 January 8, 2004, for a maximum of 150 days; emergency amendment at 28 Ill. Reg. 1766,
 263 effective January 10, 2004, for a maximum of 150 days; emergency expired June 7, 2004;
 264 amended at 28 Ill. Reg. 2770, effective February 1, 2004; emergency amendment at 28 Ill. Reg.
 265 5902, effective April 1, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 7101,
 266 effective May 3, 2004; amended at 28 Ill. Reg. 8072, effective June 1, 2004; emergency
 267 amendment at 28 Ill. Reg. 8167, effective June 1, 2004, for a maximum of 150 days; amended at
 268 28 Ill. Reg. 9661, effective July 1, 2004; emergency amendment at 28 Ill. Reg. 10157, effective
 269 July 1, 2004, for a maximum of 150 days; emergency amendment at 28 Ill. Reg. 12036, effective
 270 August 3, 2004, for a maximum of 150 days; emergency expired December 30, 2004; emergency
 271 amendment at 28 Ill. Reg. 12227, effective August 6, 2004, for a maximum of 150 days;
 272 emergency expired January 2, 2005; amended at 28 Ill. Reg. 14557, effective October 27, 2004;
 273 amended at 28 Ill. Reg. 15536, effective November 24, 2004; amended at 29 Ill. Reg. 861,
 274 effective January 1, 2005; emergency amendment at 29 Ill. Reg. 2026, effective January 21,
 275 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 5514, effective April 1, 2005;
 276 emergency amendment at 29 Ill. Reg. 5756, effective April 8, 2005, for a maximum of 150 days;
 277 emergency amendment repealed by emergency rulemaking at 29 Ill. Reg. 11622, effective July
 278 5, 2005, for the remainder of the 150 days; amended at 29 Ill. Reg. 8363, effective June 1, 2005;
 279 emergency amendment at 29 Ill. Reg. 10275, effective July 1, 2005, for a maximum of 150 days;
 280 emergency amendment at 29 Ill. Reg. 12568, effective August 1, 2005, for a maximum of 150
 281 days; emergency amendment at 29 Ill. Reg. 15629, effective October 1, 2005, for a maximum of
 282 150 days; amended at 29 Ill. Reg. 19973, effective November 23, 2005; amended at 30 Ill. Reg.
 283 383, effective December 28, 2005; emergency amendment at 30 Ill. Reg. 596, effective January
 284 1, 2006, for a maximum of 150 days; emergency amendment at 30 Ill. Reg. 955, effective
 285 January 9, 2006, for a maximum of 150 days; amended at 30 Ill. Reg. 2827, effective February
 286 24, 2006; emergency amendment at 30 Ill. Reg. 7786, effective April 10, 2006, for a maximum
 287 of 150 days; emergency amendment repealed by emergency rulemaking at 30 Ill. Reg. 12400,
 288 effective July 1, 2006, for the remainder of the 150 days; emergency expired September 6, 2006;
 289 amended at 30 Ill. Reg. 8877, effective May 1, 2006; amended at 30 Ill. Reg. 10393, effective
 290 May 26, 2006; emergency amendment at 30 Ill. Reg. 11815, effective July 1, 2006, for a
 291 maximum of 150 days; amended at 30 Ill. Reg. 18672, effective November 27, 2006; emergency
 292 amendment at 31 Ill. Reg. 1602, effective January 1, 2007, for a maximum of 150 days;
 293 emergency amendment at 31 Ill. Reg. 1997, effective January 15, 2007, for a maximum of 150
 294 days; amended at 31 Ill. Reg. 5596, effective April 1, 2007; amended at 31 Ill. Reg. 8123,
 295 effective May 30, 2007; amended at 31 Ill. Reg. 8508, effective June 1, 2007; emergency
 296 amendment at 31 Ill. Reg. 10137, effective July 1, 2007, for a maximum of 150 days; amended at
 297 31 Ill. Reg. 11688, effective August 1, 2007; amended at 31 Ill. Reg. 14792, effective October
 298 22, 2007; amended at 32 Ill. Reg. 312, effective January 1, 2008; emergency amendment at 32
 299 Ill. Reg. 518, effective January 1, 2008, for a maximum of 150 days; emergency amendment at
 300 32 Ill. Reg. 2993, effective February 16, 2008, for a maximum of 150 days; amended at 32 Ill.
 301 Reg. 8718, effective May 29, 2008; amended at 32 Ill. Reg. 9945, effective June 26, 2008;

emergency amendment at 32 Ill. Reg. 10517, effective July 1, 2008, for a maximum of 150 days; emergency expired November 27, 2008; amended at 33 Ill. Reg. 501, effective December 30, 2008; peremptory amendment at 33 Ill. Reg. 1538, effective December 30, 2008; emergency amendment at 33 Ill. Reg. 5821, effective April 1, 2009, for a maximum of 150 days; emergency expired August 28, 2009; amended at 33 Ill. Reg. 13246, effective September 8, 2009; emergency amendment at 34 Ill. Reg. 15856, effective October 1, 2010, for a maximum of 150 days; emergency expired February 27, 2011; amended at 34 Ill. Reg. 17737, effective November 8, 2010; amended at 35 Ill. Reg. 420, effective December 27, 2010; expedited correction at 38 Ill. Reg. 12618, effective December 27, 2010; amended at 35 Ill. Reg. 10033, effective June 15, 2011; amended at 35 Ill. Reg. 16572, effective October 1, 2011; emergency amendment at 36 Ill. Reg. 10326, effective July 1, 2012 through June 30, 2013; emergency amendment to Section 148.70(g) suspended at 36 Ill. Reg. 13737, effective August 15, 2012; suspension withdrawn from Section 148.70(g) at 36 Ill. Reg. 18989, December 11, 2012; emergency amendment in response to Joint Committee on Administrative Rules action on Section 148.70(g) at 36 Ill. Reg. 18976, effective December 12, 2012 through June 30, 2013; emergency amendment to Section 148.140(b)(1)(F) suspended at 36 Ill. Reg. 13739, effective August 15, 2012; suspension withdrawn from Section 148.140(b)(1)(F) at 36 Ill. Reg. 14530, September 11, 2012; emergency amendment to Sections 148.140(b) and 148.190(a)(2) in response to Joint Committee on Administrative Rules action at 36 Ill. Reg. 14851, effective September 21, 2012 through June 30, 2013; amended at 37 Ill. Reg. 402, effective December 27, 2012; emergency rulemaking at 37 Ill. Reg. 5082, effective April 1, 2013 through June 30, 2013; amended at 37 Ill. Reg. 10432, effective June 27, 2013; amended at 37 Ill. Reg. 17631, effective October 23, 2013; amended at 38 Ill. Reg. 4363, effective January 29, 2014; amended at 38 Ill. Reg. 11557, effective May 13, 2014; amended at 38 Ill. Reg. 13263, effective June 11, 2014; amended at 38 Ill. Reg. 15165, effective July 2, 2014; emergency amendment at 39 Ill. Reg. 10453, effective July 10, 2015, for a maximum of 150 days; emergency expired December 6, 2015; amended at 39 Ill. Reg. 10824, effective July 27, 2015; amended at 39 Ill. Reg. 16394, effective December 14, 2015; amended at 41 Ill. Reg. 1041, effective January 19, 2017; amended at 42 Ill. Reg. 3152, effective January 31, 2018; emergency amendment at 42 Ill. Reg. 13740, effective July 2, 2018, for a maximum of 150 days; emergency amendment to emergency rule at 42 Ill. Reg. 16318, effective August 13, 2018, for the remainder of the 150 days; emergency expired November 28, 2018; amended at 42 Ill. Reg. 22401, effective November 29, 2018; emergency amendment at 43 Ill. Reg. 9813, effective August 26, 2019, for a maximum of 150 days; amended at 44 Ill. Reg. 2545, effective January 22, 2020; amended at 44 Ill. Reg. 18579, effective November 9, 2020; emergency amendment at 44 Ill. Reg. 12832, effective July 17, 2020, for a maximum of 150 days; amended at 44 Ill. Reg. 19767, effective December 11, 2020; amended at 46 Ill. Reg. 5254, effective March 11, 2022; amended at 47 Ill. Reg. 5648, effective April 5, 2023; amended at 47 Ill. Reg. 13121, effective August 25, 2023; amended at 47 Ill. Reg. 16418, effective November 3, 2023; expedited correction at 48 Ill. Reg. 10028, effective November 3, 2023; amended at 48 Ill. Reg. 10834, effective July 12, 2024; amended at 48 Ill. Reg. 15451, effective October 17, 2024; amended at 49 Ill. Reg. 2024, effective February 10, 2025; amended at 50 Ill. Reg. 7685, effective May 20, 2026; amended at 50 Ill. Reg. _____, effective _____.

SUBPART B: REIMBURSEMENT AND RELATED PROVISIONS

Section 148.423 Hospital Outpatient Adjustment

- a) Qualifying Criteria. Effective January 1, 2023, the following categories of non-large public hospitals located in Illinois shall qualify for a Hospital Outpatient Adjustment Payment:
 - 1) High Medicaid General Acute Care Hospitals, as defined in subsection (c)(1);
 - 2) Other General Acute Care Hospitals, as defined in subsection (c)(3);
 - 3) Safety-Net Hospitals, as defined in subsection (c)(5);
 - 4) Psychiatric Hospitals, as defined in Section 148.25(d)(1);
 - 5) Critical Access Hospitals, as defined 42 CFR 485, Subpart F that are not Small Public Hospitals;
 - 6) Rehabilitation Hospitals, as defined in Section 148.25(d)(2); and
 - 7) Small Public Hospitals, as defined in subsection (c)(6).
- b) Payment. Each qualifying hospital shall receive an annual payment equal to the product of:
 - 1) The hospital's calendar year 2019 outpatient claims; and
 - 2) The rate assigned to the group to which the hospital qualifies:
 - A) High Medicaid General Acute Care Hospitals: \$375, until December 31, 2023. Effective on and after January 1, 2024, the rate shall lower to \$136;
 - B) Other General Acute Care Hospitals: \$325, until December 31, 2023. Effective on and after January 1, 2024, the rate shall lower to \$118;
 - C) Safety-Net Hospitals: \$500;
 - D) Psychiatric Hospitals: \$700;

- E) Critical Access Hospitals that are not Small Public Hospitals: \$750;
- F) Rehabilitation Hospitals: \$125; and
- G) Small Public Hospitals: \$275, until December 31, 2023. Effective on and after January 1, 2024, the rate shall lower to \$0.00.

c) Definitions. For purposes of this Section:

- 1) "High Medicaid General Acute Care Hospital" means a hospital that is not a public hospital, safety-net hospital, or critical access hospital and that qualifies as a regional high volume hospital or is a hospital that has a Medicaid Inpatient Utilization Rate (MIUR) above 30%.
- 2) "MIUR" means Medicaid inpatient utilization rate for the rate year ending 3 months prior to the calendar year.
- 3) "Other General Acute Care Hospital" means an acute care hospital that is not a public hospital, safety net hospital, critical access hospital, or high Medicaid general acute care hospital.
- 4) "Outpatient claims" means, for a given hospital, the sum of fee-for-service outpatient hospital claims accepted by the Department for outpatient services provided to recipients of medical assistance under Title XIX of the Social Security Act for general acute care, psychiatric care, and rehabilitation care, excluding days for individuals eligible for Medicare under Title XVIII of the Social Security Act (Medicaid/Medicare crossover claims), as tabulated from the Department's paid claims data for services occurring during calendar year 2019 as of May 11, 2020.
- 5) "Safety-Net Hospital" means a hospital, as defined in 89 Ill. Adm. Code 149.100(f)(4), except that stand-alone children's hospitals that are not specialty children's hospitals will not be included.
- 6) "Small Public Hospital" means any Illinois publicly owned hospital which is not a "large public hospital" as defined in Section 148.25(a).

(Source: Amended at 50 Ill. Reg. _____, effective _____)

Section 148.425 Directed Payment Classifications

- a) For purposes of calculating quarterly directed payment amounts as described in Section 5A-12.7(g) and (h) of the Public Aid Code, effective July 1, 2020 and January 1 of each following calendar year, the Department shall classify Illinois Hospitals into the following classes:
- 1) Critical Access Hospitals as defined in Section 148.25(g). Beginning January 1, 2023, Critical Access Hospitals means those hospitals as defined in Section 148.25(g), excluding any hospitals meeting the definition of a public hospital in subsection (b)(~~4~~3);
 - 2) Safety-Net Hospitals as defined in 89 Ill. Adm. Code 149.100(f)(4), except that stand-alone children's hospitals as defined in Section 148.25(d)(3)(A) that are not children's specialty hospitals as defined in Section 148.25(i) will not be included and for calendar years 2025 and 2026 only, hospitals with over 9,000 Medicaid acute care inpatient admissions per calendar year, excluding admissions for Medicare-Medicaid dual eligible patients, will not be included, and safety net hospitals that elect not to be included under (e) of this Section will not be included. For the calendar year beginning January 1, 2023 and each calendar year thereafter assignment to the safety net class is based on the annual safety net rate year beginning 15 months before the beginning of the first payout quarter of the calendar year;
 - 3) Long Term Acute Care Hospitals as defined in Section 148.25(d)(4);
 - 4) Freestanding Psychiatric Hospitals as defined in Section 148.25(d)(1);
 - 5) Freestanding Rehabilitation Hospitals as defined in Section 148.25(d)(2);
 - 6) High Medicaid Hospitals;
 - 7) Beginning January 1, 2023, Public Hospitals; and
 - 8) Other General Acute Care Hospitals.
- b) Definitions. For purposes of this Section:
- 1) "Applicable Period" means, for the period July 1, 2020 through December 31, 2020, rate year 2020 MIUR and inpatient days with dates of service in SFY 2018. For each calendar year thereafter, the MIUR calculated for the rate year beginning October 1 preceding the calendar year and inpatient days with dates of service within the SFY ending 18 months prior to the calendar year.

- 2) "High Medicaid Hospital" means, beginning calendar year 2023, a general acute care hospital that is not a safety-net hospital, public, or critical access hospital and for the applicable period has either:
 - A) A Medicaid Inpatient Utilization Rate (MIUR) as defined in Section 148.120(i)(4) above 30% for the rate year ending September 30 of the year preceding the beginning of the calendar year; or
 - B) Qualified as a regional high volume hospital.
- 3) "Other General Acute Care Hospital" means a hospital that is not a hospital defined in subsection (a)(1) through (7).
- 4) "Public Hospital" means a hospital that is owned or operated by an Illinois Government body or municipality, excluding a hospital provider that is a State agency, a state university, or a county with a population of 3,000,000 or more.
- 5) "Regional High Volume Hospital" means a hospital which ranks in the top 2 quartiles based on total hospital services volume, of all eligible general acute care hospitals, when ranked in descending order based on total hospital services volume, within the same Medicaid managed care region, as defined in 89 Ill. Adm. Code 140. Table J.
- 6) "Total hospital services volume" means the total of all Medical Assistance hospital inpatient admissions plus all Medical Assistance hospital outpatient visits. For purposes of determining regional high volume hospital inpatient admissions and outpatient visits, the Department shall use dates of service from the State fiscal year ending 18 months before the beginning of the first payout quarter of the subsequent annual determination period.
- c) For purposes of calculating MIUR under this Section, children's hospitals and affiliated general acute care hospitals shall be considered a single hospital.
- d) Hospitals can be reclassified by the Department every calendar year. The Department will notify hospitals, by December 1 of each year, what class a hospital is assigned to for the next calendar year.
- e) Beginning January 1, 2026, as described in 305 ILCS 5/5A-12.7(f)(1)(B), all hospitals previously assigned to the High Medicaid Hospital class the year prior,

that newly qualify as a safety net hospital as defined in 89 Ill. Adm. Code
149.100(f)(4) shall be permitted to elect to remain in the High Medicaid Hospital
class as defined in Section 148.425(b)(2). If a hospital elects assignment in the
High Medicaid Hospital class, the hospital must remain in the High Medicaid
Hospital class for the entire calendar year.

(Source: Amended at 50 Ill. Reg. _____, effective _____)