**Section 148.50 Covered Hospital Services**

Effective for dates of outpatient services on or after July 1, 2014 and inpatient discharges on or after July 1, 2014, unless a later effective date is specified in this Section:

a) The Department shall pay hospitals for the essential provision of inpatient, outpatient, and clinic diagnostic and treatment services not otherwise excluded or limited that are provided by a hospital, as described in Section 148.25(b), or a distinct part unit, as described in Section 148.25(c), and that are provided in compliance with hospital licensing standards. Payment may be made for the following types of care subject to the special requirements described in Section 148.40:

1) General/specialty services.

2) Psychiatric services.

3) Rehabilitation services.

4) End-Stage Renal Disease Treatment (ESRDT) services.

b) Certain services are defined as hospital covered services with certain restrictions. These programs include hospital residing long term care services, subacute alcoholism and substance abuse treatment services, and the transplant program.

c) Hospital Long Term Care Services

1) Effective for dates of service on or after July 1, 2019, Hospital Long Term Care Days shall be covered. Hospital Long Term Care Days are defined as days when:

A) The discharging hospital or the assigned peer review agent determines that continued hospital level of care is no longer necessary; and

B) Discharge of the patient is delayed due to the lack of available placement outside of the hospital at the next level of care provided in a nursing facility, ICF/DD facility, MC/DD facility, rehabilitation hospital, psychiatric hospital, Long-Term Services and Supports Waiver setting, or a residence when home health care services (as defined in Section 140.471) are required.

2) For dates of service on or after July 1, 2019, Hospital Long Term Care Days shall be reimbursed in accordance with this subsection (c). Hospitals are required to notify the Department when post-discharge placement is required. Approval from the Department that the stay meets the requirements of this subsection (c)(2) is required before payment can be made. In order to approve payment for Hospital Long Term Care Days, documentation demonstrating the following shall be provided:

A) The hospital attempted to place the individual in at least five appropriate settings;

B) Following the five placement attempts, the hospital notified the Department or its designated contractor of its inability to place the individual;

C) The individual requires the level of care described in subsection (c)(1)(B).

3) Reimbursement is limited to services provided after the minimum number of contacts have been made and the Department or its contractor has been notified of the need for post-discharge placement. For dates of service on or after July 1, 2019 and prior to November 1, 2020, the Department will not limit reimbursement to days after the Department or its contractor have been notified of the need for post-placement discharge and approved payment; however, the hospital still must provide documentation that the requirements of subsections (c)(2)(A) and (C) are met.

4) Reimbursement Limitations

A) Reimbursement will not be made for services when the underlying inpatient stay was denied as not medically necessary.

B) When the initial hospital stay is reimbursed under the DRG system, only days that exceed the DRG average length of stay can qualify as Hospital Long Term Care Days.

C) When a hospital is reimbursed on a per diem basis, only days beyond the period of time when hospital level of care is needed can qualify as Hospital Long Term Care Days.

D) Services reimbursable under 305 ILCS 5/5-5.07 shall not be reimbursed as Hospital Long Term Care Days.

E) Services reimbursable under the Long Term Acute Care Hospital Quality Improvement Transfer Program Act [210 ILCS 155] and certified as part of a continued stay review by the Department's Quality Improvement Organization shall not be reimbursed as Hospital Long Term Care Days.

5) The reimbursement rate for each eligible Hospital Long Term Care Day is $289.48 per day.

6) Payments for Hospital Long Term Care Days are not eligible for per diem add-on payments under the Medicaid High Volume Adjustment (MHVA) and Medicaid Percentage Adjustment (MPA) programs.

7) If a hospital seeks reimbursement for services provided to any individual enrolled in a Managed Care Organization (MCO), the requirements of Section 14-13(e) of the Public Aid Code [305 ILCS 5] must be followed.

8) Effective January 1, 2024, the rate for each eligible Hospital Long Term Care Day is $318.43.

d) Subacute Alcoholism and Substance Abuse Treatment Services

Rules regarding reimbursement for sub-acute alcoholism and substance abuse treatment services may be found under Sections 148.340 through 148.390.

e) Transplant Program

The Medical Assistance Program provides for payment for organ transplants only when provided by a certified transplantation center as described in Section 148.82. Payment for kidney and cornea transplants does not require enrollment as an approved transplantation center.

(Source: Amended at 49 Ill. Reg. 2024, effective February 10, 2025)