**Section 148.402 Expensive Drugs and Devices Add-On Payment**

a) Qualifying Criteria: Beginning July 1, 2018, in addition to the statewide standardized amounts for in-state hospitals as defined in 89 Ill. Adm Code 149.100(i), the Department shall make an add-on payment for outpatient expensive devices and drugs. This add-on payment shall apply to claim lines that:

1) Are:

A) assigned with one of the following EAPGs: 490 or 1001 through 1020; and

B) coded with one of the following revenue codes: 0274 through 0276, 0278;

2) Are assigned with one of the following EAPGs: 430 through 441, 443, 444, 460 to 465, 495, 496, 1090; or

3) Are assigned to EAPGs that clinically represent drugs and devices outside of those listed in subsections (a)(1) and (a)(2), upon installation of grouping software updates, as determined by the Department.

b) The add-on payment shall be the sum of the following calculations:

1) The product of:

A) The claim line's covered charges; and

B) The hospital's total acute cost to charge ratio as defined in subsection (b)(3).

2) The sum of:

A) The claim line's EAPG payment; and

B) $1,000.

3) The product of:

A) The difference between subsections (b)(2)(A) and (2)(B); and

B) 0.8.

c) For purposes of this Section, estimated claim cost is based on the product of the claim total covered charges and the hospital's Medicare IPPS outlier cost-to-charge ratio. The Medicare IPPS outlier cost-to-charge ratio is determined based on:

1) For Medicare IPPS hospitals, the outlier cost-to-charge ratio is based on the sum of the Medicare inpatient prospective payment system hospital-specific operating and capital outlier cost-to-charge ratios effective at the beginning of the federal fiscal year starting three months prior to the calendar year during which the discharge occurred.

2) For non-Medicare IPPS, the outlier cost-to-charge ratio is based on the sum of the Medicare inpatient prospective payment system statewide average operating and capital outlier cost-to-charge ratios for urban hospitals for the state in which the hospital is located, effective at the beginning of the federal fiscal year starting three months prior to the calendar year during which the discharge occurred.

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