**Section 148.405 Graduate Medical Education (GME) Payment**

Effective for payments starting July 1, 2020, except when specifically designated otherwise in this Section:

a) Definitions. As used in this Section, unless the context requires otherwise:

1) Medicare cost report ending in 2018, as reported in Medicare cost reports released on October 19, 2019, with data through September 30, 2019.

2) "Hospital's annualized Medicaid Intern Resident Cost" is the product of the following factors:

A) Annualized intern and resident costs obtained from Worksheet B Part I, Column 21 and 22 the sum of lines 30 through 43, 50 through 76, 90 through 93,96 through 98, and 105 through 112;

B) A quotient of:

i) The numerator of which is the hospital's Medicaid days (Worksheet S3 Part I, Column 7, Lines 2 through 4, 14, 16 through 18, and 32); and

ii) The denominator of which is the hospital's total days (Worksheet S3 Part I, Column 8, Lines 14, 16 through 18, and 32); and

3) "Hospital Annualized Medicaid Indirect Medical Education (IME) payment" is the product of the following factors:

A) Hospital IME payments (Worksheet E Part A, Line 29, Col 1); and

B) A quotient of:

i) The numerator of which is the hospital Medicaid days (Worksheet S3 Part I, Column 7, Lines 2 through 4, 14, 16 through 18, and 32); and

ii) The denominator of which is the hospital Medicare days (Worksheet S3 Part I, Column 6, Lines 2 through 4, 14, and 16 through 18).

4) "Statewide average cost per intern and resident" is the quotient of subsection (a)(4)(A) divided by subsection (a)(4)(B).

A) The sum of:

i) All qualifying hospitals annualized Medicaid Intern Resident Cost; and

ii) All qualifying hospitals annualized Medicaid IME payment.

B) The sum of all qualifying hospitals interns and residents as reported on Worksheet S3, Part 1, Col 9, Line 14.

b) Qualifying Criteria: An Illinois hospital, excluding large public hospitals defined in Section 148.25, reporting intern and resident cost on its Medicare cost report ending in 2018 shall be eligible for a Graduate Medical Education (GME) payment.

c) Payment. A qualifying hospital shall receive a payment that is the product of the following factors:

1) The lesser of:

A) The sum of the hospital's annualized Medicaid Intern Resident Cost and annualized Medicaid IME payment; or

B) The product of:

i) The number of interns and residents as reported on Worksheet S3, Part 1, Col 9, Line 14; and

ii) 120% of the statewide average cost per intern and resident for all eligible hospitals.

2) For payment on or after January 1, 2023:

A) 35% for safety net hospitals or hospitals with 100 or more full-time equivalent residents and interns, as reported on the hospital's Medicare cost report ending in calendar year 2018; or

B) 30%.

C) For payment on or after April 1, 2024, for a children's hospital, as defined in Section 148.25(d)(3)(A), 100%.

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