**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;

B) Other General Acute Care Hospitals: $325;

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 49 Ill. Reg. 2024, effective February 10, 2025)