**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);

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;

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; and

7) 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 a general acute care hospital that is not a safety-net hospital 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% during the applicable period; or

B) A hospital that had over 35,000 inpatient Medicaid days during the applicable period.

3) "Other General Acute Care Hospital" means a hospital that is not a hospital defined in subsection (a)(1) through (6).

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.

(Source: Added at 44 Ill. Reg. 19767, effective December 11, 2020)