**Section 356.70 Notice and Appeal of Provider Rates**

a) Provider Eligibility – Purchase of service providers for whom the Department calculates individual rates (refer to Section 356.30(b)(3)) or negotiates rates (refer to Section 356.30(c)) are eligible to appeal their rates, subject to the provisions of this Section.

b) Notice in Filing of Appeal – Appeals of the rate reimbursement determination shall be submitted in writing by the provider to the central office manager responsible for the administration of reimbursement rates within 60 days after the written notice by the Department disclosing the provider reimbursement rate. Notice shall be effective upon the date of mailing to the provider's address. Appeals submitted more than 60 days after the notice will not be considered by the Department.

c) Principles of Appeals Process – The appeals process is designed to allow a provider to petition for an increase in its reimbursable cost rate in response to mechanical or clerical errors and/or circumstances which are beyond the control of the provider, which have an impact upon current operating costs, and which were not included in the Department's determination of the current allowable costs. In order to hear an appeal, the provider must have a current signed contract.

d) Basis for Increase in Reimbursable Cost – Appeals submitted for the following reasons must be received by the Department within 60 days after reimbursable rate notice. Any change in rate, either positive or negative, as a result of the appeal process will coincide with the effective date of the amendment. Increases in reimbursable cost can be granted by the Department for the following reasons and in the following categories:

1) Mechanical or clerical errors were committed by the Department.

2) There has been a substantial decrease in external government grants which the Department determines seriously limits the ability of the agency to deliver required services to Department clients, to the extent that such revenues were considered available when the Department approved the reimbursable cost of the provider.

3) The Agency was able to document and justify that the Department's treatment of its historical cost data resulted in an inequitable application of the rate-setting process.

4) Mechanical or clerical errors were committed by the provider on required cost reports and used by the Department in the calculation of reimbursable costs.

e) Procedures for Filing Appeals – An appeal for an increase in the reimbursable cost shall be submitted in writing to the central office manager responsible for the administration of reimbursement rates with a copy to the Lead Regional Administrator.

1) An appeal shall include but not be limited to:

A) Identification of the current approved reimbursable rate;

B) a clear, concise statement of the reasons for the appeal;

C) a detailed statement of financial, statistical and related information in support of the appeal;

D) a citation to any statutory or regulatory requirement pertinent to the appeal; and

E) certification under penalty of perjury by either the chief executive officer or the financial officer of the provider that the application and all the information reports, schedules, budgets, books and records submitted are true, correct and accurate.

2) The Department will not accept or process an appeal which does not meet the requirements of this Section. In addition, no appeal can be acted upon unless the provider has a current signed contract.

3) Any documentation submitted in support of this appeal which is subsequent to filing of the appeal, shall contain the same certification described in subsection (e)(1)(E) above.

f) Review by the Central Office Manager Responsible for the Administration of Reimbursement Rates

1) When a provider has filed an appeal, the central office manager responsible for the administration of reimbursement rates shall acknowledge in writing that an appeal has been received.

2) The central office manager responsible for the administration of reimbursement rates will review each appeal for adequacy of documentation and appropriateness of the request. If required for the analysis, the Lead Regional Administrator shall provide his/her comments and recommendations regarding the appeal within 15 days after receipt.

3) The central office manager responsible for the administration of reimbursement rates may request a meeting at a reasonably convenient place with representatives of the provider prior to submission of recommendations to the Director of the Department. The purpose of such meetings shall include:

A) clarification, formulation, and simplification of issues;

B) resolution of matters in controversy;

C) exchange of documents and information;

D) stipulations of facts so as to avoid unnecessary presentation before the Director of the Department;

E) identification of all documents which the provider or staff intend to present to the Director; and

F) such other matters as may aid in the simplification of the evidence and disposition of the issue.

4) Within 30 days after receipt by the central office manager responsible for the administration of reimbursement rates, an appeal which has complied with the principles and requirements of this Section, or within 15 days after the scheduled meeting between the central office manager responsible for the administration of reimbursement rates and the provider, whichever is later, the central office manager responsible for the administration of reimbursement rates will make a recommendation to the Director or his designee on this matter.

g) Final Decision of the Director – The decision of the Director of the Department shall constitute final action on the appeal. Decision of the Director shall be made within 60 days after receipt of the appeal by the central office manager responsible for the administration of reimbursement rates, except that, if the central office manager responsible for the administration of reimbursement rates requests additional information, the period shall be extended by the time taken in providing that information.

(Source: Amended at 24 Ill. Reg. 7692, effective June 1, 2000)