

[20 Ill. Comp. Stat. § 1705/54.]

§ 1705/54. Establishment of rates for purchase of service: Mental Health and Developmental Disabilities Administrative Act

(a) It is the purpose of this Section to establish procedures for the development, calculation, and communication of rates promulgated by the Department for the purchase of services for persons with a developmental disability, and persons with mental illness; to require the promulgation of rules which specify the treatment of costs for purposes of establishing rates for various purchase care program categories; to require that rates be equitable, understandable, and established through an open, public process; and to require the delineation of where purchase care, grant-in-aid, and other payment mechanisms are most appropriately utilized. The Department's rate-setting policy should stimulate the development of cost effective, clinically appropriate, community-based residential, and other support services for recipients according to an annual statement of purchase care goals and objectives.

(b) The Department shall establish rates in all instances where services are purchased by the Department for a specific recipient from a specific community service provider for which the Department has the responsibility for establishing payment rates. When determining rates, the Department shall take into consideration differences in the costs of doing business among the various geographic regions of the State and shall set rates that reflect those differences. The Department may, for various program categories, adopt rates that are set by other State agencies.

(c) The Department shall perform the following duties:

(1) Develop rate-setting methodologies for purchase care program categories.

(2) Promulgate rules and regulations governing rate-setting, treatment of costs, treatment of occupancy, and payment and contracting processes for purchase care.

(3) Collect cost and performance information from care providers. The Department may stipulate forms, unit of service definitions, reporting procedures and reporting intervals.

(4) Calculate purchase of care reimbursement rates for specific providers based on the promulgated rate methodology for that program category.

(5) Negotiate and implement purchase of care contracts with specific providers.

(6) Develop an annual statement of purchase care goals and objectives detailing maximum units of service by program category to be purchased. The plan for each fiscal year shall be completed by May 1 of the previous fiscal year.

(7) Conduct an annual review and prepare an annual report of rates and units of service purchased, comparing the annual purchase of care statement with actual services purchased, and the actual cost of providing those services. The report shall be made available by May 1.

- (8) Establish and promulgate a process and criteria for appealing rates.
- (9) Develop and promulgate standards and criteria by which provider performance shall be evaluated.
- (10) Set rates based on published methodologies and subject to the availability of funds appropriated by the General Assembly.
- (11) Establish and promulgate a policy regarding applicability of income offsets in rate calculation or payment processes.
- (12) Develop criteria for selection of payment mechanisms to be employed in funding community services.
- (d) The Department may investigate and employ alternative rate setting approaches and engage in demonstration projects. These approaches must be publicly articulated by the Department, identifying the purpose and scope of the alternative approach and evaluation to be conducted.