[210 Ill. Comp. Stat. §§ 155/1 through 155/45.]

§§ 155/1 through 155/45: Long Term Acute Care Hospital Quality Improvement Transfer Program Act

§ 1. Short title.

This Act may be cited as the Long Term Acute Care Hospital Quality Improvement Transfer Program Act.

§ 5. Purpose of Act.

The General Assembly finds that it is vital for the State of Illinois to find methods to improve the health care outcomes of patients served by the healthcare programs operated by the Department of Healthcare and Family Services. Improving a patient's health not only benefits the patient's quality of life but also results in a more efficient use of the resources needed to provide care. Estimates show that the Long Term Acute Care Hospital Quality Improvement Transfer Program established under this Act could save approximately $10,000,000 annually. The program focuses on some of the most severely injured and ill patients in the State of Illinois. It is designed to better utilize the specialized services available in the State to improve these patients' health outcomes and to enhance the continuity and coordination of care for these patients. This program serves as one of the many pieces needed to reform the State of Illinois' healthcare programs to better serve the people of the State of Illinois.

§ 10. Definitions.

As used in this Act:

(a) "CARE tool" means the Continuity and Record Evaluation (CARE) tool. It is a patient assessment instrument that has been developed to document the medical, cognitive, functional, and discharge status of persons receiving health care services in acute and post-acute care settings. The data collected is able to document provider-level quality of care (patient outcomes) and characterize the clinical complexity of patients. For the purposes of this Act, the CARE tool must be identical to the most current version required by the federal Centers for Medicare and Medicaid Services.

(b) "Department" means the Illinois Department of Healthcare and Family Services.

(c) "Discharge" means the release of a patient from hospital care for any discharge disposition other than a leave of absence, even if for Medicare payment purposes the discharge fits the definition of an interrupted stay.

(d) "FTE" means "full-time equivalent" or a person or persons employed in one full-time position.

(e) "Hospital" means an institution, place, building, or agency located in this State that is licensed as a general acute hospital by the Illinois Department of Public Health under the Hospital Licensing Act, whether public or private and whether organized for profit or not-for-profit.

(f) "ICU" means intensive care unit.

(g) "LTAC hospital" means an Illinois hospital that is designated by Medicare as a long term acute care hospital as described in Section 1886(d)(1)(B)(iv)(I) of the Social Security Act and has an average length of Medicaid inpatient stay greater than 25 days as reported on the hospital's 2008 Medicaid cost report on file as of February 15, 2010, or a hospital that begins operations after January 1, 2009 and is designated by Medicare as a long term acute care hospital.

(h) "LTAC hospital criteria" means nationally recognized evidence-based evaluation criteria that have been publicly tested and includes criteria specific to an LTAC hospital for admission, continuing stay, and discharge. The criteria cannot include criteria derived or developed by or for a specific hospital or group of hospitals. Criteria and tools developed by hospitals or hospital associations or hospital-owned organizations are not acceptable and do not meet the requirements of this subsection.

(i) "Patient" means an individual who is admitted to a hospital for an inpatient stay.

(j) "Program" means the Long Term Acute Care Hospital Quality Improvement Transfer Program established by this Act.

(k) "STAC hospital" means a hospital that is not an LTAC hospital as defined in this Act or a psychiatric hospital or a rehabilitation hospital.

§ 15. Qualifying hospitals.

(a) Beginning October 1, 2010, the Department shall establish the Long Term Acute Care Hospital Quality Improvement Transfer Program. Any hospital may participate in the program if it meets the requirements of this Section as determined by the Department.

(b) To participate in the program a hospital must do the following:

(1) Operate as an LTAC hospital.

(2) Employ one-half of an FTE (designated for case management) for every 15 patients admitted to the hospital.

(3) Maintain on-site physician coverage 24 hours a day, 7 days a week.

(4) Maintain on-site respiratory therapy coverage 24 hours a day, 7 days a week.

(c) A hospital must also execute a program participation agreement with the Department. The agreement must include:

(1) An attestation that the hospital complies with the criteria in subsection (b) of this Section.

(2) A process for the hospital to report its continuing compliance with subsection (b) of this Section. The hospital must submit a compliance report at least annually.

(3) A requirement that the hospital complete and electronically submit to the Department for each patient no later than 13 calendar days after discharge:

(A) the CARE tool in the format required by the federal Centers for Medicare and Medicaid Services; and

(B) in an electronic format developed by the Department, (i) whether the patient was successfully weaned off invasive mechanical ventilation, (ii) whether the patient, if the patient was a ventilator patient, acquired pneumonia, and (iii) whether the patient fell and required an ancillary or surgical procedure (e.g., x-ray, MRI, sutures, or surgery).

(4) A requirement that the hospital use a patient satisfaction survey specifically designed for LTAC hospital settings. The hospital must submit survey results data to the Department at least annually.

(5) A requirement that the hospital accept all clinically approved patients for admission or transfer from a STAC hospital with the exception of STAC hospitals identified in paragraphs (1) and (2) under subsection (a) of Section 25 of this Act. The patient must be evaluated using LTAC hospital criteria approved by the Department for use in this program and meet the appropriate criteria.

(6) A requirement that the hospital report quality and outcome measurement data, as described in Section 20 of this Act, to the Department at least annually.

(7) A requirement that the hospital provide the Department full access to patient data and other data maintained by the hospital. Access must be in compliance with State and federal law.

(8) A requirement that the hospital use LTAC hospital criteria to evaluate patients that are admitted to the hospital to determine that the patient is in the most appropriate setting.

§ 20. Quality and outcome measurement data.

(a) For proper evaluation and monitoring of the program, each LTAC hospital must provide quality and outcome measurement data ("measures") identical to Medicare as specified in Medicare's LTCH Quality Reporting Program Manual (version 2.0) and any subsequent revisions.

(b) Two sets of measures must be calculated. The first set should only use data for medical assistance patients, and the second set should include all patients of the LTAC hospital regardless of payer.

§ 25. Quality improvement transfer program.

(a) The Department may exempt the following STAC hospitals from the requirements in this Section:

(1) A hospital operated by a county with a population of 3,000,000 or more.

(2) A hospital operated by a State agency or a State university.

(b) STAC hospitals may transfer patients who meet criteria in the LTAC hospital criteria and are medically stable for discharge from the STAC hospital.

(c) A patient in a STAC hospital may be exempt from a transfer if:

(1) The patient's physician does not issue an order for a transfer;

(2) The patient or the individual legally authorized to make medical decisions for the patient refuses the transfer; or

(3) The patient's care is primarily paid for by Medicare or another third party. The exemption in this paragraph (3) of subsection (c) does not apply to a patient who has exhausted his or her Medicare benefits resulting in the Department becoming the primary payer.

§ 30. LTAC hospital duties.

(a) The LTAC hospital must notify the Department within 5 calendar days if it no longer meets the requirements under subsection (b) of Section 15.

(b) The LTAC hospital may terminate the agreement under subsection (c) of Section 15 with 30 calendar days' notice to the Department.

(c) The LTAC hospital must develop patient and family education materials concerning the Program and submit those materials to the Department for review and approval.

(d) The LTAC hospital must retain the patient's admission evaluation to document that the patient meets the LTAC hospital criteria and is eligible to receive the LTAC supplemental per diem rate described in Section 35 of this Act.

§ 35. LTAC supplemental per diem rate.

(a) The Department must pay an LTAC supplemental per diem rate calculated under this Section to LTAC hospitals that meet the requirements of Section 15 of this Act for patients:

(1) who upon admission to the LTAC hospital meet LTAC hospital criteria; and

(2) whose care is primarily paid for by the Department under Title XIX of the Social Security Act or whose care is primarily paid for by the Department after the patient has exhausted his or her benefits under Medicare.

(b) The Department must not pay the LTAC supplemental per diem rate calculated under this Section if any of the following conditions are met:

(1) the LTAC hospital no longer meets the requirements under Section 15 of this Act or terminates the agreement specified under Section 15 of this Act;

(2) the patient does not meet the LTAC hospital criteria upon admission; or

(3) the patient's care is primarily paid for by Medicare and the patient has not exhausted his or her Medicare benefits, resulting in the Department becoming the primary payer.

(c) The Department may adjust the LTAC supplemental per diem rate calculated under this Section based only on the conditions and requirements described under Section 40 and Section 45 of this Act.

(d) The LTAC supplemental per diem rate shall be calculated using the LTAC hospital's inflated cost per diem, defined in subsection (f) of this Section, and subtracting the following:

(1) The LTAC hospital's Medicaid per diem inpatient rate as calculated under 89 Ill. Adm. Code 148.270(c)(4).

(2) The LTAC hospital's disproportionate share (DSH) rate as calculated under 89 Ill. Adm. Code 148.120.

(3) The LTAC hospital's Medicaid Percentage Adjustment (MPA) rate as calculated under 89 Ill. Adm. Code 148.122.

(4) The LTAC hospital's Medicaid High Volume Adjustment (MHVA) rate as calculated under 89 Ill. Adm. Code 148.290(d).

(e) LTAC supplemental per diem rates effective July 1, 2012 shall be the amount in effect as of October 1, 2010. No new hospital may qualify for the program after the effective date of this amendatory Act of the 97th General Assembly.

(f) For the purposes of this Section, "inflated cost per diem" means the quotient resulting from dividing the hospital's inpatient Medicaid costs by the hospital's Medicaid inpatient days and inflating it to the most current period using methodologies consistent with the calculation of the rates described in paragraphs (2), (3), and (4) of subsection (d). The data is obtained from the LTAC hospital's most recent cost report submitted to the Department as mandated under 89 Ill. Adm. Code 148.210.

(g) On and after July 1, 2012, the Department shall reduce any rate of reimbursement for services or other payments or alter any methodologies authorized by this Act or the Illinois Public Aid Code to reduce any rate of reimbursement for services or other payments in accordance with Section 5-5e of the Illinois Public Aid Code.

§ 40. Rate adjustments for quality measures.

(a) The Department may adjust the LTAC supplemental per diem rate calculated under Section 35 of this Act based on the requirements of this Section.

(b) After the first year of operation of the Program established by this Act, the Department may reduce the LTAC supplemental per diem rate calculated under Section 35 of this Act by no more than 5% for an LTAC hospital that does not meet benchmarks or targets set by the Department under paragraph (2) of subsection (b) of Section 50.

(c) After the first year of operation of the Program established by this Act, the Department may increase the LTAC supplemental per diem rate calculated under Section 35 of this Act by no more than 5% for an LTAC hospital that exceeds the benchmarks or targets set by the Department under paragraph (2) of subsection (a) of Section 50.

(d) If an LTAC hospital misses a majority of the benchmarks for quality measures for 3 consecutive years, the Department may reduce the LTAC supplemental per diem rate calculated under Section 35 of this Act to zero.

(e) An LTAC hospital whose rate is reduced under subsection (d) of this Section may have the LTAC supplemental per diem rate calculated under Section 35 of this Act reinstated once the LTAC hospital achieves the necessary benchmarks or targets.

(f) The Department may apply the reduction described in subsection (d) of this Section after one year instead of 3 to an LTAC hospital that has had its rate previously reduced under subsection (d) of this Section and later has had it reinstated under subsection (e) of this Section.

(g) The rate adjustments described in this Section shall be determined and applied only at the beginning of each rate year.

(h) On and after July 1, 2012, the Department shall reduce any rate of reimbursement for services or other payments or alter any methodologies authorized by this Act or the Illinois Public Aid Code to reduce any rate of reimbursement for services or other payments in accordance with Section 5-5e of the Illinois Public Aid Code.

§ 45. Program evaluation.

(a) By September 30, 2012, the Department must complete an evaluation of the Program to determine the actual savings or costs generated by the Program, both on an aggregate basis and on an LTAC hospital-specific basis.

(b) The Department shall consult with qualified LTAC hospitals to determine the appropriate methodology to accurately calculate the Program's savings and costs. The calculation shall take into consideration, but shall not be limited to, the length of stay in an acute care hospital prior to transfer, the length of stay in the LTAC taking into account the acuity of the patient at the time of the LTAC admission, and admissions to the LTAC from settings other than an STAC hospital.

(c) The evaluation must also determine the effects the Program has had in improving patient satisfaction and health outcomes.

(d) If the evaluation indicates that the Program generates a net cost to the Department, the Department may prospectively adjust an individual hospital's LTAC supplemental per diem rate under Section 35 of this Act to establish cost neutrality. The rate adjustments applied under this subsection (d) do not need to be applied uniformly to all qualified LTAC hospitals as long as the adjustments are based on data from the evaluation on hospital-specific information. Cost neutrality under this Section means that the cost to the Department resulting from the LTAC supplemental per diem rate must not exceed the savings generated from transferring the patient from a STAC hospital.

(e) The rate adjustment described in subsection (d) of this Section, if necessary, shall be applied to the LTAC supplemental per diem rate for the rate year beginning October 1, 2014. The Department may apply this rate adjustment in subsequent rate years if the conditions under subsection (d) of this Section are met. The Department must apply the rate adjustment to an individual LTAC hospital's LTAC supplemental per diem rate only in years when the Program evaluation indicates a net cost for the Department.

(f) The Department may establish a shared savings program for qualified LTAC hospitals.