

July 23, 2020

**ILLINOIS HEALTH AND HOSPITAL ASSOCIATION  
M E M O R A N D U M**

SUBJECT:     **UPDATE** – HFS Proposed Rules on Reimbursement for Days beyond Medical Necessity

On June 25, 2020, IHA released a [memo](#) to inform members that the Department of Healthcare and Family Services (HFS) had issued a proposed rule to implement a new reimbursement methodology for hospital inpatient days beyond medical necessity (see [43 Ill. Reg. 10065, 10076](#)). The memo provided a summary of the proposed rule, outlined the concerns identified by IHA staff, and requested member feedback to inform our response to HFS.

**IHA Comment Letter**

Although IHA appreciates the efforts of HFS to develop the new reimbursement methodology, we continue to have concerns with the administrative rule as proposed. In response, IHA has submitted a comment letter to HFS to outline our specific concerns and request adjustments be made to the final rule. Members may access IHA's letter to HFS ([click here](#)), which may assist those hospitals that also wish to provide public comments.

All comment letters must be received by HFS no later than July 31 and addressed to:

Steffanie Garrett  
General Counsel  
Illinois Department of Healthcare and Family Services  
201 South Grand Avenue East, 3<sup>rd</sup> Floor  
Springfield, IL 62763-0002

RE: HFS Hospital Long Term Care Services Proposed Rule (44 Ill. Reg. 10065)

**Retroactive Reimbursement**

Public Act 101-0209 applies retroactively such that hospitals are eligible for reimbursement on or after July 1, 2019. The law required HFS to implement the reimbursement methodology by October 1, 2019 specifically to minimize the need for retroactive adjustments. IHA has expressed serious concerns to HFS about this growing retroactive period given the more than eight month delay in publication of the proposed rule. We are working with HFS and the MCOs on the process for identifying claims eligible for reimbursement during the retroactive period, including a date by which the FFS program and the MCOs must make these payments, and will provide members with additional information as soon as possible.

If you have any questions please [contact IHA](#).