

July 29, 2010



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

**TO:** Chief Executive Officers, Member Hospitals and Health Systems  
Chief Financial Officers  
Government Relations Personnel

**FROM:** Maryjane A. Wurth, President

**SUBJECT:** Update on Hospital Capital Investment Program:  
Proposed Rules Published – Comments Due by Aug. 27

Proposed rules to implement the Hospital Capital Investment Program were published in the [Illinois Register](#) (see page 9716) on July 16, 2010. Legislation (Public Act 96-0037) to enact the program took effect last summer, as a result of intense advocacy efforts by IHA and the hospital community in the Spring 2009 legislative session. Since then, IHA has been working closely with the Illinois Department of Public Health (IDPH) to develop the rules for the program.

Hospitals may submit comments to:

Susan Meister  
Division of Legal Services  
Illinois Department of Public Health  
535 West Jefferson Street, 5th Floor  
Springfield, Illinois 62761  
or  
e-mail: [dph.rules@illinois.gov](mailto:dph.rules@illinois.gov)

Comments are due no later than August 27, 2010. If your hospital plans to submit comments, please send a copy to Jo Ann Spoor at [jspoor@ihastaff.org](mailto:jspoor@ihastaff.org).

The funding and eligibility criteria in Public Act 96-0037 include:

**• \$100 million for Safety Net Hospital Grants of \$2.5 million to \$7 million to hospitals meeting one of the following criteria:**

- Any general acute care hospital located in a county of over 3,000,000 inhabitants that has a Medicaid inpatient utilization rate for the rate year beginning on October 1, 2008 greater than 43%, that is not affiliated with a hospital system that owns or

operates more than 3 hospitals, and that has more than 13,500 Medicaid inpatient days.

- Any general acute care hospital that is located in a county of more than 3,000,000 inhabitants and has a Medicaid inpatient utilization rate for the rate year beginning on October 1, 2008 greater than 55% and has authorized beds for the obstetric-gynecology category of service as reported in the 2008 Annual Hospital Bed Report, issued by the Illinois Department of Public Health.
- Any hospital that is defined in 89 Illinois Administrative Code Section 149.50(c)(3)(A) and that has less than 20,000 Medicaid inpatient days.
- Any general acute care hospital that is located in a county of less than 3,000,000 inhabitants and has a Medicaid inpatient utilization rate for the rate year beginning on October 1, 2008 greater than 64%.
- Any general acute care hospital that is located in a county of over 3,000,000 inhabitants and a city of less than 1,000,000 inhabitants, that has a Medicaid inpatient utilization rate for the rate year beginning on October 1, 2008 greater than 22%, that has more than 12,000 Medicaid inpatient days, and that has a case mix index greater than 0.71.

• **\$50 million in Community Hospital Grants**

- Any public or not-for-profit hospitals located outside of Cook County that don't qualify for a Safety Net Hospital Grant and have Medicaid inpatient utilization rate for the rate year beginning on October 1, 2008 of at least 10% are eligible for these grants. Payment consists of the sum of the following:
  - Each general acute care hospital receives a base payment of:
    - \$170,000 if it is located in an urban area; or
    - \$340,000 if it is located in rural area.
  - In addition, each hospital receives \$45 per Medicaid inpatient day.

We will keep you updated on the status of the rules, including when the rules go to the Joint Committee on Administrative Rules (JCAR) and when the rules are adopted. If you have any questions, please contact Jo Ann Spoor at 217-541-1187 or [jspoor@ihastaff.org](mailto:jspoor@ihastaff.org).