

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

PACE STATE PLAN AMENDMENT PREPRINT

II. Rates and Payments

- [07-07](#) A. The State assures **HCFA CMS** that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach (see below) a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.
- 1. Rates are set at a percent of fee-for-service costs.
 - 2. Experience-based (contractors/State's cost experience or encounter date)(please describe).
 - 3. Adjusted Community Rate (please describe)
 - 4. Other (please describe).

Rate Setting Methodology.

Reimbursement shall be in the form of a monthly capitation rate. The rate shall be negotiated with the provider but shall not exceed 95 percent of the amount that would have been expended by the Department to provide the same services to an actuarially similar population, as determined by the Department from its paid claim records.

- [07-07](#) The actuarially similar population shall be comprised of Medical Assistance beneficiaries residing within the geographic area served by the PACE provider who, during the most recent State fiscal year for which complete data are available ~~ending no more recently than six months prior to this determination~~, was determined to have the level of need necessary to be either a resident of a nursing facility or a participant in a home- and community-based (waiver) program. This population shall be adjusted to provide that the distribution of individuals, with respect to age and level of need, is the same as that enrolled with the PACE provider. Level of need shall be that measured and reported through the use of the State's long term care pre-admission screening tool. The resulting amount shall be adjusted to reflect the change in estimated expenditures from the fiscal year upon which the rate was calculated and the current fiscal year. The rates shall be re-evaluated annually.
- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.
- [07-07](#) C. The State will submit all capitated rates to the **HCFA CMS** Regional Office for prior approval.

TN# 07-06

Approval date: / /

Effective date: 07/01/2007

Supersedes

TN# 03-03