

# 2004

# ILLINOIS

# REGISTER

RULES  
OF GOVERNMENTAL  
AGENCIES



Volume 28 Issue 7  
February 13, 2004  
Pages 2522-2888

Index Department  
Administrative Code Div.  
111 East Monroe Street  
Springfield, IL 62756  
(217) 782-7017  
<http://www.cyberdriveillinois.com>

Printed on recycled paper

PUBLISHED BY JESSE WHITE • SECRETARY OF STATE

## TABLE OF CONTENTS

February 13, 2004 Volume 28, Issue 7

### PROPOSED RULES

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND	
COUNCIL OF ILLINOIS	
General Program	
35 Ill. Adm. Code 1500 .....	2522
HUMAN SERVICES, DEPARTMENT OF	
Aid to the Aged, Blind or Disabled	
89 Ill. Adm. Code 113 .....	2560
Food Stamps	
89 Ill. Adm. Code 121 .....	2570
Audit Requirements of DHS	
89 Ill. Adm. Code 507 .....	2582
INSURANCE, ILLINOIS DEPARTMENT OF	
Valuation of Life Insurance Policies Including the Use of	
Select Mortality Factors	
50 Ill. Adm. Code 1409 .....	2587
Recognition of the 2001 CSO Mortality Table for Use	
in Determining Reserve Liabilities and Nonforfeiture	
Benefits	
50 Ill. Adm. Code 1412 .....	2606
PUBLIC HEALTH, ILLINOIS DEPARTMENT OF	
Manufactured Home Installation Code	
77 Ill. Adm. Code 870 .....	2613
RACING BOARD, ILLINOIS	
Hearings and Enforcement Proceedings	
11 Ill. Adm. Code 204 .....	2649
Interstate Common Pools	
11 Ill. Adm. Code 302 .....	2653
Superfecta	
11 Ill. Adm. Code 311 .....	2657

### ADOPTED RULES

BANKS AND REAL ESTATE, OFFICE OF	
Hearings Before the Office of Banks and Real Estate Bureau	
of Banks and Trust Companies	
38 Ill. Adm. Code 392 .....	2661
Hearings for Removal or Prohibition of Directors,	
Officers, Employees or Agents of a State Bank or a	
Branch of an Out-of-State Bank, Subsidiary or Holding	
Company of a State Bank or a Branch of an Out-of-State	
Bank, or Corporate Fiduciary, Subsidiary or Parent	
Company of a Corporate Fiduciary	
38 Ill. Adm. Code 900 .....	2670

CENTRAL MANAGEMEN SERVICES, DEPARTMENT OF Pay Plan	
80 Ill. Adm. Code 310 .....	2680
COMMERCE COMMISSION, ILLINOIS	
Procedures for Gas, Electric, Water and Sanitary Sewer Utilities Governing Eligibility for Service, Deposits, Payment Practices and Discontinuance of Service	
83 Ill. Adm. Code 280 .....	2684
PUBLIC AID, ILLINOIS DEPARTMENT OF	
Practice in Administrative Hearings	
89 Ill. Adm. Code 104 .....	2735
Medical Payment	
89 Ill. Adm. Code 140 .....	2744
Hospital Services	
89 Ill. Adm. Code 148 .....	2770
Diagnosis Related Grouping (DRG) Prospective Payment System (PPS)	
89 Ill. Adm. Code 149 .....	2836
<b>JOINT COMMITTEE ON ADMINISTRATIVE RULES AGENDA</b>	
JOINT COMMITTEE ON ADMINISTRATIVE RULES	
Meeting Agenda for February 18, 2004.....	2843
<b>SECOND NOTICES RECEIVED</b>	
JOINT COMMITTEE ON ADMINISTRATIVE RULES	
Second Notices Received .....	2853
<b>NOTICE OF PUBLICATION ERROR</b>	
JOINT COMMITTEE ON ADMINISTRATIVE RULES	
Universities Retirement	
80 Ill. Adm. Code 1600 .....	2856
<b>REGULATORY AGENDA</b>	
REVENUE, ILLINOIS DEPARTMENT OF	
Lottery	
11 Ill. Adm. Code 1770 .....	2863
<b>NOTICE OF PUBLIC INFORMATION</b>	
REVENUE, ILLINOIS DEPARTMENT OF	
2003 Fourth Quarter Sunshine Index.....	2878
Lottery Game Specific Rules.....	2881
<b>EXECUTIVE ORDERS AND PROCLAMATIONS</b>	
PROCLAMATIONS	
Ronald Reagan Day	
Ill. Adm. Code .....	2885
Municipal Clerks Week	
Ill. Adm. Code .....	2885
Celebration Sherwood! Week	
Ill. Adm. Code .....	2886
PeriAnesthesia Nurse Awareness Week	

Ill. Adm. Code .....	2887
Coalition for the Remembrance of Elijah Muhammad (C.R.O.E.) Day	
Ill. Adm. Code .....	2887

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: General Program
- 2) Code Citation: 35 Ill. Adm. Code 1500
- 3) 

<u>Section Numbers:</u>	<u>Proposed Action:</u>
1500.20	Amendment
1500.30	Amendment
1500.40	Amendment
1500.50	Amendment
1500.55	New
1500.70	Amendment
- 4) Statutory Authority: Implementing and authorized by the Drycleaner Environmental Response Trust Fund Act [415 ILCS 135/20(a)]
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking implements PA 93-201 that changed fees dry cleaning facilities pay to fund remedial action of dry cleaning solvent releases and to establish an insurance account for insuring environmental risks from releases. The rulemaking also updates the Part.
- 6) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? No
- 9) Are there any other proposed rulemakings pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking neither creates nor expands a State mandate.
- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed rulemaking may be submitted in writing for a period of 45 days following publication of this notice to:

H. Patrick Eriksen  
Drycleaner Environmental Response Trust Fund Council of Illinois  
PO Box 7380  
Bensenville, IL 60106-7380

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

(630) 741-0022

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: Drycleaning operators that are small businesses will be affected by the amended licensing categories and the extended sunset date of the Act. They may also voluntarily participate in the insurance and remedial programs. The increased remedial benefit cap will favorably impact small drycleaning operators. Small municipalities and not for profit corporations are not affected by this Act.
  - B) Reporting, bookkeeping or other procedures required for compliance: Small business drycleaner operators must maintain a log of their annual purchases of drycleaning solvent by calendar year. This is used to determine their license fee. To voluntarily participate in the insurance or remedial programs, small business drycleaner operators will be required to maintain the appropriate records to show that they are in compliance with federal and state regulatory requirements for handling and using drycleaning solvents.
  - C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on either of the 2 most recent agendas because: the need for the rulemaking was not anticipated.

The full text of the Proposed Amendment begins on the next page:

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

TITLE 35: DRYCLEANER ENVIRONMENTAL RESPONSE  
TRUST FUND COUNCIL OF ILLINOIS  
SUBTITLE N: DRYCLEANING  
CHAPTER 1: DRYCLEANER ENVIRONMENTAL RESPONSE  
TRUST FUND COUNCIL OF ILLINOIS

PART 1500  
GENERAL PROGRAM

Section

1500.10	General
1500.20	Definitions
1500.30	Drycleaning Facility License
1500.40	Drycleaner Remedial Account
1500.50	Drycleaner Facility Insurance Account
<u>1500.55</u>	<u>Drycleaning Solvent Tax</u>
1500.60	Appeals
1500.70	Forms

AUTHORITY: Implementing and authorized by the Drycleaner Environmental Response Trust Fund Act [415 ILCS 135/20(a)].

SOURCE: Emergency rule adopted at 24 Ill. Reg. 307, effective January 1, 2000, for a maximum of 150 days; emergency expired May 29, 2000; adopted at 24 Ill. Reg. 10162, effective June 26, 2000; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 1500.20 Definitions**

"Act" means the Drycleaner Environmental Response Trust Fund Act.

"Administrator" means the Administrator of the Drycleaner Environmental Response Trust Fund Council of Illinois.

*"Active drycleaning facility" means a drycleaning facility actively engaged in drycleaning operations and licensed under Section 60 of the Act.*

"Agency" means the Illinois Environmental Protection Agency.

*"Claimant" means an owner or operator of a drycleaning facility who has applied*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

*for reimbursement from the remedial account or who has submitted a claim under the insurance account with respect to a release.*

*"Council" means the Drycleaner Environmental Response Trust Fund Council.*

*"Drycleaner Environmental Response Trust Fund" or "Fund" means the fund created under Section 10 of the Act.*

*"Drycleaning facility" means a facility located in this State that is or has been engaged in drycleaning operations for the general public, other than a facility located on a United States military base; an industrial laundry, commercial laundry, or linen supply facility; a prison or other penal institution that engages in drycleaning only as part of a Correctional Industries program to provide drycleaning to persons who are incarcerated in a prison or penal institution or to resident patients of a State-operated mental health facility; a not-for-profit hospital or other health care facility; or a facility located or formerly located on federal or State property.*

*"Drycleaning operations" means drycleaning of apparel and household fabrics for the general public, as described in Standard Industrial Classification Industry No. 7215 and No. 7216 in the Standard Industrial Classification (SIC) Manual by the Technical Committee on Industrial Classification, available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, (202) 653-5075 (1987; no later editions or amendments are incorporated).*

"Drycleaning machine with a solvent reclaimer" means a petroleum-based or hydrocarbon-based drycleaning machine that utilizes a drying system in which the drycleaning solvent vapors from the drying process are captured and not emitted into the atmosphere.

"Drycleaning machine without a solvent reclaimer" means a petroleum-based or hydrocarbon-based drycleaning machine that uses a transfer process in which the garments are cleaned in one machine and then transferred to a dryer that does not recapture the drycleaning solvent remaining in the garments. The dryer emits the solvent vapors directly into the atmosphere.

*"Drycleaning solvent" means any and all nonaqueous solvents, including but not limited to a chlorine-based or petroleum-based~~hydrocarbon-based~~ formulation or*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

product, including green solvents, that are-is used as a primary cleaning agent in drycleaning operations.

*"Emergency" or "emergency action" means a situation or an immediate response to a situation to protect public health or safety. "Emergency" or "emergency action" does not mean removal of contaminated soils, recovery of free product, or financial hardship. An "emergency" or "emergency action" would normally be expected to be directly related to a sudden event or discovery and would last until the threat to public health is mitigated.*

"Focused site investigation" means an investigation designed to identify recognized environmental conditions and related contaminants of concern that may exist at a site and to investigate the environmental conditions and contaminants of concern that are associated with drycleaning solvents. The focused site investigation shall be performed in two phases. A phase I environmental assessment shall be designed and implemented in accordance with the procedures for such establishments set forth in "Standard Practices for Environmental Site Assessments: Phase 1 Environmental Site Assessment Process" (ASTM E 1527-~~0097~~), available from the American Society for Testing and Materials, 1916 Race St., Philadelphia PA 19103, (215) 299-5400 (~~20001997~~; no later editions or amendments are incorporated). The phase I environmental site assessment shall be designed and implemented to address those environmental conditions or contaminants of concern, including drycleaning solvents that may be associated with the site. A focused phase II environmental site assessment shall be designed and implemented to address those environmental conditions or contaminants of concern identified by the phase I environmental site assessment that are associated with drycleaning solvents. A focused phase II environmental site assessment investigation shall generally follow those requirements that are applicable to the phase II investigation as set forth in the Illinois Pollution Control Board's site remediation program requirements (35 Ill. Adm. Code 740.420(b)).

"Green solvent" means a drycleaning solvent evaluated and classified by the Council with assistance from the Agency to be biodegradable that, if released into the environment, would not require remedial action per the Agency or per the United States Environmental Protection Agency.

"Hydrocarbon-based solvent" means the same as a petroleum-based solvent.

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

*"Inactive drycleaning facility" means a drycleaning facility that is not being used for drycleaning operations and is not registered under the Act.*

*"Operator" means a person or entity holding a business license to operate a licensed drycleaning facility or the business operation of which the drycleaning facility is a part.*

*"Owner" means a person who owns or has possession or control of a drycleaning facility at the time a release is discovered, regardless of whether the facility remains in operation, or a parent corporation of such person.*

*"Person" means an individual, trust, firm, joint stock company, corporation, consortium, joint venture, or other commercial entity.*

*"Program year" means the period beginning on July 1 and ending on the following June 30.*

*"Release" means any spilling, leaking, emitting, discharging, escaping, leaching, or dispersing of drycleaning solvents from a drycleaning facility to groundwater, surface water, or subsurface soils.*

*"Remedial action" means activities taken to comply with Sections 58.6 and 58.7 of the Environmental Protection Act [415 ILCS 5/58.6 and 58.7] and rules adopted by the Pollution Control Board under those Sections.*

*"Service provider" means a consultant, testing laboratory, monitoring well installer, soil boring contractor, other contractor, lender, or any other person who provides a product or service for which a claim for reimbursement has been or will be filed against the remedial account or insurance account, or a subcontractor of such a person.*

*"Tiered Approach to Corrective Action Objectives" or "TACO" means risk based remedial action standards as defined in the Illinois Pollution Control Board's site remediation program requirements (35 Ill. Adm. Code 742).*

*"Virgin facility" means a drycleaning facility that has never had chlorine-based or petroleum-based drycleaning solvents stored or used at the property prior to it becoming a green solvent drycleaning facility. [415 ILCS 135/5]*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

**Section 1500.30 Drycleaning Facility License**

- a) *On and after January 1, 1998, every active drycleaning facility must obtain a license from the Council. No person shall operate a drycleaning facility in this State without a license issued by the Council for that facility. (Section 60(a) of the Act)*
- b) *The Council shall issue initial and annual renewal licenses to an active drycleaning facility upon an applicant's submission of a completed application prescribed by the Council (see Section 1500.60(a)) and proof of payment of the required fee to the Department of Revenue (Section 60(b) of the Act) by submittal of the DS-3 Form (prescribed by the Department of Revenue) subject to the following:*
- 1) The annual license period is January 1 through December 31.
  - 2) The license fee and the DS-3 Form must be submitted to the Department of Revenue 60 days prior to issuance of a license.
  - 3) The Department of Revenue will return the applicant's copy of the DS-3 Form to confirm receipt of the appropriate license fee.
  - 4) The original DS-3 Form returned from the Department of Revenue must be submitted to the Council with the license application or renewal application. Applications submitted without the original DS-3 Form will be returned to the applicant.
  - 5) Upon receipt of a properly completed license application and an original DS-3 Form indicating the appropriate license fee has been received by the Department of Revenue, the Council will process the license application.
  - 6) License fees are non-refundable.
  - 7) Any drycleaning facility that begins operation on or after January 1, 2000 must obtain a license prior to operating the facility.
- c) *On or after January 1, 2004, the ~~The~~ required annual fee for a license is as follows:*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- 1) \$500 for a facility that uses:
  - A) 50 gallons or less of chlorine-based or green drycleaning solvents annually; or
  - B) 250 or less gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or
  - C) 500 gallons or less annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(1) of the Act)
  
- 2) \$1,000 for a facility that uses:
  - A) more than 50 gallons but not more than 100 gallons of chlorine-based or green drycleaning solvents annually; or
  - B) more than 250 gallons but not more than 500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or
  - C) more than 500 gallons but not more than 1,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(2) of the Act)
  
- 3) \$1,500 for a facility that uses:
  - A) 100 gallons but not more than 150 gallons of chlorine-based or green drycleaning solvents annually; or
  - B) more than 500 gallons but not more than 750 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or
  - C) more than 1,000 gallons but not more than 1,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(3) of the Act)

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

- 4) \$2,000 for a facility that purchases:
- A) more than 150 gallons but not more than 200 gallons of chlorine-based or green drycleaning solvents annually; or
  - B) more than 750 gallons but not more than 1,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or
  - C) more than 1,500 gallons but not more than 2,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(4) of the Act)
- 5) \$2,500 for a facility that purchases:
- A) more than 200 gallons but not more than 250 gallons of chlorine-based or green drycleaning solvents annually; or
  - B) more than 1,000 gallons but not more than 1,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or
  - C) more than 2,000 gallons but not more than 2,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(5) of the Act)
- 6) \$3,000 for a facility that purchases:
- A) more than 250 gallons but not more than 300 gallons of chlorine-based or green drycleaning solvents annually; or
  - B) more than 1,250 gallons but not more than 1,500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or
  - C) more than 2,500 gallons but not more than 3,000 gallons annually

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

*of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(6) of the Act)*

- 7) *\$3,000 for a facility that purchases:*
- A) *more than 300 gallons but not more than 350 gallons of chlorine-based or green drycleaning solvents annually; or*
  - B) *more than 1,500 gallons but not more than 1,750 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or*
  - C) *more than 3,000 gallons but not more than 3,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(7) of the Act)*
- 8) *\$4,000 for a facility that purchases:*
- A) *more than 350 gallons but not more than 400 gallons of chlorine-based or green drycleaning solvents annually; or*
  - B) *more than 1,750 gallons but not more than 2,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or*
  - C) *more than 3,500 gallons but not more than 4,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(8) of the Act)*
- 9) *\$4,500 for a facility that uses:*
- A) *more than 400 gallons but not more than 450 gallons of chlorine-based or green drycleaning solvents annually; or*
  - B) *more than 2,000 gallons but not more than 2,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

with a solvent reclaimer; or

C) more than 4,000 gallons but not more than 4,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(9) of the Act)

10) \$4,500 for a facility that uses:

A) more than 450 gallons but not more than 500 gallons of chlorine-based or green drycleaning solvents annually; or

B) more than 2,250 gallons but not more than 2,500 gallons annually of hydrocarbon-based solvents used in a drycleaning machine equipped with a solvent reclaimer; or

C) more than 4,500 gallons but not more than 5,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(10) of the Act)

11) \$4,500 for a facility that uses:

A) more than 500 gallons but not more than 550 gallons of chlorine-based or green drycleaning solvents annually; or

B) more than 2,500 gallons but not more than 2,750 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or

C) more than 5,000 gallons but not more than 5,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(11) of the Act)

12) \$4,500 for a facility that uses:

A) more than 550 gallons but not more than 600 gallons of chlorine-based or green drycleaning solvents annually; or

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

- B) *more than 2,750 gallons but not more than 3,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or*
  - C) *more than 5,500 gallons but not more than 6,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(12) of the Act)*
- 13) *\$4,500 for a facility that uses:*
  - A) *more than 600 gallons of chlorine-based or green drycleaning solvents annually; or*
  - B) *more than 3,000 gallons but not more than 3,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer; or*
  - C) *more than 6,000 gallons of hydrocarbon-based drycleaning solvents annually in a drycleaning machine equipped without a solvent reclaimer. (Section 60(c)(13) of the Act)*
- 14) *\$4,500 for a facility that uses:*
  - A) *more than 3,250 gallons but not more than 3,500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer. (Section 60(c)(14) of the Act)*
  - B) *more than 3,500 gallons but not more than 3,750 gallons annually of hydrocarbon-based solvents used in a drycleaning machine equipped with a solvent reclaimer. (Section 60(c)(15) of the Act)*
  - C) *more than 3,750 gallons but not more than 4,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer. (Section 60(c)(16) of the Act)*
- 15) *\$4,500 for a facility that uses more than 4,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

~~*solvent reclaimer. (Section 60(c)(17) of the Act) 1) \$500 for a facility that purchases: A) 140 gallons or less of chlorine-based drycleaning solvents annually, and does not purchase hydrocarbon-based drycleaning solvents; B) 1400 gallons or less of hydrocarbon-based drycleaning solvents annually (Section 60(c)(i) of the Act), and does not purchase chlorine-based drycleaning solvents; C) both chlorine-based drycleaning solvents and hydrocarbon-based drycleaning solvents, using a multiplier of 10 for chlorine-based drycleaning solvents to determine an equivalent value based upon one gallon of chlorine-based drycleaning solvents having an equivalent value of 10 gallons of hydrocarbon-based drycleaning solvents, 1400 equivalent value gallons or less combined hydrocarbon-based and chlorine-based, multiplied by 10, drycleaning solvents. 2) \$1,000 for a facility that purchases: A) more than 140 gallons but less than 360 gallons of chlorine-based drycleaning solvents annually, and does not purchase hydrocarbon-based drycleaning solvents; B) more than 1400 gallons but less than 3600 gallons of hydrocarbon-based drycleaning solvents annually (Section 60(c)(2) of the Act), and does not purchase chlorine-based drycleaning solvents; C) both chlorine-based drycleaning solvents and hydrocarbon-based drycleaning solvents, using a multiplier of 10 for chlorine-based drycleaning solvents to determine an equivalent value based upon one gallon of chlorine-based drycleaning solvents having an equivalent value of 10 gallons of hydrocarbon-based drycleaning solvents, more than 1400 equivalent value gallons but less than 3600 equivalent value gallons combined hydrocarbon-based and chlorine-based, multiplied by 10, drycleaning solvents. 3) \$1,500 for a facility that purchases: A) 360 gallons or more of chlorine-based drycleaning solvents annually and does not purchase hydrocarbon-based drycleaning solvents; B) 3600 gallons of hydrocarbon-based drycleaning solvents annually (Section 60(c)(3) of the Act) and does not purchase chlorine-based drycleaning solvents; C) both chlorine-based drycleaning solvents and hydrocarbon-based drycleaning solvents, using a multiplier of 10 for chlorine-based drycleaning solvents to determine an equivalent value based upon one gallon of chlorine-based drycleaning solvents having an equivalent value of 10 gallons of hydrocarbon-based drycleaning solvents, more than 3600 equivalent value gallons or more combined hydrocarbon-based and chlorine-based, multiplied by 10, drycleaning solvents.*~~

- 16)4) If an applicant submits a license application to operate a facility beginning during a license year, the license fee for the first year shall be prorated as

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

follows:

- A) For a license with an effective date on or after January 1 and before April 1, 100% of the fee is required.
  - B) For a license with an effective date on or after April 1 and before July 1, 75% of the fee is required.
  - C) For a license with an effective date on or after July 1 and before October 1, 50% of the fee is required.
  - D) For a license with an effective date on or after October 1 and before January 1 of the following year, 25% of the fee is required.
- d) *For purposes of this Section, the quantity of drycleaning solvents ~~used-purchased~~ annually shall be determined as follows:*
- 1) *In the case of an initial applicant, the quantity of drycleaning solvents that the applicant estimates will be used during his or her initial license year. A fee assessed under this subsection (d)(1) is subject to audited adjustment for that year; or*
  - 2) *In the case of a renewal applicant, the quantity of drycleaning solvents actually used in the preceding license year. (Section 60(c) of the Act) If the amount of drycleaning solvents actually used in the preceding license year cannot be readily calculated, the quantity of drycleaning solvents purchased in the preceding year may be used to determine the annual license fee. The method used to determine the initial renewal license fee must be used for all subsequent license renewals.*
  - 3) *In the case of an applicant who uses both chlorine-based and hydrocarbon-based solvents, the quantity of drycleaning solvents used annually shall be determined as follows:*
    - A) *using a multiplier of 10 for chlorine-based drycleaning solvents to determine an equivalent value based upon one gallon of chlorine-based drycleaning solvents having an equivalent value of 10 gallons of hydrocarbon-based drycleaning solvents for facilities*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

- not using a drycleaning machine equipped with a solvent reclaimer.
- B) using a multiplier of 5 for chlorine-based drycleaning solvents to determine an equivalent value based upon one gallon of chlorine-based drycleaning solvents having an equivalent value of 5 gallons of hydrocarbon-based drycleaning solvents for facilities using a drycleaning machine equipped with a solvent reclaimer.
- 4) In the case of an applicant who uses hydrocarbon-based solvents at a facility that has both drycleaning machines with and without a solvent reclaimer, the total usage will be determined by applying the number of drycleaning machines with a solvent reclaimer to the total number of drycleaning machines at the facility to arrive at a percentage of drycleaning machines with a solvent reclaimer. This percentage will be applied to the total gallons of hydrocarbon-based solvent used and multiplied by a factor of 2 to convert the gallonage to the equivalent of a drycleaning machine without a solvent reclaimer.
- e) *The Council may adjust licensing fees annually based on the change in the published Consumer Price Index – All Urban Consumers, U.S. city average, all items; (“CPI-U”) for the 12 months preceding the month the Council adjusts the licensing fee or as otherwise determined by the Council. (Section 60(c) of the Act)*
- f) *A license issued under this Section shall expire one year after the date of issuance and may be renewed on reapplication to the Council and submission of proof of payment of the appropriate fee to the Department of Revenue in accordance with subsections (b) and (c). At least 30 days before payment of a renewal licensing fee is due, the Council shall attempt to:*
- 1) *notify the operator of each licensed drycleaning facility concerning the requirements of this Section; and*
  - 2) *submit a license fee payment form to the licensed operator of each drycleaning facility. (Section 60(d) of the Act)*
- g) *An operator of a drycleaning facility who is required to pay a license fee under the Act and fails to pay the license fee when the fee is due ~~may shall~~ be assessed a*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

*penalty of \$5 for each day after the license fee is due and until the license fee is paid.* (Section 60(g) of the Act) Penalties totaling \$1,000 or more may be paid in 12 equal monthly installments upon execution by the drycleaner operator of a Council prescribed agreement.

- h) A license can be transferred from the drycleaning facility operator to a new operator of the same drycleaning facility upon completion of a license transfer form prescribed by the Council and signed by the license holder and transferee. If the drycleaning facility has an active insurance policy issued by the Council, the license can only be transferred if the insurance policy is also transferred.
- i) If a drycleaning facility operator terminates the operation of a licensed drycleaning facility at a specific location, the operator can be re-licensed for a new drycleaning facility location without payment of an additional license fee provided the existing drycleaning facility license is terminated.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1500.40 Drycleaner Remedial Account**

The Council shall have the authority *to provide reimbursement to eligible claimants for remedial action associated with the release of drycleaning solvents from the claimant's drycleaning facility.* (Section 40(a) of the Act)

- a) *The following claimants are eligible for reimbursement from the remedial action account:*
  - 1) *The owner or operator of an inactive drycleaning facility who was also the owner or operator of that drycleaning facility when it was an active drycleaning facility.*
  - 2) *The owner or operator of an active drycleaning facility which is licensed by the Council under the Drycleaner Environmental Response Trust Fund Act at the time of application for remedial action benefits.* (Section 40(b) of the Act)
- b) To be eligible for reimbursement, a claimant must demonstrate that drycleaning solvent contaminated soil, groundwater or both exceeds Illinois Environmental Protection Agency (Agency) tiered approach to corrective action objectives and

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

all of the following:

- 1) *The source of the release is from the claimant's drycleaning facility. (Section 40(c)(1) of the Act)*
- 2) *At the time the release was discovered, the claimant and the drycleaning facility were in compliance with all the Agency reporting and technical operating requirements. (Section 40(c)(2) of the Act)*
- 3) *The claimant reported the release in a timely manner to the Agency in accordance with the Illinois Emergency Planning and Community Right to Know Act [430 ILCS 100]. (Section 40(c)(3) of the Act)*
- 4) *The claimant has not filed for bankruptcy on or after the date of the discovery of the release. (Section 40(c)(4) of the Act)*
- 5) *The release must have been discovered on or after July 1, 1997 and before July 1, ~~2006~~2004. (Section 40(c)(7) of the Act)*
- 6) *The claimant must submit a completed application form as provided by the Council (see Section 1500.70(c)) by June 30, ~~2005~~2004. (Section 40(d) of the Act)*
- 7) *If the claim is for reimbursement of remedial action expenses at an active drycleaning facility, the claimant must demonstrate continuous financial assurance for environmental liability coverage in the amount of at least \$500,000 beginning the date of award of benefits under the Act or July 1, 2000, whichever is earlier. An uninsured drycleaning facility that has filed an application for insurance with the Fund by January 1, 2004, obtained insurance through that application, and maintained that insurance coverage continuously shall be considered to have conformed with the requirements of this subsection (b)(7). To conform with this requirement, the applicant must pay the equivalent of the total premiums due for the period beginning June 30, 2000 through the date of application plus a 20% penalty of the total premiums due for that period, and the claimant must provide to the Council proof of implementation and maintenance of the following pollution prevention measures: (Section 40(c)(5) and (6) of the Act)*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- A) Management of *all drycleaning solvent wastes in accordance with applicable State waste management laws and rules* in accordance with the Environmental Protection Act [415 ILCS 5] and 35 Ill. Adm. Code 722. (Section 40(c)(5)(A) of the Act)
- B) *A prohibition on the discharge of wastewater from drycleaning machines or of drycleaning solvent from drycleaning operations to a sanitary sewer or septic tank or to the surface or to groundwater.* (Section 40(c)(5)(B) of the Act)
- C) *Installation of a containment dike or other containment structure around each machine which is capable of containing a capacity of 110 percent of the drycleaning solvent in the largest tank or vessel in the machine for any leak, spill, or release of drycleaning solvent from that machine.*
- D) *Installation of a containment dike or other containment structure around each item of equipment or drycleaning area in which any drycleaning solvent is utilized, which shall be capable of containing a capacity of 100 percent of the drycleaning solvent capacity of each item of equipment or area for any leak, spill, or release of drycleaning solvent from that item.* (Section 40(c)(5)(C)(I))
- E) *Installation of a containment dike or other containment structure around each portable waste container in which any drycleaning solvent is utilized, which shall be capable of containing a capacity of 100 percent of the drycleaning solvent capacity of the largest portable waste container, or at least 10 percent of the total volume of the portable waste containers stored within the containment device, whichever is greater, for any leak, spill, or release of drycleaning solvent from that item. The portable waste container and containment dike should be located within the drycleaning facility. If the portable waste container is not located within the drycleaning facility, then the portable waste container and the containment device must be located in a structure designed to prevent unauthorized access and prevent exposure to natural elements and provide safety to human health and the environment.*  
(Section 40(c)(5)(C)(I) of the Act)

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

- F) *Petroleum underground storage tank systems that are upgraded in accordance with USEPA upgrade standards pursuant to 40 CFR 280 (1998) for the tanks and related piping systems and use a leak detection system approved by USEPA or the Agency are exempt from this secondary containment requirement. (Section 40(c)(5)(C)(I) of the Act)*
- G)~~F)~~ *All diked floor surfaces on which a drycleaning solvent may leak, spill or otherwise be released must be sealed or otherwise rendered impervious to drycleaning solvents. (Section 40(c)(5)(C)(II) of the Act)*
- H)~~G)~~ *Chlorine-based ~~Chlorine-based~~ drycleaning solvents shall be delivered to the drycleaning facility by means of closed, direct-coupled delivery and vapor recovery systems. (Section 40(c)(5)(D) of the Act)*
- I)~~H)~~ *All petroleum based drycleaning solvents shall be delivered to the drycleaning facility by means of a direct-coupled delivery system with proper vent lines for receiving the product.*
- c) Subject to Fund limitations, eligibility requirements, prioritization and reimbursement limitations, the Council may reimburse up to but not to exceed *\$300,000 per active drycleaning facility and \$50,000 per inactive drycleaning facility. (Section 40(f)(1) of the Act)*~~*1)\$160,000 per active drycleaning facility for which an eligible claim is submitted during the program year beginning July 1, 1999. (Section 40(f)(1)(A) of the Act) 2)\$150,000 per active drycleaning facility for which an eligible claim is submitted during the program year beginning July 1, 2000. (Section 40(f)(1)(B) of the Act) 3)\$140,000 per active drycleaning facility for which an eligible claim is submitted during the program year beginning July 1, 2001. (Section 40(f)(1)(C) of the Act) 4)\$130,000 per active drycleaning facility for which an eligible claim is submitted during the program year beginning July 1, 2002. (Section 40(f)(1)(D) of the Act) 5)\$120,000 per active drycleaning facility for which an eligible claim is submitted during the program year beginning July 1, 2003. (Section 40(f)(1)(E) of the Act) 6)\$50,000 per inactive drycleaning facility. (Section 40(f)(1)(F) of the Act)*~~
- d) *An eligible claimant submitting a claim for an active drycleaning facility is*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

*responsible for the first \$5,000 of eligible focused site investigation costs and for the first \$10,000 of eligible remedial action costs incurred in connection with the release and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of the Act. (Section 40(e)(1) of the Act)*

- e) *An eligible claimant submitting a claim for an inactive drycleaning facility is responsible for the first \$10,000 of eligible focused site investigation costs and for the first \$10,000 of eligible remedial action costs incurred in connection with the release from that drycleaning facility, and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of the Act. (Section 40(e)(2) of the Act)*
- f) For the purpose of claimant reimbursement, eligible expenses are limited subject to the following:
- 1) For remedial action activities that occurred on or after July 1, 1999, only those costs that are pre-approved by the Council are eligible for reimbursement unless an emergency exists. In the case of an emergency, the Council may reimburse reasonable expenses for remediation services required to mitigate the emergency conditions.
  - 2) For remedial action activities that occurred prior to July 1, 1999, the Council may reimburse costs that the Council determines were reasonable and necessary.
  - 3) To be pre-approved for reimbursement, remedial action activities must be required under the site remediation program. Only services required to obtain a no further remediation letter for the drycleaning solvent of concern, based upon continued land use as a drycleaning facility, are reimbursable.
  - 4) *A contract in which one of the parties to the contract is a claimant, for goods or services that may be payable or reimbursable from the Council, is void and unenforceable unless and until the Council has found that the contract terms are within the range of usual and customary rates for similar or equivalent goods or services within this State and has found that the goods or services are necessary for the claimant to comply with Council standards or with the site remediation program. (Section 40(f)(2) of the Act)*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- 5) *The Council may require a claimant to obtain and submit 3 bids and may require that the bids contain specific terms and conditions consistent with the requirements of the site remediation program and the site specific characteristics of the drycleaning facility for which budget approval is requested. Approval of a bid will be both price and scope specific. (Section 40(f)(4) of the Act)*
- 6) *If a claimant has pollution liability insurance coverage other than coverage provided by the insurance account under the Act, that coverage shall be primary. Reimbursement from the remedial account shall be limited to the deductible amounts under the primary coverage and the amount that exceeds the policy limits of the primary coverage, subject to the deductible amounts of the Act. If there is a dispute between the claimant and the primary insurance provider, reimbursement from the remedial action account may be made to the claimant after the claimant assigns all of his or her interests in the insurance coverage to the Council. (Section 40(f)(9) of the Act)*
- 7) Reimbursement of any amount from the Fund for remedial action shall be subject to the Council acquiring by subrogation the rights of any claimant or other person to recover the costs of remedial action for which the Fund has compensated the claimant.
- 8) If, for any reason, the Council determines that an excess payment has been paid from the Fund, the Council may take steps to collect the excess amount.
- 9) *Cost recovery; enforcement.*
  - A) *The Council may seek recovery from a potentially responsible party liable for a release that is the subject of a remedial action and for which the Fund has expended moneys for remedial action. The amount of recovery sought by the Council shall be equal to all moneys expended by the Fund for and in connection with the remediation, including but not limited to reasonable attorneys' fees and costs of litigation expended by the Fund in connection with the release. (Section 50(a) of the Act)*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- B) *Except as provided in subsections (f)(9)(C) and (D):*
- i) *The Council shall not seek recovery for expenses in connection with remedial action for a release from a claimant eligible for reimbursement except for any unpaid portion of the deductible. (Section 50(b)(1) of the Act)*
  - ii) *A claimant's liability for a release for which coverage is admitted under the insurance account shall not exceed the amount of the deductible, subject to the limits of insurance coverage. (Section 50(b)(2) of the Act)*
- C) *Notwithstanding subsection (f)(9)(B), the liability of a claimant to the Fund shall be the total costs of remedial action incurred by the Fund, as specified in subsection (f)(9)(A), if the claimant has not complied with the Environmental Protection Act [415 ILCS 5] and its rules or with the Act and its rules. (Section 50(c) of the Act)*
- D) *Notwithstanding subsection (f)(9)(B), the liability of a claimant to the Fund shall be the total costs of remedial action incurred by the Fund, as specified in subsection (f)(9)(A), if the claimant received reimbursement from the Fund through misrepresentation or fraud, and the claimant shall be liable for the amount of the reimbursement. (Section 50(d) of the Act)*
- E) *Upon reimbursement by the Fund for remedial action under the Act, the rights of the claimant to recover payment from a potentially responsible party are assumed by the Council to the extent the remedial action was paid by the Fund. A claimant is precluded from receiving double compensation for the same injury. A claimant may elect to permit the Council to pursue the claimant's cause of action for an injury not compensated by the Fund against a potentially responsible party, provided the Attorney General or his or her designee determines the representation would not be a conflict of interest. (Section 50(e) of the Act)*
- F) *This subsection (f)(9) does not preclude, limit, or in any way affect any of the provisions of or causes of action pursuant to Section*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

*22.2 of the Environmental Protection Act [415 ILCS 5/22.2].  
(Section 50(f) of the Act)*

- 10) Upon receipt of a signed, written request from the claimant and verification that the applicable deductibles have been paid by the claimant, the Council will directly pay to the primary service provider the amount of reimbursement due the claimant from the Fund for remedial action activities. The claimant must submit to the Fund a copy of cancelled checks supporting that the applicable deductibles have been paid, along with a signed, written statement from the primary service provider verifying the applicable deductibles have been paid. This request will remain in effect until:
- A) it is rescinded in writing by the claimant; or
  - B) the Fund has reimbursed the maximum benefit allowed; or
  - C) the claim is closed and the Fund has reimbursed the total amount approved for remedial action activities performed at the facility.
- 11) Upon enrollment in the Agency's site remediation program and receipt of a signed, written request from the claimant, the Fund may pay the Agency directly, on eligible claims, the cost incurred by the Agency in its oversight of the drycleaning facility with respect to which the claimant obtained a No Further Remediation letter. This request will remain in effect until:
- A) the Fund has reimbursed the maximum benefit allowed; or
  - B) the claim is no longer eligible for benefits from the Fund; or
  - C) the facility has completed the project with the Agency and all related oversight costs have been paid in full to the Agency.
- g) Prioritization based upon Fund limitations.
- 1) The liability of the Fund is further limited by the monies made available to the Fund, and no remedy shall be provided that would require the Fund to exceed its then current funding limitations to satisfy an award or that

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

would restrict the availability of monies for higher priority sites. *The Council may prioritize the expenditure of funds from the remedial action account whenever it determines that there are not sufficient funds to settle all current claims. In prioritizing, the Council may consider the following:*

- A) *The degree to which human health is affected by the exposure posed by the release (Section 25(c)(1) of the Act);*
- B) *The reduction of risk to human health derived from remedial action compared to the cost of the remedial action (Section 25(c)(2) of the Act);*
- C) *The present and planned uses of the impacted property (Section 25(c)(3) of the Act).*

- 2) If the Council determines that there are not sufficient funds to settle all current claims and that prioritization is necessary, the Council will provide notice to all eligible claimants of the need for prioritization and the prioritization schedule. The Council may designate cash reserves to pay for focused site investigations performed through June 30, 2006 and to pay for unknown remediation costs associated with claims that have been prioritized. The initial claim prioritization will include all eligible claims as of the prioritization date set by the Council. Subsequent claim prioritizations will include all eligible claims as of the prioritization date set by the Council, excluding all claims that have previously been prioritized. All claims in the initial prioritization must be funded before conducting subsequent prioritizations. This funding methodology will apply to all subsequent prioritizations.

- 3) The prioritization schedule is as follows:

- A) First priority will be the abatement of emergency conditions that present an immediate threat to human health and safety, such as explosive vapors in basements or utility conduits and migration of free products into the water supply line or to the off site property.
- B) Second priority will be the drycleaning facilities located in a township without a groundwater ordinance and when the drycleaning solvent contamination of soil and groundwater of such

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

facilities is likely to cause an immediate adverse effect on human health by contaminating potable water resources.

- C) Third priority will be the drycleaning facilities with drycleaning solvent contaminants of soil and groundwater where migration of these contaminants to neighboring properties seems imminent or immediate, which can result in more costly and complicated remediations in the future.
- D) Fourth priority will be drycleaning facilities at which soil and/or groundwater contamination is at concentration higher than soil saturation limits of drycleaning solvents, according to TACO regulations of the Agency. Active remediation is required to address free product drycleaning solvent contamination.
- E) Fifth priority will be the drycleaning facilities in which soil and/or groundwater contamination is higher than the TACO Tier II level but less than the TACO soil saturation limit. Active remediation may be required or a No Further Remediation letter may be achieved through installation of an engineering barrier and/or through the use of institutional controls.
- F) When the Council determines it necessary to prioritize the claims, each individual claim will be ranked using the following numerical ranking system:

$$\text{Ranking Score} = (S1 \times 20) + (S2 \times 10) + (S3 \times 8) + (S4 \times 6) + (S5 \times 4) + (S6 \times 2)$$

Where:

- S1   ≡ Emergency condition
- S2   ≡ Potable water resources contamination
- S3   ≡ Migration of contaminants through groundwater or through soil/rock fractures to the neighboring properties
- S4   ≡ Facilities with free product solvents

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

S5 ≡ Facilities with higher than the TACO Tier II level of solvent contamination

S6 ≡ Facilities with less than the TACO Tier II level of solvent contamination

i) Emergency condition (S1)

Toxic fumes or explosion possibility, i.e., free product migration, etc.

Points: 5

ii) Potable water resources contamination (S2)

Imminent or immediate risk to public water resources such as public wells, rivers, and surface water reservoirs and lakes

<u>Distance</u>	<u>Points</u>
<u>Within 500 feet</u>	<u>5</u>
<u>Within ¼ mile</u>	<u>4</u>
<u>Within ½ mile</u>	<u>3</u>
<u>Within 1 mile</u>	<u>2</u>
<u>Within 1½ miles</u>	<u>1</u>

iii) Migration of contaminants with groundwater or through soil/rock fractures to the neighboring properties (S3)

Time period for the migration of contaminants to the neighboring property given seepage velocity of groundwater and size and location of contamination plume

<u>Time</u>	<u>Points</u>
<u>Within 6 months</u>	<u>5</u>
<u>Within 1 year</u>	<u>4</u>
<u>Within 1½ years</u>	<u>3</u>

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

Within 2 years 2

Within 2½ years 1

iv) Facilities with free product solvents (S4)

The soil at the facility is contaminated with drycleaning solvent higher than TACO soil saturation limits (i.e., PCE > 240 ppm and TCE > 1300 ppm) and/or free product was discovered in on-site wells

<u>Groundwater Ordinance</u>	<u>Points</u>
<u>Rejected or not available</u>	<u>5</u>
<u>Only approved by the township</u>	<u>4</u>
<u>Approved by the Agency and township</u>	<u>3</u>

v) Facilities with higher than the TACO Tier II level of solvent contamination (S5)

Facilities with higher than the TACO Tier II level of solvent contamination but less than soil saturation limits

<u>Groundwater Ordinance</u>	<u>Points</u>
<u>Rejected or not available</u>	<u>5</u>
<u>Only approved by the township</u>	<u>4</u>
<u>Approved by the Agency and township</u>	<u>3</u>

vi) Facilities with less than the TACO Tier II level of solvent contamination (S6)

Facilities with higher than the TACO Tier I level but less than Tier II level of solvent contamination (i.e., Tier I for PCE & TCE ≥ 300 ppb for Class I and 60 ppb for Class II)

<u>Groundwater Ordinance</u>	<u>Points</u>
<u>Rejected or not available</u>	<u>5</u>

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

<u>Only approved by the township</u>	<u>4</u>
<u>Approved by the Agency and township</u>	<u>3</u>

The highest ranked claims will receive priority funding, subject to an analysis of the claimant's ability to pay for remediation costs that are anticipated to exceed the Fund's maximum benefit cap.

- 4) The final step in the prioritization process is to analyze each claimant's ability to pay for remedial action costs that are anticipated to exceed the Fund's maximum benefit cap for the facility. This analysis will be done at the completion of the remedial action plan or, in the case of substantial soil and groundwater contamination, at the completion of the focused site investigation. If it is apparent that the cost of remedial action will exceed the benefits available to an eligible drycleaning facility, the Administrator will contact the claimant and ask that the claimant respond in writing as to whether it has the financial resources and is willing to expend those resources to remediate the facility. If the claimant states that it chooses to remediate the facility, the following mechanisms would be deemed acceptable in order to ensure that the claimant has the necessary resources to complete the remedial action once the Fund's maximum benefits have been expended:
- A) Escrow 100% of the estimated remedial action costs that will exceed the Fund's remedial benefit cap. Cash or cash equivalents, such as a certificate of deposit, marketable bonds, etc., would be acceptable for escrow; or
- B) A letter of credit from a federally insured financial institution for 100% of the estimated remedial action costs that will exceed the Fund's remedial benefit cap; or
- C) Personal or corporate guarantees for 100% of the estimated cleanup costs that will exceed the Fund's remedial benefit cap. The guarantees would need to be collateralized by liquid assets.

Any eligible claimant who determines that it has neither the financial resources nor the desire to spend its resources on remediation of the facility will be moved to a new and separate prioritization pool. Funding for these claims will only be made available once the cleanups have been

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

completed on all of the other eligible claims that do not exercise these funding limitations.

- 5) Once a claim has been prioritized, it cannot be removed from the prioritized listing unless the claim becomes ineligible for benefits from the Fund or the claimant refuses to remediate the facility in a timely manner.
- h) Remedial claim benefits for a specific drycleaning facility can be transferred to a successor drycleaning facility operator or owner upon execution of a remedial benefits transfer form prescribed by the Council and signed by the original claimant and the successor claimant and approved by the Council.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1500.50 Drycleaner Facility Insurance Account**

The owner or operator of an active drycleaning facility shall be eligible for up to \$500,000 financial assurance per drycleaning facility from the Council subject to the following limitations:

- a)1) To apply for financial assurance coverage, the owner or operator of an active drycleaning facility must submit a completed application provided by the Council (see Section 1500.70(b)). The Council will not determine who must submit the application. Any insurance policy issued must identify both the owner and the operator and both will be named insureds.
- b)2) Prior to the submission of an insurance application and no later than June 30, ~~2006~~2004 for a drycleaning facility that is active on June 30, ~~2006~~2004, an applicant must have a focused site investigation completed that is designed to identify soil and groundwater contamination resulting from the release of drycleaning solvents at the facility based upon the continued use of the facility as a drycleaning facility, consistent with 35 Ill. Adm. Code 740.430 and 435.
- c)3) *The drycleaning facility is participating in and meets all requirements of a drycleaning compliance program approved by the Council. (Section 45(d)(2) of the Act)*
- d)4) Applications must include the annual premium for financial assurance coverage as follows:

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

- ~~1)A)~~ *For the year, July 1, 1999 through June 30, 2000 \$250 per drycleaning facility;* (Section 45(e)(1) of the Act);
- ~~2)B)~~ *For the year July 1, 2000 through June 30, 2001, \$375 per drycleaning facility;* (Section 45(e)(2) of the Act);
- ~~3)C)~~ *For the year July 1, 2001 through June 30, 2002, \$500 per drycleaning facility;* (Section 45(e)(3) of the Act);
- ~~4)D)~~ *For the year July 1, 2002 through June 30, 2003, \$625 per drycleaning facility;* (Section 45(e)(4) of the Act);
- ~~5)E)~~ *For subsequent years, the applicant applying for coverage shall pay an annual actuarially sound insurance premium as determined by the Council. The Council shall take into consideration risk factor adjustments to reflect the range of risk presented by:*
- ~~A)i)~~ the type of *drycleaning system*
  - ~~B)ii)~~ the type of *monitoring system*
  - ~~C)iii)~~ *drycleaning volume*
  - ~~D)iv)~~ *risk management practices.* (Section 45 (e)(5) of the Act)
- ~~e)5)~~ *If coverage is purchased for any part of a year, the purchaser shall pay the full annual premium for that year. The insurance premium is fully earned upon issuance of the insurance policy. (Section 45(f) of the Act) The insurance premium may be paid in semiannual installments for policies issued on or after June 30, 2003.*
- ~~f)6)~~ All insurance policies shall include a *\$10,000 deductible* (Section 45(g) of the Act).
- ~~g)7)~~ *Coverage shall be limited to remedial action costs associated with soil and groundwater contamination resulting from a release of drycleaning solvent at an insured drycleaning facility including third-party liability for soil and groundwater contamination, consistent with the terms of the Council's insurance policy. (Section 45(c) of the Act)*

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

## NOTICE OF PROPOSED AMENDMENTS

- h)8)** An insurance policy issued by the Council for a specific drycleaning facility location can be transferred to a successor drycleaning facility operator or owner upon execution of a policy transfer form prescribed by the Council and signed by the policy holder and transferee ~~subject to any transfer fee determined by the Council~~. The insurance policy cannot be transferred unless the drycleaning facility license is also transferred.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1500.55 Drycleaning Solvent Tax**

- a)** On or after January 1, 1998, a tax is imposed on the use of a drycleaning solvent by a person engaged in the business of operating a drycleaning facility in this State at the rate of:
- 1)** \$10 per gallon of perchloroethylene or other chlorinated drycleaning solvent used in drycleaning operations;
  - 2)** \$2 per gallon of petroleum-based drycleaning solvent; and
  - 3)** \$1.75 per gallon of green solvents, unless the green solvent is used at a virgin facility, in which case the rate is \$.35 per gallon. All drycleaning solvents shall be considered chlorinated solvents unless the Council determines that the solvents are petroleum-based solvents or green solvents. (Section 65(a) of the Act)
- b)** In determining if a drycleaning solvent is a green solvent, the manufacturer and/or distributor of the solvent must present to the Council the solvent's material safety data sheet, the material safety data sheet of the detergents used in conjunction with the solvent, and such other information the Council deems necessary to determine if the solvent should be classified as a green solvent.

(Source: Added at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1500.70 Forms**

- a)** The following is a summary of information that shall be completed on the License Application Form to receive a license certificate.

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- 1) Drycleaning facility name, address, contact person, phone number and date facility began drycleaning operations.
- 2) Drycleaner operator information, including name, mailing address, contact person, phone number, type of legal entity (i.e., sole proprietorship), corporation, partnership, Federal ID or social security number, Illinois Business Tax ID number.
- 3) Information pertaining to the owner of the real estate, including owner name, mailing address, contact person, phone number, type of legal entity, Federal ID or social security number.
- 4) Information pertaining to the annual fee involving the quantity of drycleaning solvents purchased for the preceding year or estimated to be used in the current year if it is a new drycleaning facility.
- 5) Information regarding the drycleaning solvent supplier, including name of supplier, contact person, phone number, mailing address, Illinois Business Tax ID number.

The license form must be signed by the applicant and returned with the appropriate application form and proof of payment of license fee in order to receive a license from the Drycleaner Environmental Response Trust Fund Council of Illinois.

- b) The following is general information that must be completed on an insurance application form in order to receive pollution liability insurance coverage from the Fund.
  - 1) Facility name, address, contact person, drycleaner license number and phone number.
  - 2) Operator name, mailing address, contact person, legal entity, type of legal entity, whether the operator is the owner of the land, buildings or both.
  - 3) Owner information, including name, mailing address, contact person, type of legal entity.

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- 4) Where correspondence regarding this application should be sent.
- 5) Information on the mortgagee, including name, mailing address.
- 6) Site specific information such as:
  - A) Number of drycleaning units not in use or temporarily out of use at the location.
  - B) Site conditions, including distance in feet to the nearest building off premises.
  - C) Distance in feet to nearest water well.
  - D) Distance in feet to nearest water/sewer main.
  - E) Location of the property in terms of residential, commercial or industrial area.
  - F) A diagram of the facility showing location of the building, drycleaning units, stored drycleaning solvents, stored hazardous waste containers, etc., should be listed on the diagram.
  - G) What type of hazardous waste generator facility is at this location and if the facility is operating in accordance with the requirements for the type of hazardous waste generator facility that is indicated.
  - H) Does the facility participate in and meet all the requirements of the Drycleaning Compliance Program approved by the Council. If the answer is yes, the applicant must provide the name of the program and documentation of participation. In addition, the applicant must indicate if the facility is compliant with all the requirements of the Compliance Program.
  - I) Does the drycleaning unit have an Illinois EPA air operating permit? If so, the type of permit must be indicated.
- 7) Has a site investigation been conducted to identify soil and groundwater contamination of the facility? If it has, a copy of the entire report should

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

be submitted with the application.

- 8) An indication of whether the applicant has ever reported a release or spill on this site to the Illinois Emergency Management Agency. If the response is yes, the applicant should explain when, what and the current status of the cleanup. If the response is no, the applicant should indicate if he/she is aware of a release or spill that has occurred at this facility that would impact soil and groundwater.
- 9) Specific information on each individual drycleaning unit at the facility, including:
  - A) Date each unit installed.
  - B) Was the unit new at installation?
  - C) Identification of the type of drycleaning solvent currently used.
  - D) Indicate what type of drycleaning unit it is, i.e., dry to dry, transfer, other.
  - E) What is the average amount of drycleaning solvent used per month in each unit?
  - F) Does the unit have a pollution control mechanism on it? If so, identify what type.
  - G) What is the size of each unit, based on pounds of clothes that each unit holds per cycle?
  - H) [Generation of drycleaning unit.](#)
- 10) Hazardous Waste
  - A) Does the site maintain drycleaning solvent hazardous waste in approved containers that are labeled hazardous waste and properly dated?
  - B) Is wastewater from the drycleaning solvent discharged into a

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

sanitary sewer/septic tank service or groundwater?

- C) Are all drycleaning solvent wastes generated at this facility managed in accordance with applicable State waste management laws and rules in accordance with the Environmental Protection Act [415 ILCS 5] and 35 Ill. Adm. Code 722?
- 11) Pollution Prevention Measures
- A) Does the unit have a containment dike or structure around each unit for the entire drycleaning area in which any drycleaning solvent is utilized that is capable of containing a spill or leak?
  - B) Is the surface of the dike floor in which the drycleaning solvent may leak, spill or otherwise be released sealed or impervious?
  - C) Are regular visual inspections conducted of the unit, solvent containers, waste containers and other areas where the solvent waste is located?
  - D) Are the repairs done on a timely basis and a log kept of all repairs?
  - E) Is the drycleaning solvent delivered to the facility by means of a closed direct-coupled delivery system?
- 12) An insurance application form must be signed and dated by the applicant.
- c) The following is a summary of information that shall be completed on a claims form to apply for remedial action or insurance benefits.
- 1) Business facility information including:
    - A) Name and address of property where release occurred and name, address and phone number of person filing claim.
    - B) An insurance policy number, if applicable.
    - C) The number of drycleaning units at this facility, whether they are still in use, and the drycleaning solvents that were stored in the

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

drycleaning units.

- D) Questions as to other types of drycleaning machines, equipment, or underground or aboveground tanks, besides the drycleaning units, that store drycleaning solvent located at this facility that may contain any product that is chlorine or petroleum based.
  - E) The name of the owner of the land on which the drycleaning units are located.
  - F) The name of the owner of the facility and drycleaning units.
  - G) The name of the owner and operator of the business at the location, including the length of time the business has been in operation and how long the current operator has operated the business.
- 2) General information about the spill or leak.
- A) When did the person filing the claim first learn about the spill or leak?
  - B) How was the spill or leak discovered?
  - C) When and how was the problem reported to the Illinois Emergency Management Agency or the Illinois Environmental Protection Agency?
  - D) Information regarding the source of contamination.
  - E) Information regarding an awareness of any person who has suffered bodily injury or property damage as a result of this release.
  - F) Statement regarding whether the contamination has migrated beyond the property.
  - G) Has a site investigation been prepared?
  - H) Have cleanup activities commenced at the site?

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- I) The name of the licensed professional engineer performing remediation on this site, if applicable.
- 3) General Information about other insurance at the facility.
    - A) Whether other insurance specifically providing pollution liability coverage has existed for this property. If the response is yes, provide the name of the company, policy number and a copy of the policy.
    - B) Has the incident been reported to the insurance company?
    - C) Has the person filing the claim requested payment from anyone else for costs associated with the claim? If the response is yes, provide information on the payment request from a third party.
  - d) The following is a summary of general information that shall be completed on the claim reimbursement request form:
    - 1) Claimant information, including name, address, social security or Federal Tax ID number. In addition, site information regarding where the remedial activities were performed, including site name, physical address and city.
    - 2) Contractor information in the form of contractor name, address and telephone number.
    - 3) Remediation activities. An indication of the activities that were completed and the amount being billed at this time.
    - 4) Reimbursements from other programs. An indication of whether the claimant has applied for reimbursement from any other source for the invoices being submitted with this form.
    - 5) Original invoices.
    - 6) A summary of the eligible costs, broken down by cost category, and certification that the information is accurate and complete.

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DRYCLEANER ENVIRONMENTAL RESPONSE TRUST  
FUND COUNCIL OF ILLINOIS

NOTICE OF PROPOSED AMENDMENTS

- 7) A schedule of detail to support the cost categories reported.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Aid to the Aged, Blind or Disabled
- 2) Code Citation: 89 Ill. Adm. Code 113
- 3) 

<u>Section Numbers:</u>	<u>Proposed Action:</u>
113.253	Amendment
113.260	Amendment
- 4) Statutory Authority: Implementing Article III and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. III and 12-13] and 20 CFR 416.2096.
- 5) A Complete Description of the Subjects and Issues involved: A grant adjustment is an allowance for Aid to the Aged, Blind or Disabled (AABD) cases that ensures that the amount of the Supplemental Security Income (SSI) increase from July 1977 and later will be available to clients. To comply with federal regulations, this rulemaking increases the grant adjustment and sheltered care/personal or nursing care rate amounts by the amount of the increase in the Social Security and SSI benefits. These changes increase the AABD Grant Adjustment Allowance and Sheltered Care/Personal or Nursing Care rates by \$12.00, the amount of the January 2004 SSA/SSI cost of living adjustment. The increase allows AABD cash clients to realize their Social Security Benefit increase.
- 6) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these amendments contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objective (if applicable): This rulemaking does not create or expand a State mandate.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning this rulemaking within 45 days after this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

Tracie Drew, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

100 South Grand Avenue East  
3rd Floor, Harris Bldg.  
Springfield, IL 62762  
(217) 785-9772

If because of physical disability you are unable to put comments into writing, you may make them orally to the person listed above.

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: This rulemaking may affect licensed group care facilities.
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary form compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 2004

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 113  
AID TO THE AGED, BLIND OR DISABLED

SUBPART A: GENERAL PROVISIONS

Section

- 113.1 Description of the Assistance Program
- 113.5 Incorporation By Reference

SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section

- 113.9 Client Cooperation
- 113.10 Citizenship
- 113.20 Residence
- 113.30 Age
- 113.40 Blind
- 113.50 Disabled
- 113.60 Living Arrangement
- 113.70 Institutional Status
- 113.80 Social Security Number

SUBPART C: FINANCIAL FACTORS OF ELIGIBILITY

Section

- 113.100 Unearned Income
- 113.101 Budgeting Unearned Income
- 113.102 Budgeting Unearned Income of Applicants Receiving Income on Date of Application And/Or Date of Decision
- 113.103 Initial Receipt of Unearned Income
- 113.104 Termination of Unearned Income
- 113.105 Unearned Income In-Kind
- 113.106 Earmarked Income
- 113.107 Lump Sum Payments and Income Tax Refunds
- 113.108 Protected Income (Repealed)
- 113.109 Earned Income (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

- 113.110 Budgeting Earned Income (Repealed)
- 113.111 Protected Income
- 113.112 Earned Income
- 113.113 Exempt Unearned Income
- 113.114 Budgeting Earned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision
- 113.115 Initial Employment
- 113.116 Budgeting Earned Income For Contractual Employees
- 113.117 Budgeting Earned Income For Non-contractual School Employees
- 113.118 Termination of Employment
- 113.120 Exempt Earned Income
- 113.125 Recognized Employment Expenses
- 113.130 Income From Work/Study/Training Programs
- 113.131 Earned Income From Self-Employment
- 113.132 Earned Income From Roomer and Boarder
- 113.133 Earned Income From Rental Property
- 113.134 Earned Income In-Kind
- 113.139 Payments from the Illinois Department of Children and Family Services
- 113.140 Assets
- 113.141 Exempt Assets
- 113.142 Asset Disregard
- 113.143 Deferral of Consideration of Assets
- 113.154 Property Transfers For Applications Filed Prior To October 1, 1989 (Repealed)
- 113.155 Property Transfers For Applications Filed On Or After October 1, 1989 (Repealed)
- 113.156 Court Ordered Child Support Payments of Parent/Step-Parent
- 113.157 Responsibility of Sponsors of Non-citizens Entering the Country Prior to 8/22/96
- 113.158 Responsibility of Sponsors of Non-citizens Entering the Country On or After 08/22/96
- 113.160 Assignment of Medical Support Rights

## SUBPART D: PAYMENT AMOUNTS

- Section
- 113.245 Payment Levels for AABD
- 113.246 Personal Allowance
- 113.247 Personal Allowance Amounts
- 113.248 Shelter
- 113.249 Utilities and Heating Fuel
- 113.250 Laundry

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

113.251	Telephone
113.252	Transportation, Lunches, Special Fees
113.253	Allowances for Increase in SSI Benefits
113.254	Nursing Care or Personal Care in Home Not Subject to Licensing
113.255	Sheltered Care/Personal or Nursing Care in a Licensed Group Care Facility
113.256	Shopping Allowance
113.257	Special Allowances for Blind and Partially Sighted (Blind Only)
113.258	Home Delivered Meals
113.259	AABD Fuel and Utility Allowances By Area
113.260	Sheltered Care/Personal or Nursing Care Rates
113.261	Cases in Licensed Intermediate Care Facilities, Licensed Skilled Nursing Facilities, DMHDD Facilities and All Other Licensed Medical Facilities
113.262	Meeting the Needs of an Ineligible Dependent with Client's Income
113.263	Service Animals

## SUBPART E: OTHER PROVISIONS

Section	
113.300	Persons Who May Be Included In the Assistance Unit
113.301	Grandfathered Cases
113.302	Interim Assistance (Repealed)
113.303	Special Needs Authorizations
113.304	Retrospective Budgeting
113.305	Budgeting Schedule
113.306	Purchase and Repair of Household Furniture (Repealed)
113.307	Property Repairs and Maintenance
113.308	Excess Shelter Allowance
113.309	Limitation on Amount of AABD Assistance to Recipients from Other States (Repealed)
113.320	Redetermination of Eligibility
113.330	Attorney's Fees for VA Appellants (Repealed)

## SUBPART F: INTERIM ASSISTANCE

Section	
113.400	Description of the Interim Assistance Program
113.405	Pending SSI Application (Repealed)
113.410	More Likely Than Not Eligible for SSI (Repealed)
113.415	Non-Financial Factors of Eligibility (Repealed)
113.420	Financial Factors of Eligibility (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

- 113.425 Payment Levels for Chicago Interim Assistance Cases (Repealed)
- 113.430 Payment Levels for all Interim Assistance Cases Outside Chicago (Repealed)
- 113.435 Medical Eligibility (Repealed)
- 113.440 Attorney's Fees for SSI Applicants (Repealed)
- 113.445 Advocacy Program for Persons Receiving Interim Assistance (Repealed)
- 113.450 Limitation on Amount of Interim Assistance to Recipients from Other States (Repealed)
- 113.500 Attorney's Fees for SSI Appellants (Renumbered)

AUTHORITY: Implementing Article III and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. III and 12-13].

SOURCE: Filed effective December 30, 1977; peremptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; emergency expired January 28, 1979; peremptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amendment at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979; peremptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; peremptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; peremptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733,

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; preemptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; preemptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; preemptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; preemptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; preemptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 10, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 9367, effective August 1, 1983; amended at 7 Ill. Reg. 17351, effective December 21, 1983; amended at 8 Ill. Reg. 537, effective December 30, 1983; amended at 8 Ill. Reg. 5225, effective April 9, 1984; amended at 8 Ill. Reg. 6746, effective April 27, 1984; amended at 8 Ill. Reg. 11414, effective June 27, 1984; amended at 8 Ill. Reg. 13273, effective July 16, 1984; amended (by Sections being codified with no substantive change) at 8 Ill. Reg. 17895; amended at 8 Ill. Reg. 18896, effective September 26, 1984; amended at 9 Ill. Reg. 5335, effective April 5, 1985; amended at 9 Ill. Reg. 8166, effective May 17, 1985; amended at 9 Ill. Reg. 8657, effective May 25, 1985; amended at 9 Ill. Reg. 11302, effective July 5, 1985; amended at 9 Ill. Reg. 11636, effective July 8, 1985; amended at 9 Ill. Reg. 11991, effective July 12, 1985; amended at 9 Ill. Reg. 12806, effective August 9, 1985; amended at 9 Ill. Reg. 15896, effective October 4, 1985; amended at 9 Ill. Reg. 16291, effective October 10, 1985; emergency amendment at 10 Ill. Reg. 364, effective January 1, 1986; amended at 10 Ill. Reg. 1183, effective January 10, 1986; amended at 10 Ill. Reg. 6956, effective April 16, 1986; amended at 10 Ill. Reg. 8794, effective May 12, 1986; amended at 10 Ill. Reg. 10628, effective June 3, 1986; amended at 10 Ill. Reg. 11920, effective July 3, 1986; amended at 10 Ill. Reg. 15110, effective September 5, 1986; amended at 10 Ill. Reg. 15631, effective September 19, 1986; amended at 11 Ill. Reg. 3150, effective February 6, 1987; amended at 11 Ill. Reg. 8712, effective April 20, 1987; amended at 11 Ill. Reg. 9919, effective May 15, 1987; emergency amendment at 11 Ill. Reg. 12441, effective July 10, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20880, effective December 14, 1987; amended at 12 Ill. Reg. 867, effective January 1, 1988; amended at 12 Ill. Reg. 2137, effective January 11, 1988; amended at 12 Ill. Reg. 3497, effective January 22, 1988; amended at 12 Ill. Reg. 5642, effective March 15, 1988; amended at 12 Ill. Reg. 6151, effective March 22, 1988; amended at 12 Ill. Reg. 7687, effective April 22, 1988; amended at 12 Ill. Reg. 8662, effective May 13, 1988; amended at 12 Ill. Reg. 9023, effective May 20, 1988; amended at 12 Ill. Reg. 9669, effective May 24, 1988; emergency amendment at 12 Ill. Reg. 11828, effective July 1, 1988, for a maximum of 150 days;

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

amended at 12 Ill. Reg. 14162, effective August 30, 1988; amended at 12 Ill. Reg. 17849, effective October 25, 1988; amended at 13 Ill. Reg. 63, effective January 1, 1989; emergency amendment at 13 Ill. Reg. 3402, effective March 3, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 6007, effective April 14, 1989; amended at 13 Ill. Reg. 12553, effective July 12, 1989; amended at 13 Ill. Reg. 13609, effective August 11, 1989; emergency amendment at 13 Ill. Reg. 14467, effective September 1, 1989, for a maximum of 150 days; emergency amendment at 13 Ill. Reg. 16154, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 14 Ill. Reg. 720, effective January 1, 1990; amended at 14 Ill. Reg. 6321, effective April 16, 1990; amended at 14 Ill. Reg. 13187, effective August 6, 1990; amended at 14 Ill. Reg. 14806, effective September 3, 1990; amended at 14 Ill. Reg. 16957, effective September 30, 1990; amended at 15 Ill. Reg. 277, effective January 1, 1991; emergency amendment at 15 Ill. Reg. 1111, effective January 10, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 5291, effective April 1, 1991; amended at 15 Ill. Reg. 5698, effective April 10, 1991; amended at 15 Ill. Reg. 7104, effective April 30, 1991; amended at 15 Ill. Reg. 11142, effective July 22, 1991; amended at 15 Ill. Reg. 11948, effective August 12, 1991; amended at 15 Ill. Reg. 14073, effective September 11, 1991; emergency amendment at 15 Ill. Reg. 15119, effective October 7, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 16709, effective November 1, 1991; amended at 16 Ill. Reg. 3468, effective February 20, 1992; amended at 16 Ill. Reg. 9986, effective June 15, 1992; amended at 16 Ill. Reg. 11565, effective July 15, 1992; emergency amendment at 16 Ill. Reg. 13641, effective September 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14722, effective September 15, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17154, effective November 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17764, effective November 13, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 827, effective January 15, 1993; amended at 17 Ill. Reg. 2263, effective February 15, 1993; amended at 17 Ill. Reg. 3202, effective February 26, 1993; amended at 17 Ill. Reg. 4322, effective March 22, 1993; amended at 17 Ill. Reg. 6804, effective April 21, 1993; amended at 17 Ill. Reg. 14612, effective August 26, 1993; amended at 18 Ill. Reg. 2018, effective January 21, 1994; amended at 18 Ill. Reg. 7759, effective May 5, 1994; amended at 18 Ill. Reg. 12818, effective August 5, 1994; amended at 19 Ill. Reg. 1052, effective January 26, 1995; amended at 19 Ill. Reg. 2875, effective February 24, 1995; amended at 19 Ill. Reg. 6639, effective May 5, 1995; emergency amendment at 19 Ill. Reg. 8409, effective June 9, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15034, effective October 17, 1995; amended at 20 Ill. Reg. 858, effective December 29, 1995; emergency amendment at 21 Ill. Reg. 673, effective January 1, 1997, for a maximum of a 150 days; amended at 21 Ill. Reg. 7404, effective May 31, 1997; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 22 Ill. Reg. 13642, effective July 15, 1998; emergency amendment at 22 Ill. Reg. 16348, effective September 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 18931, effective October 1, 1998; emergency amendment at 22 Ill. Reg. 21750, effective November 24, 1998, for a maximum of 150 days; emergency amendment at 23 Ill. Reg. 579, effective January 1, 1999, for a maximum

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENTS

of 150 days; amended at 23 Ill. Reg. 1607, effective January 20, 1999; amended at 23 Ill. Reg. 5548, effective April 23, 1999; amended at 23 Ill. Reg. 6052, effective May 4, 1999; amended at 23 Ill. Reg. 6425, effective May 15, 1999; amended at 23 Ill. Reg. 6935, effective May 30, 1999; amended at 23 Ill. Reg. 7887, effective June 30, 1999; emergency amendment at 23 Ill. Reg. 8650, effective July 13, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 10161, effective August 3, 1999; amended at 23 Ill. Reg. 13852, effective November 19, 1999; amended at 24 Ill. Reg. 2328, effective February 1, 2000; amended at 24 Ill. Reg. 11622, effective July 18, 2000; amended at 24 Ill. Reg. 13394, effective August 18, 2000; amended at 25 Ill. Reg. 5326, effective March 30, 2001; amended at 26 Ill. Reg. 179, effective January 1, 2002; amended at 26 Ill. Reg. 8532, effective May 31, 2002; amended at 26 Ill. Reg. 13521, effective September 3, 2002; amended at 27 Ill. Reg. 7252, effective April 7, 2003; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

SUBPART D: PAYMENT AMOUNTS

Section 113.253 Allowances for Increase in SSI Benefits

- a) An allowance for ~~\$385.90~~~~\$373.90~~ is authorized for all AABD cases as a "grant adjustment". A grant adjustment is an allowance that ensures that the amount of the SSI increase from July 1977 and later will be available to clients.
- b) EXCEPTIONS: For clients whose assistance payments include an allowance for Sheltered Care or Care Not Subject to Licensing a "grant adjustment" of \$10 is authorized. Individuals residing in long term group care facilities do not receive any "grant adjustment".

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

Section 113.260 Sheltered Care/Personal or Nursing Care Rates

Group A Counties	Needs Assessment	Group B Counties
<del>873.55</del> <del>861.55</del>	0-7	<del>885.55</del> <del>873.55</del>
<del>878.55</del> <del>866.55</del>	8	<del>891.55</del> <del>879.55</del>
<del>883.55</del> <del>871.55</del>	9	<del>897.55</del> <del>885.55</del>

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

<del>888.55</del>	10	<del>903.55891.55</del>
<del>876.55</del>		
<del>893.55</del>	11	<del>909.55897.55</del>
<del>881.55</del>		
<del>898.55</del>	12	<del>915.55903.55</del>
<del>886.55</del>		
<del>903.55</del>	13	<del>921.55909.55</del>
<del>891.55</del>		
<del>908.55</del>	14	<del>927.55915.55</del>
<del>896.55</del>		
<del>913.55</del>	15	<del>933.55921.55</del>
<del>901.55</del>		
<del>918.55</del>	16	<del>939.55927.55</del>
<del>906.55</del>		
<del>923.55</del>	17	<del>945.55933.55</del>
<del>911.55</del>		
<del>928.55</del>	18	<del>951.55939.55</del>
<del>916.55</del>		
<del>933.55</del>	19	<del>957.55945.55</del>
<del>921.55</del>		
<del>938.55</del>	20	<del>963.55951.55</del>
<del>926.55</del>		
<del>943.55</del>	21	<del>969.55957.55</del>
<del>931.55</del>		
<del>948.55</del>	22	<del>975.55963.55</del>
<del>936.55</del>		
<del>953.55</del>	23	<del>981.55969.55</del>
<del>941.55</del>		
<del>958.55</del>	24	<del>987.55975.55</del>
<del>946.55</del>		

- a) Group A Counties are counties other than Cook, DuPage, Kane, Lake and Will.
- b) Group B Counties are Cook, DuPage, Kane, Lake and Will.
- c) Rate includes shelter factor and approved activity and social rehabilitation programs.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Food Stamps
- 2) Code Citation: 89 Ill. Adm. Code 121
- 3) Section Numbers: 121.61                      Proposed Action: Amendment
- 4) Statutory Authority: Implementing Section 12-4.4 through 12-4.6 and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-4.4 through 12-4.6 and 12-13].
- 5) A Complete Description of the Subjects and Issues involved: This rulemaking allows legally obligated child support payments to be excluded from income when comparing the household's gross income to the gross income standard. This change is being made as the result of the Farm Bill (HR 2646 – the Food Stamp Reauthorization Act of 2002).
- 6) Will this proposed rulemaking replace any emergency rulemaking currently in effect?  
No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed rulemaking contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>Illinois Register Citation</u>
121.10	Amendment	27 Ill. Reg. 11367; 7-25-03
121.20	Amendment	27 Ill. Reg. 13936; 8-22-03
121.41	Amendment	27 Ill. Reg. 11367; 7-25-03
121.120	Amendment	27 Ill. Reg. 11367; 7-25-03
121.125	New Section	27 Ill. Reg. 11367; 7-25-03
121.145	Repeal	27 Ill. Reg. 11367; 7-25-03

- 10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days of the date of this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENT

Tracie Drew, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
Harris Building 3<sup>rd</sup> Floor  
Springfield, Illinois 62762  
(217) 785-9772

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 13) Regulatory agenda on which this rulemaking was summarized: July 2003

The full text of the Proposed Amendment begins on the next page:

DEPARTMENT OF HUMAN SERVICES

NOTICE OF PROPOSED AMENDMENT

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 121  
FOOD STAMPS

SUBPART A: APPLICATION PROCEDURES

Section

- 121.1 Application for Assistance
- 121.2 Time Limitations on the Disposition of an Application
- 121.3 Approval of an Application and Initial Authorization of Assistance
- 121.4 Denial of an Application
- 121.5 Client Cooperation
- 121.6 Emergency Assistance
- 121.7 Expedited Service
- 121.10 Interviews

SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section

- 121.18 Work Requirement
- 121.19 Ending a Voluntary Quit Disqualification (Repealed)
- 121.20 Citizenship
- 121.21 Residence
- 121.22 Social Security Numbers
- 121.23 Work Registration/Participation Requirements
- 121.24 Individuals Exempt from Work Registration Requirements
- 121.25 Failure to Comply with Work Provisions
- 121.26 Period of Sanction
- 121.27 Voluntary Job Quit/Reduction in Work Hours
- 121.28 Good Cause for Voluntary Job Quit/Reduction in Work Hours
- 121.29 Exemptions from Voluntary Quit/Reduction in Work Hours Rules

SUBPART C: FINANCIAL FACTORS OF ELIGIBILITY

Section

- 121.30 Unearned Income
- 121.31 Exempt Unearned Income

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

121.32	Education Benefits
121.33	Unearned Income In-Kind
121.34	Lump Sum Payments and Income Tax Refunds
121.40	Earned Income
121.41	Budgeting Earned Income
121.50	Exempt Earned Income
121.51	Income from Work/Study/Training Programs
121.52	Earned Income from Roomer and Boarder
121.53	Income From Rental Property
121.54	Earned Income In-Kind
121.55	Sponsors of Aliens
121.57	Assets
121.58	Exempt Assets
121.59	Asset Disregards

## SUBPART D: ELIGIBILITY STANDARDS

Section	
121.60	Net Monthly Income Eligibility Standards
121.61	Gross Monthly Income Eligibility Standards
121.62	Income Which Must Be Annualized
121.63	Deductions <del>from</del> <del>From</del> Monthly Income
121.64	Food Stamp Benefit Amount

## SUBPART E: HOUSEHOLD CONCEPT

Section	
121.70	Composition of the Assistance Unit
121.71	Living Arrangement
121.72	Nonhousehold Members
121.73	Ineligible Household Members
121.74	Strikers
121.75	Students
121.76	Households Receiving AFDC, SSI, Interim Assistance and/or GA – Categorical Eligibility

## SUBPART F: MISCELLANEOUS PROGRAM PROVISIONS

Section	
121.80	Fraud Disqualification (Renumbered)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

- 121.81 Initiation of Administrative Fraud Hearing (Repealed)
- 121.82 Definition of Fraud (Renumbered)
- 121.83 Notification To Applicant Households (Renumbered)
- 121.84 Disqualification Upon Finding of Fraud (Renumbered)
- 121.85 Court Imposed Disqualification (Renumbered)
- 121.90 Monthly Reporting and Retrospective Budgeting (Repealed)
- 121.91 Monthly Reporting (Repealed)
- 121.92 Budgeting
- 121.93 Issuance of Food Stamp Benefits
- 121.94 Replacement of the EBT Card or Food Stamp Benefits
- 121.95 Restoration of Lost Benefits
- 121.96 Uses For Food Coupons
- 121.97 Supplemental Payments
- 121.98 Client Training for the Electronic Benefits Transfer (EBT) System
- 121.105 State Food Program (Repealed)
- 121.107 New State Food Program
- 121.120 Redetermination of Eligibility
- 121.125 Redetermination of Earned Income Households
- 121.130 Residents of Shelters for Battered Women and their Children
- 121.131 Fleeing Felons and Probation/Parole Violators
- 121.135 Incorporation By Reference
- 121.140 Small Group Living Arrangement Facilities and Drug/Alcoholic Treatment Centers
- 121.145 Quarterly Reporting (Repealed)

## SUBPART G: INTENTIONAL VIOLATIONS OF THE PROGRAM

## Section

- 121.150 Definition of Intentional Violations of the Program
- 121.151 Penalties for Intentional Violations of the Program
- 121.152 Notification To Applicant Households
- 121.153 Disqualification Upon Finding of Intentional Violation of the Program
- 121.154 Court Imposed Disqualification

## SUBPART H: FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

## Section

- 121.160 Persons Required to Participate
- 121.162 Program Requirements
- 121.163 Vocational Training

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

- 121.164 Orientation (Repealed)
- 121.165 Community Work
- 121.166 Assessment and Employability Plan (Repealed)
- 121.167 Counseling/Prevention Services
- 121.170 Job Search Activity
- 121.172 Basic Education Activity
- 121.174 Job Readiness Activity
- 121.176 Work Experience Activity
- 121.177 Illinois Works Component (Repealed)
- 121.178 Job Training Component (Repealed)
- 121.179 JTPA Employability Services Component (Repealed)
- 121.180 Grant Diversion Component (Repealed)
- 121.182 Earnfare Activity
- 121.184 Sanctions for Non-cooperation with Food Stamp Employment and Training
- 121.186 Good Cause for Failure to Cooperate
- 121.188 Supportive Services
- 121.190 Conciliation
- 121.200 Types of Claims (Recodified)
- 121.201 Establishing a Claim for Intentional Violation of the Program (Recodified)
- 121.202 Establishing a Claim for Unintentional Household Errors and Administrative Errors (Recodified)
- 121.203 Collecting Claim Against Households (Recodified)
- 121.204 Failure to Respond to Initial Demand Letter (Recodified)
- 121.205 Methods of Repayment of Food Stamp Claims (Recodified)
- 121.206 Determination of Monthly Allotment Reductions (Recodified)
- 121.207 Failure to Make Payment in Accordance with Repayment Schedule (Recodified)
- 121.208 Suspension and Termination of Claims (Recodified)

## SUBPART I: WORK REQUIREMENT FOR FOOD STAMPS

## Section

- 121.220 Work Requirement Components (Repealed)
- 121.221 Meeting the Work Requirement with the Earnfare Component (Repealed)
- 121.222 Volunteer Community Work Component (Repealed)
- 121.223 Work Experience Component (Repealed)
- 121.224 Supportive Service Payments to Meet the Work Requirement (Repealed)
- 121.225 Meeting the Work Requirement with the Illinois Works Component (Repealed)
- 121.226 Meeting the Work Requirement with the JTPA Employability Services Component (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

AUTHORITY: Implementing Sections 12-4.4 through 12-4.6 and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-4.4 through 12-4.6 and 12-13].

SOURCE: Adopted December 30, 1977; amended at 3 Ill. Reg. 5, p. 875, effective February 2, 1979; amended at 3 Ill. Reg. 31, p. 109, effective August 3, 1979; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amended at 3 Ill. Reg. 41, p. 165, effective October 11, 1979; amended at 3 Ill. Reg. 42, p. 230, effective October 9, 1979; amended at 3 Ill. Reg. 44, p. 173, effective October 19, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 3, p. 49, effective January 9, 1980; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 23, 1980; amended at 4 Ill. Reg. 10, p. 253, effective February 27, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 17, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1131, effective January 16, 1981; amended at 5 Ill. Reg. 4586, effective April 15, 1981; peremptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 12736, effective October 29, 1981; amended at 6 Ill. Reg. 1653, effective January 17, 1982; amended at 6 Ill. Reg. 2707, effective March 2, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10208, effective August 9, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; amended at 7 Ill. Reg. 394, effective January 1, 1983; codified at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 5715, effective May 1, 1983; amended at 7 Ill. Reg. 8118, effective June 24, 1983; peremptory amendment at 7 Ill. Reg. 12899, effective October 1, 1983; amended at 7 Ill. Reg. 13655, effective October 4, 1983; peremptory amendment at 7 Ill. Reg. 16067, effective November 18, 1983; amended at 7 Ill. Reg. 16169, effective November 22, 1983; amended at 8 Ill. Reg. 5673, effective April 18, 1984; amended at 8 Ill. Reg. 7249, effective May 16, 1984; peremptory amendment at 8 Ill. Reg. 10086, effective July 1, 1984; amended at 8 Ill. Reg. 13284, effective July 16, 1984; amended at 8 Ill. Reg. 17900, effective September 14, 1984; amended (by adding Section being codified with no substantive change) at 8 Ill. Reg. 17898; peremptory amendment at 8 Ill. Reg. 19690, effective October 1, 1984; peremptory amendment at 8 Ill. Reg. 22145, effective November 1, 1984; amended at 9 Ill. Reg. 302, effective January 1, 1985; amended at 9 Ill. Reg. 6804, effective May 1, 1985; amended at 9 Ill. Reg. 8665, effective May 29, 1985; peremptory amendment at 9 Ill. Reg. 8898, effective July 1, 1985; amended at 9 Ill. Reg. 11334, effective July 8, 1985; amended at 9 Ill. Reg. 14334, effective September 6, 1985; peremptory amendment at 9 Ill. Reg. 15582, effective October 1, 1985; amended at 9 Ill. Reg. 16889, effective October 16, 1985; amended at 9 Ill. Reg. 19726, effective December 9, 1985; amended at 10 Ill. Reg.

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

229, effective December 20, 1985; peremptory amendment at 10 Ill. Reg. 7387, effective April 21, 1986; peremptory amendment at 10 Ill. Reg. 7941, effective May 1, 1986; amended at 10 Ill. Reg. 14692, effective August 29, 1986; peremptory amendment at 10 Ill. Reg. 15714, effective October 1, 1986; Sections 121.200 thru 121.208 recodified to 89 Ill. Adm. Code 165 at 10 Ill. Reg. 21094; peremptory amendment at 11 Ill. Reg. 3761, effective February 11, 1987; emergency amendment at 11 Ill. Reg. 3754, effective February 13, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 9968, effective May 15, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 10269, effective May 22, 1987; amended at 11 Ill. Reg. 10621, effective May 25, 1987; peremptory amendment at 11 Ill. Reg. 11391, effective July 1, 1987; peremptory amendment at 11 Ill. Reg. 11855, effective June 30, 1987; emergency amendment at 11 Ill. Reg. 12043, effective July 6, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 13635, effective August 1, 1987; amended at 11 Ill. Reg. 14022, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 15261, effective September 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 15480, effective September 4, 1987; amended at 11 Ill. Reg. 15634, effective September 11, 1987; amended at 11 Ill. Reg. 18218, effective October 30, 1987; peremptory amendment at 11 Ill. Reg. 18374, effective October 30, 1987; amended at 12 Ill. Reg. 877, effective December 30, 1987; emergency amendment at 12 Ill. Reg. 1941, effective December 31, 1987, for a maximum of 150 days; amended at 12 Ill. Reg. 4204, effective February 5, 1988; amended at 12 Ill. Reg. 9678, effective May 23, 1988; amended at 12 Ill. Reg. 9922, effective June 1, 1988; amended at 12 Ill. Reg. 11463, effective June 30, 1988; amended at 12 Ill. Reg. 12824, effective July 22, 1988; emergency amendment at 12 Ill. Reg. 14045, effective August 19, 1988, for a maximum of 150 days; peremptory amendment at 12 Ill. Reg. 15704, effective October 1, 1988; peremptory amendment at 12 Ill. Reg. 16271, effective October 1, 1988; amended at 12 Ill. Reg. 20161, effective November 30, 1988; amended at 13 Ill. Reg. 3890, effective March 10, 1989; amended at 13 Ill. Reg. 13619, effective August 14, 1989; peremptory amendment at 13 Ill. Reg. 15859, effective October 1, 1989; amended at 14 Ill. Reg. 729, effective January 1, 1990; amended at 14 Ill. Reg. 6349, effective April 13, 1990; amended at 14 Ill. Reg. 13202, effective August 6, 1990; peremptory amendment at 14 Ill. Reg. 15158, effective October 1, 1990; amended at 14 Ill. Reg. 16983, effective September 30, 1990; amended at 15 Ill. Reg. 11150, effective July 22, 1991; amended at 15 Ill. Reg. 11957, effective August 12, 1991; peremptory amendment at 15 Ill. Reg. 14134, effective October 1, 1991; emergency amendment at 16 Ill. Reg. 757, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 10011, effective June 15, 1992; amended at 16 Ill. Reg. 13900, effective August 31, 1992; emergency amendment at 16 Ill. Reg. 16221, effective October 1, 1992, for a maximum of 150 days; peremptory amendment at 16 Ill. Reg. 16345, effective October 1, 1992; amended at 16 Ill. Reg. 16624, effective October 23, 1992; amended at 17 Ill. Reg. 644, effective December 31, 1992; amended at 17 Ill. Reg. 4333, effective March 19, 1993; amended at 17 Ill. Reg. 14625, effective August 26, 1993; emergency amendment at 17 Ill. Reg. 15149, effective September 7, 1993, for a maximum of 150 days; peremptory amendment at 17 Ill. Reg. 17477, effective October 1, 1993; expedited correction at 17 Ill. Reg. 21216, effective

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

October 1, 1993; amended at 18 Ill. Reg. 2033, effective January 21, 1994; emergency amendment at 18 Ill. Reg. 2509, effective January 27, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 3427, effective February 28, 1994; amended at 18 Ill. Reg. 8921, effective June 3, 1994; amended at 18 Ill. Reg. 12829, effective August 5, 1994; amended at 18 Ill. Reg. 14103, effective August 26, 1994; amended at 19 Ill. Reg. 5626, effective March 31, 1995; amended at 19 Ill. Reg. 6648, effective May 5, 1995; emergency amendment at 19 Ill. Reg. 12705, effective September 1, 1995, for a maximum of 150 days; peremptory amendment at 19 Ill. Reg. 13595, effective October 1, 1995; amended at 20 Ill. Reg. 1593, effective January 11, 1996; peremptory amendment at 20 Ill. Reg. 2229, effective January 17, 1996; amended at 20 Ill. Reg. 7902, effective June 1, 1996; amended at 20 Ill. Reg. 11935, effective August 14, 1996; emergency amendment at 20 Ill. Reg. 13381, effective October 1, 1996, for a maximum of 150 days; emergency amendment at 20 Ill. Reg. 13668, effective October 8, 1996, for a maximum of 150 days; amended at 21 Ill. Reg. 3156, effective February 28, 1997; amended at 21 Ill. Reg. 7733, effective June 4, 1997; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; emergency amendment at 22 Ill. Reg. 1954, effective January 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 5502, effective March 4, 1998; amended at 22 Ill. Reg. 7969, effective May 15, 1998; emergency amendment at 22 Ill. Reg. 10660, effective June 1, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 12167, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16230, effective September 1, 1998; amended at 22 Ill. Reg. 19787, effective October 28, 1998; emergency amendment at 22 Ill. Reg. 19934, effective November 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 20099, effective November 1, 1998; emergency amendment at 23 Ill. Reg. 2601, effective February 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 3374, effective March 1, 1999; amended at 23 Ill. Reg. 7285, effective June 18, 1999; emergency amendment at 23 Ill. Reg. 13253, effective October 13, 1999, for a maximum of 150 days; emergency amendment at 24 Ill. Reg. 3871, effective February 24, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 4180, effective March 2, 2000; amended at 24 Ill. Reg. 10198, effective June 27, 2000; amended at 24 Ill. Reg. 15428, effective October 10, 2000; emergency amendment at 24 Ill. Reg. 15468, effective October 1, 2000, for a maximum of 150 days; amended at 25 Ill. Reg. 845, effective January 5, 2001; amended at 25 Ill. Reg. 2423, effective January 25, 2001; emergency amendment at 25 Ill. Reg. 2439, effective January 29, 2001, for a maximum of 150 days; emergency amendment at 25 Ill. Reg. 3707, effective March 1, 2001, for a maximum of 150 days; emergency expired July 28, 2001; amended at 25 Ill. Reg. 7720, effective June 7, 2001; amended at 25 Ill. Reg. 10823, effective August 12, 2001; amended at 25 Ill. Reg. 11856, effective August 31, 2001; emergency amendment at 25 Ill. Reg. 13309, effective October 1, 2001, for a maximum of 150 days; amended at 26 Ill. Reg. 151, effective January 1, 2002; amended at 26 Ill. Reg. 2025, effective February 1, 2002; amended at 26 Ill. Reg. 13530, effective September 3, 2002; peremptory amendment at 26 Ill. Reg. 15099, effective October 1, 2002; amended at 26 Ill. Reg. 16484, effective October 25, 2002; amended at 27 Ill. Reg. 2889, effective February 7, 2003; expedited correction at 27 Ill. Reg. 14262, effective

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

February 7, 2003; amended at 27 Ill. Reg. 4583, effective February 28, 2003; amended at 27 Ill. Reg. 7273, effective April 7, 2003; amended at 27 Ill. Reg. 12569, effective July 21, 2003; expedited correction at 27 Ill. Reg. 14262, effective February 7, 2003; peremptory amendment at 27 Ill. Reg. 15604, effective October 1, 2003; amended at 27 Ill. Reg. 16108, effective October 6, 2003; amended at 27 Ill. Reg. 18445, effective November 20, 2003; amended at 28 Ill. Reg. 1104, effective December 31, 2003; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## SUBPART D: ELIGIBILITY STANDARDS

**Section 121.61 Gross Monthly Income Eligibility Standards**

- a) Gross Monthly Income Eligibility Standards
  - 1) The gross income standards of eligibility shall be 130 percent of the nonfarm income poverty guidelines prescribed by the Office of Management and Budget (see 7 CFR 273.9(a)(1)(2003)). However, categorically eligible households and households containing a member who is elderly, blind or disabled will be exempt from this gross income check (see also 7 CFR 273.9(c) (2003)). To qualify for increased benefits, a household must contain a member who meets one of the following requirements:
    - A) A member is 60 years of age or older. An individual is considered age 60 in the fiscal month in which he or she becomes 60.
    - B) A member receives Supplemental Security Income (SSI) benefits under Title XVI of the Social Security Act, (this includes the household where the member is receiving SSI income pending a final decision from the Social Security Administration. This SSI income is being provided on a temporary or emergency basis).
    - C) A member receives Social Security disability or blindness benefits under Title II (RSDI) of the Social Security Act.
    - D) A member receives State Supplemental Payment (SSP) due to blindness or disability.
    - E) A veteran with a service-connected disability rated or paid as totally disabled by the Department of Veterans Affairs (VA).

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

- F) A veteran considered by the VA to be in need of regular aid and attendance or permanently housebound.
  - G) A veteran's surviving spouse who is considered in need of aid and attendance or considered permanently housebound by the VA or a veteran's surviving child who is considered permanently incapable of self-support by the VA.
  - H) A veteran's surviving spouse or child entitled to compensation for a service-connected death or pension benefits for a nonservice-connected death from the VA, if the spouse or child also has a disability considered permanent under Social Security requirements.
  - I) A member receives federal, state, or local government disability pension and is considered permanently disabled under Social Security requirements.
  - J) A member receives Railroad Retirement disability benefits.
  - K) A member receives an annuity payment from Railroad Retirement and is eligible for Medicare.
  - L) A member receives disability-related medical assistance benefits (Categories 92, 93 and P3) under Title XIX (Medicaid) of the Social Security Act.
- 2) For those veterans, surviving spouses, or children mentioned in subsections (a)(1)(F) and (G) of this Section, proof of receipt of VA disability benefits is sufficient verification of disability. For those veterans mentioned in subsection (a)(1)(E) of this Section, a verified statement, in writing, from the VA that the individual is totally disabled must be provided. To verify disability for those individuals mentioned in subsection (a)(1)(H) of this Section, the individual must provide a statement from the Social Security Administration or from a physician licensed under the Medical Practice Act of 1987 [225 ILCS 60], or a licensed or certified psychologist under the Clinical Psychologist Licensing Act [225 ILCS 15] that the individual suffers from one of the disabilities listed in the preamble to Section 221(i) of the Social Security Act (42 ~~USCU.S.C.~~ 421(i)) or if the disability is obvious, by the

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

observation of the caseworker (for example, permanent loss of use of both hands).

- 3) Legally obligated child support payments paid by a household member shall be excluded from gross income when comparing income to the gross income standard to determine eligibility.

b)	Household Size	Gross Income
	One Person	\$ 973
	Two Persons	1,313
	Three Persons	1,654
	Four Persons	1,994
	Five Persons	2,334
	Six Persons	2,674
	Seven Persons	3,014
	Eight Persons	3,354
	Each Additional Member	+ 341

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Audit Requirements of DHS
- 2) Code Citation: 89 Ill. Adm. Code 507
- 3) Section Numbers: 507.10                      Proposed Action: Amendments
- 4) Statutory Authority: Implementing and authorized by the Department of Human Services Act [20 ILCS 1305].
- 5) A Complete Description of the Subjects and Issues involved: In order to follow the Federal guidelines set by the OMB Circular A-133, this rulemaking raises the cut-off point for the independent audit requirement from \$300,000 to \$500,000 and will exempt approximately 150 contracted providers. The annual audit cost for these providers could be up to \$10,000. This rulemaking saves money for the persons affected by it.
- 6) Will this proposed amendment replace an emergency rulemaking currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? Yes, references were made to the Federal OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" (Financial Standards and Reporting Branch, Office of Federal Financial Management, Office of Management and Budget, Washington, DC 20503).
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days of the date of this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

Tracie Drew, Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

Harris Building, 3<sup>rd</sup> Floor  
Springfield, Illinois 62762  
(217) 785-9772

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not-for-profit corporations affected: Any small business, small municipalities and not-for-profit corporation that receives \$500,000 from the Department for the provision of services would be subject to this rule.
  - B) Reporting, bookkeeping or other procedures required for compliance: No audit, unless the provider receives \$500,000 (moved up from \$300,000).
  - C) Types of professional skills necessary for compliance: None
- 13) Regulatory agenda on which this rulemaking was summarized: This rulemaking was not included on either of the 2 most recent regulatory agendas because: This change was not anticipated at the time of the regulatory agenda.

The full text of the Proposed Amendment begins on the next page:

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER a: GENERAL PROGRAM PROVISIONSPART 507  
AUDIT REQUIREMENTS OF DHSSection  
507.10 Audit Requirements

AUTHORITY: Implementing and authorized by the Department of Human Services Act [20 ILCS 1305].

SOURCE: Adopted by emergency rule at 22 Ill. Reg. 12154, effective June 24, 1998, for a maximum of 150 days; emergency expired November 21, 1998; adopted at 22 Ill. Reg. 22386, effective December 8, 1998; emergency amendment at 23 Ill. Reg. 7768, effective June 24, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 12627, effective October 4, 1999; amended at 24 Ill. Reg. 9424, effective June 22, 2000; emergency amendment at 25 Ill. Reg. 7324, effective May 18, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 13586, effective October 10, 2001; amended at 26 Ill. Reg. 8542, effective May 30, 2002; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 507.10 Audit Requirements**

- a) Based on the specific requirements of subsection (b) or (c), whichever applies, each Provider receiving purchase of service or grant contract funding (~~Provider~~) from the Department of Human Services (Department) shall annually submit to the Department a Financial Summary, Personnel/Administrative Information Fiscal/Administrative Checklist, ~~an~~ independent audit report, ~~and/or~~ revenue and expense data in a form prescribed by the Department, and/or a Grant Report to enable the Department to perform fiscal monitoring and to account for the usage of funds paid to the Provider under Agreements with the Department. The information necessary to complete these reports must be obtained from the Provider's accounting records. These reports must be maintained on any generally accepted accounting principles (GAAP) basis or adjusted to report on any GAAP basis. Providers subject to these requirements shall be notified by registered or certified letter no later than May 31 of the year of the contract. This letter shall contain detailed instructions related to the Financial Summary, Personnel/Administrative Information Fiscal/Administrative Checklist, independent audit requirements, and Grant Report, including provisions for

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

requesting waivers, modifications and filing extensions.

- b) If the Provider's combined purchase of service or grant contract funding for Department programs is less than ~~\$500,000~~~~\$300,000~~ and/or the Department performs rate calculations or expense and revenue analysis, the Provider will be required to submit revenue and expense data in a form prescribed by the Department. Copies shall be filed with the Department's Office of Contract Administration as directed in the registered or certified letter referenced in subsection (a). The report shall be submitted within 120 days after the end of the Provider's fiscal year. If any of the programs are grants the Provider will be required to submit a Grant Report.
- c) If the Provider's combined purchase of service or grant contract funding for Department programs is ~~\$500,000~~~~\$300,000~~ or more and/or the Department performs rate calculations or expense and revenue analysis, the Provider shall be required to submit revenue and expense data in a form prescribed by the Department. If any of the programs are grants the Provider will be required to submit a Grant Report. All Providers with a combined purchase of service or grant funding for Department programs of ~~\$500,000~~~~\$300,000~~ or more are required to submit an independent audit report, the basic requirements are:
- 1) The audit shall be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois;
  - 2) The audit report shall include the financial statements prescribed by the Financial Accounting Standards Board for Not-For-Profit Organizations, or the Governmental Accounting Standards Board for Governmental Entities, as appropriate;
  - 3) The audits shall be conducted in accord with the "single audit" requirements and standards when the Provider receives or expends Federal funds that cumulatively exceed the Federal threshold. These requirements are detailed in Federal OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" (~~2003~~~~1997~~, no later amendments or editions included) ([Financial Standards and Reporting Branch, Office of Federal Financial Management, Office of Management and Budget, Washington, DC 20503](#)); and
  - 4) The report shall be submitted within 120 days after the end of the Provider's fiscal year. Two copies of any reports prepared in accordance

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENT

with Federal OMB Circular A-133 shall be filed with the Department's Office of Contract Administration. Any request for an extension of time to file an independent audit report, ~~Fiscal and Administrative Checklist~~ Financial Summary, Personnel/Administrative Information, Grant Report or supplemental revenue and expense data shall be submitted to the Department's Manager of the Office of Contract Administration. The Manager of the Office of Contract Administration shall respond in writing to each such request within 14 days after it is received by the Office of Contract Administration.

- d) A request for exception to the audit requirements prescribed in this Section shall be submitted to the Department's Manager of the Office of Contract Administration. Such requests shall be approved only when convincingly justified. The Department's Manager of the Office of Contract Administration shall respond in writing to each request for exception within 14 days after it is received by the Office of Contract Administration.
- e) Audit requirements may be waived by the Manager of the Office of Contract Administration when it is deemed to be in the interest of the State of Illinois or when it enhances the operating efficiency of the State. A written determination for the waiver shall be maintained by the Office of Contract Administration.
- f) Failure to meet the audit requirements contained in this Section shall result in the suspension of funding.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Valuation of Life Insurance Policies Including the Use of Select Mortality Factors
- 2) Code Citation: 50 Ill. Adm. Code 1409
- 3) 

<u>Section Numbers</u> :	<u>Proposed Action</u> :
1409.20	Amendment
1409.30	Amendment
1409.40	Amendment
1409.50	Amendment
1409.70	New Section
- 4) Statutory Authority: Implementing Section 223 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/223 and 401].
- 5) A Complete Description of the Subjects and Issues Involved: This Part will be amended to allow for recognition and use of the 2001 CSO mortality tables being promulgated under new Part 1412 also published in this Register. At each company's discretion, either the 1980 or 2001 CSO tables may be used for calculations under the requirements of this Part. There are also a handful of technical changes that are being made at this time, at the request of JCAR by memo to the DOI dated February 17, 2000.
- 6) Will these amendments replace any emergency amendments currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? Yes. Please see specifically the proposed amendments which refer to the 2001 CSO tables.
- 9) Are there any other proposed amendments pending on this Part? No
- 10) Statement of Statewide Policy Objective: This rulemaking will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Denise Hamilton

Eve Blackwell-Lewis

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

Rules Unit Supervisor		Staff Attorney
Department of Insurance		Department of Insurance
320 West Washington	or	320 West Washington
Springfield, Illinois 62767-0001		Springfield, Illinois 62767-0001
(217) 785-8560		(217) 782-2867

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: Small business; small municipalities and not for profit organizations will not be affected by these amendments.
  - B) Reporting, bookkeeping or other procedures required for compliance: No new requirements are being proposed.
  - C) Types of professional skills necessary for compliance: The valuation of life insurance policies is conducted by an actuary.
- 13) Regulatory Agenda on which this amendment was summarized: January 2003

The full text of the Proposed Amendments begins on the next page:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

TITLE 50: INSURANCE  
 CHAPTER I: DEPARTMENT OF INSURANCE  
 SUBCHAPTER s: LEGAL RESERVE LIFE INSURANCE

PART 1409  
 VALUATION OF LIFE INSURANCE POLICIES  
 INCLUDING THE USE OF SELECT MORTALITY FACTORS

Section	
1409.10	Purpose
1409.20	Applicability
1409.30	Definitions
1409.40	General Calculation Requirements for Basic Reserves and Deficiency Reserves
1409.50	Calculation of Minimum Valuation Standard for Policies with Guaranteed Nonlevel Premiums or Guaranteed Nonlevel Benefits (Other Than Universal Life Policies)
1409.60	Calculation of Minimum Valuation Standard for Flexible Premium and Fixed Premium Universal Life Insurance Policies That Contain Provisions Resulting in the Ability of a Policyowner to Keep a Policy in Force Over a Secondary Guarantee Period
<u>1409.70</u>	<u>Use of 2001 CSO Mortality Table</u>
1409.APPENDIX A	Select Mortality Factors
1409.ILLUSTRATION A	Male Aggregate
1409.ILLUSTRATION B	Male Nonsmoker
1409.ILLUSTRATION C	Male Smoker
1409.ILLUSTRATION D	Female Aggregate
1409.ILLUSTRATION E	Female Nonsmoker
1409.ILLUSTRATION F	Female Smoker

AUTHORITY: Implementing Section 223 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/223 and 401].

SOURCE: Adopted at 20 Ill. Reg. 12359, effective September 3, 1996; amended at 23 Ill. Reg. 14306, effective January 1, 2000; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 1409.20 Applicability**

This Part shall apply to all life insurance policies, with or without nonforfeiture values issued on or after January 1, 2000, subject to the following exceptions and conditions:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- a) Exceptions.
- 1) This Part shall not apply to any individual life insurance policy issued on or after January 1, 2000~~the effective date of this Part~~ if the policy is issued in accordance with, and as a result of the exercise of, a reentry provision contained in the original life insurance policy or any individual life insurance policy of the same or greater face amount, issued before January 1, 2000~~the effective date of this Part~~ that guarantees the premium rates of the new policy. This Part also shall not apply to subsequent policies issued as a result of the exercise of such a provision, or a derivation of the provision in the new policy.
  - 2) This Part shall not apply to any universal life policy that meets all the following requirements with regard to all secondary guarantee periods:
    - A) Secondary guarantee period, if any, is 5 years or less;
    - B) Specified premium for the secondary guarantee period is not less than the net level reserve premium for the secondary guarantee period based on the CSO valuation tables as defined in Section 1409.30 of this Part and the applicable valuation interest rate; and
    - C) The initial surrender charge is not less than 100% of the first year annualized specified premium for the secondary guarantee period.
  - 3) This Part shall not apply to any variable life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.
  - 4) This Part shall not apply to any variable universal life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.
  - 5) This Part shall not apply to group life insurance certificates unless the certificates provide for a stated or implied schedule of maximum gross premiums required in order to continue coverage in force for a period in excess of one year.
- b) Conditions.

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- 1) Calculation of the minimum valuation standard for policies with guaranteed nonlevel premiums or guaranteed nonlevel benefits (other than universal life policies), or both, shall be in accordance with the provisions of Section 1409.50 of this Part.
- 2) Calculation of the minimum valuation standard for flexible premium and fixed premium universal life insurance policies, that contain provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period shall be in accordance with the provisions of Section 1409.60 of this Part.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1409.30 Definitions**

1980 CSO Valuation Tables means the Commissioner's 1980 Standard Ordinary Mortality Table (1980 CSO Table) without ten-year selection factors, incorporated into the 1980 amendments to the National Association of Insurance Commissioners (NAIC) Standard Valuation Law, and the smoker and nonsmoker variations of the 1980 CSO Table approved by the NAIC in December, 1983, as published in the 1984 Proceedings for the NAIC, Vol. 1, p. 31 and approved by the Director for use in determining the minimum standards of valuation pursuant to 50 Ill. Adm. Code 934. No later amendments or editions shall be included.

2001 CSO Mortality Table means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2<sup>nd</sup> Quarter 2002). Unless the context indicates otherwise, the 2001 CSO Mortality Table includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.

Basic Reserves mean reserves calculated in accordance with Section 223(3)(b) of the Illinois Insurance Code [215 ILCS 5/223(3)(b)].

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

Contract Segmentation Method means the method of dividing the period from issue to mandatory expiration of a policy into successive segments, with the length of each segment being defined as the period from the end of the prior segment (from policy inception, for the first segment) to the end of the latest policy year as determined in the procedure set forth below in this definition. All calculations are made using the 1980 CSO valuation tables, and if elected, the optional minimum mortality standard for deficiency reserves found in subsection (b) of Section 1409.40 of this Part.

The length of a particular contract segment shall be set equal to the minimum of the value  $t$  for which  $G_t$  is greater than  $R_t$  (if  $G_t$  never exceeds  $R_t$  the segment length is deemed to be the number of years from the beginning of the segment to the mandatory expiration date of the policy), where  $G_t$  and  $R_t$  are defined as follows:

$$G_t = \frac{GP_{x+k+t}}{GP_{x+k+t-1}}$$

$$R_t = \frac{q_{x+k+t}}{q_{x+k+t-1}}$$

However,  ~~$R_t$~~  may be increased or decreased by one percent in any policy year, at the company's option, but  ~~$R_t$~~  shall not be less than one;

where:

$x$  = original issue age;

$k$  = the number of years from the date of issue to the beginning of the segment;

$t = 1, 2, \dots$ ;  $t$  is reset to 1 at the beginning of each segment;

$GP_{x+k+t-1}$  = Guaranteed gross premium per thousand of face amount for year  $t$  of the segment, ignoring policy fees only if level for the premium paying period of the policy, for year  $t$  of the segment;

$q_{x+k+t-1}$  = Valuation mortality rate for deficiency reserves in policy year  $k+t$  but using the select mortality factors found in Section 1409.40(b)(3) if Section 1409.40(b)(4) is elected for deficiency reserves;

However, if  $GP_{x+k+t}$  is greater than 0 and  $GP_{x+k+t-1}$  is equal

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

to 0,  $G_t$  shall be deemed to be 1000. If  $GP_{x+k+t}$  and  $GP_{x+k+t-1}$  are both equal to 0,  $G_t$  shall be deemed to be 0.

Deficiency Reserves mean the excess, if greater than zero, of:

Minimum reserves calculated in accordance with Section 223(3)(f) of the Illinois Insurance Code [215 ILCS 5/223(3)(f)], over

Basic reserves.

Guaranteed Gross Premiums mean the premiums under a policy of life insurance that are guaranteed and determined at issue.

Maximum Valuation Interest Rates mean the interest rates defined in Section 223(6)(b) of the Illinois Insurance Code [215 ILCS 5/223(6)(b)] that are to be used in determining the minimum standard for the valuation of life insurance policies.

Scheduled Gross Premium means the smallest illustrated gross premium at issue for other than universal life insurance policies. For universal life insurance policies, scheduled gross premium means the smallest specified premium described in subsection (a)(3) of Section 1409.60 of this Part, if any, or else the minimum premium described in subsection (a)(4) of Section 1409.60 of this Part.

Segmented Reserves mean reserves, calculated using segments produced by the contract segmentation method, equal to the present value of all future guaranteed benefits less the present value of all future net premiums to the mandatory expiration of a policy, where the net premiums within each segment are a uniform percentage of the respective guaranteed gross premiums within the segment. The uniform percentage for each segment is such that, at the beginning of the segment, the present value of the net premiums within the segment equals:

The present value of the death benefits within the segment, plus

The present value of any unusual guaranteed cash value (subsection (d) of Section 1409.50 of this Part) occurring at the end of the segment, less

Any unusual guaranteed cash value occurring at the start of the segment, plus

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

For the first segment only as measured from the actual issue date, the excess of the net level annual premium (which is equal to the present value, at the date of issue, of the benefits provided for in the first segment after the first policy year, divided by the present value, at the date of issue, of an annuity of one per year payable on the first and each subsequent anniversary within the first segment on which a premium falls due) over the net one year term premium for the benefits provided for in the first policy year. However, the net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan of insurance of the same renewal year equivalent level amount at an age one year higher than the age at issue of the policy.

The length of each segment is determined by the Contract Segmentation Method.

The interest rates used in the present value calculations for any policy may not exceed the maximum valuation interest rate, determined with a guarantee duration equal to the sum of the lengths of all segments of the policy.

For both basic reserves and deficiency reserves computed by the segmented method, present values must include future benefits and net premiums in the current segment and in all subsequent segments.

Tabular Cost of Insurance means the net single premium at the beginning of a policy year for one-year term insurance in the amount of the guaranteed death benefit in that policy year.

Ten-year Select Factors mean the select factors adopted in the 1980 amendments to the NAIC Standard Valuation Law.

Unitary Reserves mean the present value of all future guaranteed benefits less the present value of all future modified net premiums, where:

Guaranteed benefits and modified net premiums are considered to the mandatory expiration of the policy; and

Modified net premiums are a uniform percentage of the respective guaranteed gross premiums, where the uniform percentage is such that, at issue, the present value of the net premiums equals the present value of all

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

death benefits and pure endowments, plus the excess of the net level annual premium equal to the present value, at the date of issue, of the benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per year payable on the first and each subsequent anniversary of the policy on which a premium falls due, over the net one year term premium for the benefits provided for in the first policy year. However, the net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan of insurance of the same renewal year equivalent level amount at an age one year higher than the age at issue of the policy; and

Any negative terminal reserves are set to zero.

The interest rates used in the present value calculations for any policy may not exceed the maximum valuation interest rate, determined with a guarantee duration equal to the length from issue to the mandatory expiration of the policy.

Universal Life Insurance Policy means any individual life insurance policy under the provisions of which separately identified interest credits (other than in connection with dividend accumulations, premium deposit funds, or other supplementary accounts) and mortality or expense charges are made to the policy.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1409.40 General Calculation Requirements for Basic Reserves and Deficiency Reserves**

- a) Basic Reserves.
  - 1) At the election of the company for any one or more specified plans of life insurance, the minimum mortality standard for basic reserves may be calculated using the 1980 CSO valuation tables with select mortality factors.
  - 2) If select mortality factors are elected, they may be:
    - A) The ten-year select mortality factors incorporated into the 1980 amendments to the NAIC Standard Valuation Law; or

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- B) The select mortality factors found in Appendix A of this Part.
- b) Deficiency Reserves.
- 1) Deficiency reserves, if any, are calculated for each policy as the excess, if greater than zero, of the quantity A over the basic reserve. The quantity A is obtained by recalculating the basic reserve for the policy using guaranteed gross premiums instead of net premiums when the guaranteed gross premiums are less than the corresponding net premiums. At the election of the company for any one or more specified plans of insurance, the quantity A and the corresponding net premiums used in the determination of quantity A may be based upon the 1980 CSO valuation tables with select mortality factors. If select mortality factors are elected, they may be:
    - 2) The ten-year select mortality factors incorporated into the 1980 amendments to the NAIC Standard Valuation Law; or
    - 3) The select mortality factors found in Appendix A of this Part; or
    - 4) For durations in the first segment, X percent of the select mortality factors in Appendix A of this Part, subject to the following:
      - A) X may vary by policy year, policy form, underwriting classification, issue age, or any other policy factor expected to affect mortality experience;
      - B) X shall not be less than 20%;
      - C) X shall not decrease in any successive policy years;
      - D) X is such that, when using the valuation interest rate used for basic reserves, subsection (b)(4)(D)(i) of this Section; is greater than or equal to subsection (b)(4)(D)(ii) of this Section;
        - i) The actuarial present value of future death benefits, calculated using the mortality rates resulting from the application of X;
        - ii) The actuarial present value of future death benefits

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

calculated using anticipated mortality experience without recognition of mortality improvement beyond the valuation date;

- E) X is such that the mortality rates resulting from the application of X are at least as great as the anticipated mortality experience, without recognition of mortality improvement beyond the valuation date, in each of the first 5 years after the valuation date;
- F) The appointed actuary shall increase X at any valuation date where it is necessary to continue to meet all the requirements of subsection (b)(4) of this Section;
- G) The appointed actuary may decrease X at any valuation date as long as X does not decrease in any successive policy years and as long as it continues to meet all the requirements of subsection (b)(4) of this Section; ~~and~~
- H) The appointed actuary shall specifically take into account the adverse effect on expected mortality and lapsation of any anticipated or actual increase in gross premiums; and
- I) If X is less than 100% at any duration for any policy, the following requirements shall be met:
  - i) The appointed actuary shall annually prepare an actuarial opinion and memorandum based on asset adequacy analysis for the company in conformance with the applicable Sections of 50 Ill. Adm. Code 1408.
  - ii) The appointed actuary shall annually opine for all policies subject to this Part as to whether the mortality rates resulting from the application of X meet the requirements of subsection (b)(4) of this Section. This opinion shall be supported by an actuarial report, subject to appropriate Actuarial Standards of Practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries. The X factors shall reflect anticipated future mortality, without recognition of mortality improvement beyond the valuation date, taking into account relevant

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

emerging experience.

- c) This subsection applies to both basic reserves and deficiency reserves. Any set of select mortality factors may be used only for the first segment. However, if the first segment is less than 10 years, the appropriate ten-year select mortality factors incorporated into the 1980 amendments to the NAIC Standard Valuation Law may be used thereafter through the tenth policy year from the date of issue.
- d) In determining basic reserves or deficiency reserves, guaranteed gross premiums without policy fees may be used where the calculation involves the guaranteed gross premium but only if the policy fee is a level dollar amount after the first policy year. In determining deficiency reserves, policy fees may be included in guaranteed gross premiums, even if not included in the actual calculation of basic reserves.
- e) Reserves for policies that have changes to guaranteed gross premiums, guaranteed benefits, guaranteed charges, or guaranteed credits that are unilaterally made by the insurer after issue and that are effective for more than one year after the date of the change shall be the greatest of the following:
  - 1) Reserves calculated ignoring the guarantee,
  - 2) Reserves assuming the guarantee was made at issue, and
  - 3) Reserves assuming that the policy was issued on the date of the guarantee.
- f) The Director may require that the company document the extent of the adequacy of reserves for specified blocks. This documentation may include a demonstration of the extent to which aggregation with other non-specified blocks of business is relied upon in the formation of the appointed actuary opinion pursuant to, and consistent with, the requirements of 50 Ill. Adm. Code 1408.90(a).

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1409.50 Calculation of Minimum Valuation Standard for Policies with Guaranteed Nonlevel Premiums or Guaranteed Nonlevel Benefits (Other Than Universal Life Policies)**

- a) Basic Reserves.  
Basic reserves shall be calculated as the greater of the segmented reserves and the

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

unitary reserves. Both the segmented reserves and the unitary reserves for any policy must use the same valuation mortality table and selection factors. At the option of the insurer, in calculating segmented reserves and net premiums, either of the adjustments described in subsection (a)(1) or (2) below may be made:

- 1) Treat the unitary reserve, if greater than zero, applicable at the end of each segment as a pure endowment; and subtract the unitary reserve, if greater than zero, applicable at the beginning of each segment from the present value of guaranteed life insurance and endowment benefits for each segment.
  - 2) Treat the guaranteed cash surrender value, if greater than zero, applicable at the end of each segment as a pure endowment; and subtract the guaranteed cash surrender value, if greater than zero, applicable at the beginning of each segment from the present value of guaranteed life insurance and endowment benefits for each segment.
- b) Deficiency Reserves.
- 1) This subsection (b) shall apply to any policy for which the guaranteed gross premium at any duration is less than the corresponding modified net premium calculated by the method used in determining the basic reserves, but using the minimum valuation standards of mortality (specified in subsection (b) of this Part) and rate of interest.
  - 2) The deficiency reserve at any duration shall be calculated:
    - A) On a unitary basis if the corresponding basic reserve determined by subsection (a) above is unitary;
    - B) On a segmented basis if the corresponding basic reserve determined by subsection (a) above is segmented; or
    - C) On the segmented basis if the corresponding basic reserve determined by subsection (a) above is equal to both the segmented reserve and the unitary reserve.
  - 3) Deficiency reserves, if any, shall be calculated for each policy as the excess if greater than zero, for the current and all remaining periods, of the quantity A over the basic reserve, where A is obtained as indicated in

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

subsection (b) of Section 1409.40 of this Part.

- 4) For deficiency reserves determined on a segmented basis, the quantity A is determined using segment lengths equal to those determined for segmented basic reserves.
- c) **Minimum Value.**

Basic reserves may not be less than the tabular cost of insurance for the balance of the policy year, if mean reserves are used. Basic reserves may not be less than the tabular cost of insurance for the balance of the current modal period or to the paid-to-date, if later, but not beyond the next policy anniversary, if mid-terminal reserves are used. The tabular cost of insurance must use the same valuation mortality table and interest rates as that used for the calculation of the segmented reserves. However, if select mortality factors are used, they shall be the ten-year select factors incorporated into the 1980 CSO amendments of the NAIC Standard Valuation Law. In no case may total reserves (including basic reserves, deficiency reserves and any reserves held for supplemental benefits that would expire upon contract termination) be less than the amount that the policyowner would receive (including the cash surrender value of the supplemental benefits, if any, referred to above), exclusive of any deduction for policy loans, upon termination of the policy.
  - d) **Unusual Pattern of Guaranteed Cash Surrender Values.**
    - 1) For any policy with an unusual pattern of guaranteed cash surrender values, the reserves actually held prior to the first unusual guaranteed cash surrender value shall not be less than the reserves calculated by treating the first unusual guaranteed cash surrender value as a pure endowment and treating the policy as an n year policy providing term insurance plus a pure endowment equal to the unusual cash surrender value, where n is the number of years from the date of issue to the date the unusual cash surrender value is scheduled.
    - 2) The reserves actually held subsequent to any unusual guaranteed cash surrender value shall not be less than the reserves calculated by treating the policy as an n year policy providing term insurance plus a pure endowment equal to the next unusual guaranteed cash surrender value, and treating any unusual guaranteed cash surrender value at the end of the prior segment as a net single premium, where:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- A)  $n$  is the number of years from the date of the last unusual guaranteed cash surrender value prior to the valuation date to the earlier of:
- i) The date of the next unusual guaranteed cash surrender value, if any, that is scheduled after the valuation date; or
  - ii) The mandatory expiration date of the policy; and
- B) The net premium for a given year during the  $n$  year period is equal to the product of the net to gross ratio and the respective gross premium; and
- C) The net to gross ratio is equal to (d)(2)(C)(i) divided by (d)(2)(C)(ii).
- i) The present value, at the beginning of the  $n$  year period, of death benefits payable during the  $n$  year period plus the present value, at the beginning of the  $n$  year period, of the next unusual guaranteed cash surrender value, if any, minus the amount of the last unusual guaranteed cash surrender value, if any, scheduled at the beginning of the  $n$  year period.
  - ii) The present value, at the beginning of the  $n$  year period, of the scheduled gross premiums payable during the  $n$  year period.
- 3) For purposes of this subsection (d), a policy is considered to have an unusual pattern of guaranteed cash surrender values if any future guaranteed cash surrender value exceeds the prior year's guaranteed cash surrender value by more than the sum of:
- A) 110% of the scheduled gross premium for that year;
  - B) 110% of one year's accrued interest on the sum of the prior year's guaranteed cash surrender value and the scheduled gross premium using the nonforfeiture interest rate used for calculating policy guaranteed cash surrender values; and

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- C) 5% of the first policy year surrender charge, if any.
- e) Optional Exemption for Yearly Renewable Term (YRT) Reinsurance.  
At the option of the company, the following approach for reserves on YRT reinsurance may be used.
- 1) Calculate the valuation net premium for each future policy year as the tabular cost of insurance for that future year.
  - 2) Basic reserves shall never be less than the tabular cost of insurance for the appropriate period, as defined in subsection (c) of this Section.
  - 3) Deficiency Reserves.
    - A) For each policy year, calculate the excess, if greater than zero, of the valuation net premium over the respective maximum guaranteed gross premium.
    - B) Deficiency reserves shall never be less than the sum of the present values, at the date of valuation, of the excesses determined in accordance with subsection (e)(3)(A) of this Section.
  - 4) For purposes of this subsection (e), the calculations use the maximum valuation interest rate and the 1980 CSO mortality tables with or without ten-year select mortality factors.
  - 5) A reinsurance agreement shall be considered YRT reinsurance for purposes of this subsection (e) if only the mortality risk is reinsured.
  - 6) If the assuming company chooses this optional exemption, the ceding company's reinsurance reserve credit shall be limited to the amount of reserve held by the assuming company for the affected policies.
- f) Optional Exemption for Attained-Age-Based Yearly Renewable Term Life Insurance Policies.  
At the option of the company, the following approach for reserves for attained-age-based YRT life insurance policies may be used.
- 1) Calculate the valuation net premium for each future policy year as the tabular cost of insurance for that future year.

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- 2) Basic reserves shall never be less than the tabular cost of insurance for the appropriate period, as defined in subsection (c).
- 3) Deficiency Reserves.
  - A) For each policy year, calculate the excess, if greater than zero, of the valuation net premium over the respective maximum guaranteed gross premium.
  - B) Deficiency reserves shall never be less than the sum of the present values, at the date of valuation, of the excesses determined in accordance with subsection (f)(3)(A) above.
- 4) For purposes of this subsection (f), the calculations use the maximum valuation interest rate and the 1980 CSO valuation tables with or without ten-year select mortality factors.
- 5) A policy shall be considered an attained-age-based YRT life insurance policy for purposes of this subsection (f) if:
  - A) The premium rates (on both the initial current premium scale and the guaranteed maximum premium scale) are based upon the attained age of the insured such that the rate for any given policy at a given attained age of the insured is independent of the year the policy was issued; and
  - B) The premium rates (on both the initial current premium scale and the guaranteed maximum premium scale) are the same as the premium rates for policies covering all insureds of the same sex, risk class, plan of insurance and attained age.
- 6) For policies that become attained-age-based YRT policies after an initial period of coverage, the approach of this subsection (f) may be used after the initial period if:
  - A) The initial period is constant for all insureds of the same sex, risk class and plan of insurance, or the initial period runs to a common attained age for all insureds of the same sex, risk class and plan of insurance; and

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- B) After the initial period of coverage, the policy meets the conditions of subsection (f)(5) above.
- 7) If this election is made, this approach must be applied in determining reserves for all attained-age-based YRT life insurance policies issued on or after the effective date of this Part.
- g) Exemption from Unitary Reserves for Certain n-Year Renewable Term Life Insurance Policies.  
Unitary basic reserves and unitary deficiency reserves need not be calculated for a policy if the following conditions are met:
- 1) The policy consists of a series of n-year periods, including the first period and all renewal periods, where n is the same for each period, except that for the final renewal, n may be truncated or extended to reach the expiry age, provided that this final renewal period is less than 10 years and less than twice the size of the earlier n-year period, and for each period, the premium rates on both the initial current premium scale and the guaranteed maximum premium scale are level;
  - 2) The guaranteed gross premiums in all n-year periods are not less than the corresponding net premiums based upon the 1980 CSO Table with or without the ten-year select mortality factors; and
  - 3) There are no cash surrender values in any policy year.
- h) Exemption from Unitary Reserves for Certain Juvenile Policies.  
Unitary basic reserves and unitary deficiency reserves need not be calculated for a policy if the following conditions are met, based upon the initial current premium scale at issue:
- 1) At issue, the insured is age 24 or younger;
  - 2) Until the insured reaches the end of the juvenile period, which must occur at or before age 25, the gross premiums and death benefits are level, and there are no cash surrender values; and
  - 3) After the end of the juvenile period, gross premiums are level for the remainder of the premium paying period, and death benefits are level for

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED AMENDMENTS

the remainder of the life of the policy.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 1409.70 Use of 2001 CSO Mortality Table**

The 2001 CSO Mortality Tables found in 50 Ill. Adm. Code 1412 may be used for calculations under the requirements of this Part as authorized and described in 50 Ill. Adm. Code 1412.50

(Source: Added at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Recognition of the 2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits
- 2) Code Citation: 50 Ill. Adm. Code 1412
- 3) 

<u>Section Numbers:</u>	<u>Proposed Action:</u>
1412.10	New Section
1412.20	New Section
1412.30	New Section
1412.40	New Section
1412.50	New Section
1412.60	New Section
- 4) Statutory Authority: Implementing Sections 223 and 229.2 and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/223, 229.2 and 401].
- 5) A Complete Description of the Subjects and Issues Involved: This new Part is being promulgated in order to permit companies to use the 2001 CSO Mortality Tables adopted by the NAIC in December 2002. The purpose of this Part is to recognize, permit and prescribe the use of such tables under the specific authority of Section 223(3)(i)(iii) and 229.2(4c)(h)(vi) of the Illinois Insurance Code and for use under 50 Ill. Adm. Code 1409.40(a) and (b).
- 6) Will this rulemaking replace an emergency rulemaking currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? Yes. Please review the Department's entire proposal.
- 9) Are there any other proposed amendments pending on this Part? No
- 10) Statement of Statewide Policy Objective: This rulemaking will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

Denise Hamilton  
Rules Unit Supervisor  
Department of Insurance  
320 West Washington  
Springfield, Illinois 62767-0001  
(217) 785-8560

or

Eve Blackwell-Lewis  
Staff Attorney  
Department of Insurance  
320 West Washington  
Springfield, Illinois 62767-0001  
(217) 782-2867

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: This new regulation will not affect small businesses; small municipalities or not for profit organizations.
  - B) Reporting, bookkeeping or other procedures required for compliance: Please review the Department's entire proposal.
  - C) Types of professional skills necessary for compliance: The valuation of life insurance policies is conducted by an actuary.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 2004

The full text of the Proposed Rule begins on the next page:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

## TITLE 50: INSURANCE

## CHAPTER I: DEPARTMENT OF INSURANCE

## SUBCHAPTER s: LEGAL RESERVE LIFE

## PART 1412

RECOGNITION OF THE 2001 CSO MORTALITY TABLE  
FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES  
AND NONFORFEITURE BENEFITS

## Section

1412.10	Purpose
1412.20	Definitions
1412.30	2001 CSO Mortality Table
1412.40	Conditions
1412.50	Applicability of the 2001 CSO Mortality Table to 50 Ill. Adm. Code 1409
1412.60	Gender-Blended Tables

AUTHORITY: Implementing Sections 223(3)(i) and (iii) and 229.2(4c)(h)(vi) and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/223(3)(i) and (iii); 229.2(4c)(h)(vi); and 401].

SOURCE: Adopted at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 1412.10 Purpose**

The purpose of this Part is to recognize, permit and prescribe the use of the 2001 Commissioners Standard Ordinary (CSO) Mortality Table under the authority of Sections 223(3)(i) and (iii) and 229.2(4c)(h)(vi) of the Illinois Insurance Code and for use under 50 Ill. Adm. Code 1409.40(a) and (b).

**Section 1412.20 Definitions**

2001 CSO Mortality Table means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2nd Quarter 2002). Unless the context indicates otherwise, the 2001 CSO Mortality Table includes both the

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.

2001 CSO Mortality Table (F) means that mortality table consisting of the rates of mortality for female lives from the 2001 CSO Mortality Table.

2001 CSO Mortality Table (M) means that mortality table consisting of the rates of mortality for male lives from the 2001 CSO Mortality Table.

Code means the Illinois Insurance Code [215 ILCS 5].

Composite mortality tables means mortality tables with rates of mortality that do not distinguish between smokers and nonsmokers.

Director means the Director of the Illinois Department of Insurance.

Smoker and nonsmoker mortality tables means mortality tables with separate rates of mortality for smokers and nonsmokers.

**Section 1412.30 2001 CSO Mortality Table**

- a) At the election of the company for any one or more specified plans of insurance and subject to the conditions stated in this Part, the 2001 CSO Mortality Table may be used as the minimum standard for policies issued on or after July 1, 2004 and before the date specified in subsection (b) of this Section, to which Sections 223(3)(i) and (iii) and 229.2(4c)(h)(vi) and 50 Ill. Adm. Code 1409.40(a) and (b) are applicable. If the company elects to use the 2001 CSO Mortality Table, it shall do so for both valuation and nonforfeiture purposes.
- b) Subject to the conditions of this Part, the 2001 CSO Mortality Table shall be used in determining minimum standards for policies issued on and after January 1, 2009, to which Sections 223(3)(i) and (iii) and 229.2(4c)(h)(vi) and 50 Ill. Adm. Code 1409.40(a) and (b) are applicable.

**Section 1412.40 Conditions**

- a) For each plan of insurance with separate rates for smokers and nonsmokers, an insurer may use:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

- 1) Composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits;
  - 2) Smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by Section 223(3)(f) of the Code and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or
  - 3) Smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.
- b) For plans of insurance without separate rates for smokers and nonsmokers, the composite mortality tables shall be used.
- c) For the purpose of determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits, the 2001 CSO Mortality Table may, at the option of the company for each plan of insurance, be used in its ultimate or select and ultimate form, subject to the restrictions of Section 1412.50 of this Part and 50 Ill. Adm. Code 1409 relative to use of the select and ultimate form.
- d) When the 2001 CSO Mortality Table is the minimum reserve standard for any plan for a company, the actuarial opinion in the annual statement filed with the Director shall be based on an asset adequacy analysis as specified in 50 Ill. Adm. Code 1408.40(a). The Director may exempt a company from this requirement if it only does business in this State and in no other state.

**Section 1412.50 Applicability of the 2001 CSO Mortality Table to 50 Ill. Adm. Code 1409**

- a) The 2001 CSO Mortality Table may be applied to 50 Ill. Adm. Code 1409 in the following manner, subject to the transition dates for use found in Section 1412.30 of this Part:
- 1) Section 1409.20(a)(2)(B): The net level reserve premium is based on the ultimate mortality rates in the 2001 CSO Mortality Table.

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

- 2) Section 1409.30: All calculations are made using the 2001 CSO Mortality Rate and, if elected, the optional minimum mortality standard for deficiency reserves stipulated in subsection (a)(4) of this Section. The value of " $q_{x+k+t-1}$ " is the valuation mortality rate for deficiency reserves in policy year  $k+t$ , but using the unmodified select mortality rates if modified select mortality rates are used in the computation of deficiency reserves.
  - 3) Section 1409.40(a): The 2001 CSO Mortality Table is the minimum standard for basic reserves.
  - 4) Section 1409.40(b): The 2001 CSO Mortality Table is the minimum standard for deficiency reserves. If select mortality rates are used, they may be multiplied by X percent for durations in the first segment, subject to the conditions specified in Section 1409.40(b)(4)(A) through (I). In demonstrating compliance with those conditions, the demonstrations may not combine the results of tests that utilize the 1980 CSO Mortality Table with those tests that utilize the 2001 CSO Mortality Table, unless the combination is explicitly required by regulation or necessary to be in compliance with relevant Actuarial Standards of Practice.
  - 5) Section 1409.50(c): The valuation mortality table used in determining the tabular cost of insurance shall be the ultimate mortality rates in the 2001 CSO Mortality Table.
  - 6) Section 1409.50(e)(4): The calculations specified in Section 1409.50(e) shall use the ultimate mortality rates in the 2001 CSO Mortality Table.
  - 7) Section 1409.50(f)(4): The calculations specified in Section 1409.50(f) shall use the ultimate mortality rates in the 2001 CSO Mortality Table.
  - 8) Section 1409.50(g)(2): The calculations specified in Section 1409.50(g) shall use the ultimate mortality rates in the 2001 CSO Mortality Table.
  - 9) Section 1409.60(a)(1)(B): The one-year valuation premium shall be calculated using the ultimate mortality rates in the 2001 CSO Mortality Table.
- b) Nothing in this Section shall be construed to expand the applicability of 50 Ill. Adm. Code 1409 to include life insurance policies exempted under Section 1409.20(a).

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED RULES

**Section 1412.60 Gender-Blended Tables**

- 
- a) For any ordinary life insurance policy delivered or issued for delivery in this State on and after July 1, 2004 that utilizes the same premium rates and charges for male and female lives or is issued in circumstances where applicable law does not permit distinctions on the basis of gender, a mortality table that is a blend of the 2001 CSO Mortality Table (M) and the 2001 CSO Mortality Table (F) may, at the option of the company for each plan of insurance, be substituted for the 2001 CSO Mortality Table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits. No change in minimum valuation standards is implied by this subsection.
- 
- b) The company may choose from among the blended tables developed by the American Academy of Actuaries CSO Task Force and adopted by the NAIC in December 2002.
- 
- c) It shall not, in and of itself, be a violation of Article XXVI of the Code for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

1) Heading of the Part: Manufactured Home Installation Code

2) Code Citation: 77 Ill. Adm. Code 870

<u>Section Numbers:</u>	<u>Proposed Action:</u>
870.10	New Section
870.20	New Section
870.30	New Section
870.40	New Section
870.50	New Section
870.55	New Section
870.60	New Section
870.65	New Section
870.70	New Section
870.75	New Section
870.80	New Section
870.90	New Section
870.100	New Section
870.110	New Section
870.120	New Section
870.130	New Section
870.140	New Section
870.150	New Section
870.160	New Section
870.170	New Section
870.180	New Section
870.190	New Section
870.200	New Section
870.210	New Section
870.220	New Section
870.230	New Section
870.240	New Section
TABLE A	New Section
TABLE B	New Section
TABLE C	New Section
TABLE D	New Section
TABLE E	New Section
TABLE F	New Section
TABLE G	New Section
TABLE H	New Section

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- 4) Statutory Authority: Implemented and authorized by the Illinois Manufactured Home Installers Act [430 ILCS 120], the Manufactured Home Quality Assurance Act [430 ILCS 117/1-99], and the Illinois Mobile Home Tiedown Act [210 ILCS 120].
- 5) A Complete Description of the Subjects and Issues Involved: These rules will implement the Illinois Manufactured Home Quality Assurance Act (430 ILCS 117), which requires the Department to license manufactured home installers and manufacturers of manufactured homes, and to establish installation standards for homes without manufacturer's installation manuals. This rulemaking is a companion rulemaking to the repeal of the Illinois Manufactured Home Tiedown Code (77 Ill. Adm. Code 870) and the Manufactured Home Installer Accreditation Course Code (77 Ill. Adm. Code 885). Requirements being repealed from those two Parts are incorporated into this Part, consolidating rules on the installation of manufactured homes.
- 6) Will this Rulemaking Replace an Emergency Rule Currently in Effect? No
- 7) Does this Rulemaking Contain an Automatic Repeal Date? No
- 8) Does this Rulemaking Contain any Incorporations by Reference? No
- 9) Are there any Other Proposed Amendments Pending on this Part? No
- 10) Statement of Statewide Policy Objectives: These rules do not create or expand a State mandate.
- 11) Time, Place, and Manner in which Interested Persons May Comment on this Rulemaking: Interested persons may present their comments concerning these rules by writing, within 45 days after this issue of the *Illinois Register*, to:  

Susan Meister  
Division of Legal Services  
Illinois Department of Public Health  
535 West Jefferson, Fifth Floor  
Springfield, Illinois 62761  
(217)782-2043  
E-mail: rules@idph.state.il.us
- 12) Initial Regulatory Flexibility Analysis:
  - A) Type of Small Businesses, Small Municipalities, and Not-For-Profit Corporations Affected: The manufacturers of the modular dwellings and commercial mobile structures

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- B) Reporting, Bookkeeping or Other Procedures Required for Compliance: Proper reporting by the authorized inspection agencies
- C) Types of Professional Skills Necessary for Compliance: The authorized inspection agencies will be required to meet the professional skills listed in the proposed rules. The agencies with which the Department currently deals have the appropriate personnel.
- 13) Regulatory agenda on which this rulemaking was summarized: July 2002

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

Title 77: PUBLIC HEALTH  
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH  
SUBCHAPTER q: MOBILE HOMES

PART 870  
MANUFACTURED HOME INSTALLATION CODE

SUBPART A: DEFINITIONS AND INCORPORATED MATERIALS

- Section
- 870.10 Definitions
- 870.20 Incorporated and Referenced Materials

SUBPART B: MANUFACTURED HOME INSTALLER ACCREDITATION COURSES

- Section
- 870.30 Accreditation of Manufactured Home Installer Course
- 870.40 Responsibilities of Entities Offering Accredited Manufactured Home Installer Courses
- 870.50 Requirements for Accredited Manufactured Home Installer Course Curriculum
- 870.55 Reciprocity
- 870.60 Adverse Licensure Action

SUBPART C: MANUFACTURED HOME INSTALLER REQUIREMENTS

- Section
- 870.65 Requirements for Manufactured Home Installers License
- 870.70 Continuing Education
- 870.75 Licensing Requirements
- 870.80 Installation Seals and Compliance Certificates

SUBPART D: REQUIREMENTS FOR THE INSTALLATION  
OF MANUFACTURED HOMES

- Section
- 870.90 Requirements for the Installation of Manufactured Homes
- 870.100 Site Location
- 870.110 Support Systems
- 870.120 Structural Connections, Sealing and Patching
- 870.130 Electrical Hookup of Manufactured Homes
- 870.140 Plumbing

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

870.150	Heating and Air Conditioning
870.160	Natural and Liquefied Petroleum Gas Installation
870.170	Perimeter Enclosures
870.180	Accessory Structures

## SUBPART E: MANUFACTURED HOME ANCHORING

Section	
870.190	Tiedown Equipment Approval
870.200	Equipment Specifications
870.210	Compliance
870.220	Tiedown Installation Requirements

## SUBPART F: MANUFACTURERS OF MANUFACTURED HOMES

Section	
870.230	Manufacturer's Responsibilities

## SUBPART G: ADMINISTRATIVE HEARINGS AND DISPUTE RESOLUTION

Section	
870.240	Administrative Hearings
870.TABLE A	Soil Pressure
870.TABLE B	Footing Areas Required for Soil Bearing Capacity Design Roof Load 20 Pounds Per Square Foot
870.TABLE C	Footing Areas Required for Soil Bearing Capacity Design Roof Load 30 Pounds Per Square Foot
870.TABLE D	Footing Areas Required for Soil Bearing Capacity Design Roof Load 40 Pounds Per Square Foot
870.TABLE E	Pier Load and Minimum Pier Capacity for 12 Foot Wide Section (Pounds)
870.TABLE F	Pier Load and Minimum Pier Capacity for 14 Foot Wide Section (Pounds)
870.TABLE G	Pier Load and Minimum Pier Capacity for 16 Foot Wide Section (Pounds)
870.TABLE H	Multi-Section Fastening Schedule

AUTHORITY: Implementing and authorized by the Illinois Manufactured Home Installers Act [430 ILCS 120], the Manufactured Home Quality Assurance Act [430 ILCS 117/1-99], and the Illinois Mobile Home Tiedown Act [210 ILCS 120].

SOURCE: Adopted at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

## SUBPART A: DEFINITIONS AND INCORPORATED MATERIALS

**Section 870.10 Definitions**

"Accessory structure" means a structure such as a shed, garage, carport, deck or porch on a manufactured home site.

"Anchor" means any device used for securing the manufactured home to the foundation system or ground.

"Anchoring equipment" means bolts, straps, cables, turnbuckles, and chains, including tensioning devices, that are used with ties to secure a manufactured home to ground anchors or the foundation system.

"Anchoring system" means any method used for securing the manufactured home to a foundation system or the ground.

"Department" means the Illinois Department of Public Health.

"Footing" means that portion of the support system that transmits loads directly to the soil.

"Frost depth" means the normal depth that frost penetrates the earth in a given area.

"Frost heave" is an uplift of ground or pavement caused by freezing of moist soil.

"Ground anchor" means any device at the manufactured home installation site designed to transfer manufactured home anchoring loads to the ground.

"Independent testing laboratory" is an organization that:

Primarily is interested in testing and evaluating equipment; and

Is qualified and equipped to conduct and evaluate experimental testing in accordance with approved standards; and

Makes available a published report in which specific information is included stating that the equipment and installations have been tested and found safe for use in a specific manner; and

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

Is not under the jurisdiction or control of any manufacturer or supplier of any industry.

"Installation" means assembly, at the site of occupancy, of all portions of the manufactured home, connection of the manufactured home to utilities, and installation of support and anchoring systems.

"Installation certificate of compliance" means the certificate provided by the Department that is completed by the licensed manufactured home installer that certifies the manufactured home installation complies with this Code.

"Installation instructions" means those instructions provided by the manufacturer detailing the manufacturer's requirements for supports, anchoring system attachments and utility connections.

"Installation seal" means a sticker issued by the Department to a licensed manufactured home installer to be displayed on the manufactured home to indicate compliance with the Department's rules pertaining to manufactured home installation.

"Installers Act" means the Illinois Manufactured Home Installers Act [430 ILCS 120].

"Length of manufactured home" is the distance from the exterior of the front wall (nearest to the drawbar and coupling mechanism) to the exterior of the rear wall (at the opposite end of the home) where such walls enclose living or other interior space and such distance includes expandable rooms but not bay windows, porches, drawbars, couplings, hitches, or other attachments.

"Licensed manufactured home installer" means a person who has successfully completed a manufactured home installation course approved by the Illinois Department of Public Health, paid the license fee and been issued a current license.

"Manufacturer" means any person engaged in manufacturing manufactured homes, including any person engaged in importing manufactured homes for sale.

"Permanent foundation" is a continuous perimeter foundation of material, such as mortared concrete block, mortared brick, or concrete, that extends into the ground below the established frost depth and to which the home is secured with foundation bolts at least one-half inch in diameter, spaced at intervals of no more

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

than 6 feet and within one foot of the corners, and embedded at least 7 inches into concrete foundations or 15 inches into block foundations.

"Piers" means that portion of the support system between the footing and the manufactured home, exclusive of shims. Types of piers include concrete blocks, manufactured steel stands, and manufactured concrete stands.

"Site" is the location where the manufactured home is connected to the required utilities for habitation.

"Stabilizing device" means a device or provision made to minimize the deflection or slicing through the soil by a ground anchor rod at ground level.

"Support system" means a combination of footings, piers and shims designed to support the home when properly installed.

"Tie" means a strap, cable, or securing device used to connect the manufactured home to the anchors.

"Tiedown Act" means the Illinois Mobile Home Tiedown Act [210 ILCS 120].

"Training hour" means at least 50 minutes of actual teaching, including time devoted to lecture, learning activities, small group activities, demonstrations, evaluations and/or practical, hands-on instruction.

"Tiedown manufacturer" is any person or business engaged in the manufacturing of tiedown equipment offered for sale or use in this State.

**Section 870.20 Incorporated and Referenced Materials**

The following standards, regulations, and laws are incorporated or referenced in this Part:

- a) Regulations and guidelines of federal agencies:

United States Department of Transportation, Office of Pipeline Safety  
400 7th Street, S.W.  
Washington, D.C. 20590

Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards (49 CFR 192)

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- b) Standards of a nationally or internationally recognized organization:
- 1) National Fire Protection Association  
1 Batterymarch Park  
P.O. Box 9101  
Quincy, Massachusetts 02269-9101
    - A) National Electrical Code, 2002 Edition (NFPA 70)
    - B) Installation of Oil Burning Equipment, 2001 Edition (NFPA 31)
    - C) National Fuel Gas Code, 1999 Edition (NFPA 54-99)
    - D) Standard for the Storage and Handling of Liquefied Petroleum Gas Code, 1998 Edition (NFPA 58-98)
  - 2) International Code Council, Building Officials and Code Administrators, Inc.  
4051 West Flossmoor Road  
Country Club Hills, Illinois 60478  
800-214-4321  
  
International Residential Code for One and Two Family Dwellings, 2000 Edition
  - 3) American Wood-Preservers' Association  
  
AWPA C22-03 Standard (2003)
- c) Rules of the Illinois Department of Public Health:
- 1) Manufactured Home Community Code (77 Ill. Adm. Code 860)
  - 2) Illinois Plumbing Code (77 Ill. Adm. Code 890)
  - 3) Illinois Plumbers Licensing Code (77 Ill. Adm. Code 750)
- d) State of Illinois statutes:
- 1) Illinois Mobile Home Park Act [210 ILCS 115]

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- 2) Illinois Mobile Home Tiedown Act [210 ILCS 120]
  - 3) Illinois Plumbing License Law [225 ILCS 320]
  - 4) Manufactured Home Quality Assurance Act [430 ILCS 117]
  - 5) Illinois Manufactured Home Installers Act [430 ILCS 120]
- e) All incorporations by reference of federal regulations and the standards of nationally recognized organizations refer to the regulations and standards on the date specified and do not include any additions or deletions subsequent to the date specified.
- f) All citations to federal regulations in this Part concern the specified regulation in the 2002 Code of Federal Regulations, unless another date is specified.

## SUBPART B: MANUFACTURED HOME INSTALLER ACCREDITATION COURSES

**Section 870.30 Accreditation of Manufactured Home Installer Course**

- a) An entity that offers or plans to offer a manufactured home installer course shall obtain Department accreditation for the course by submitting to the Department in writing the following information at least 60 days before the beginning of the course:
- 1) The name, address and telephone number, and the name of a contact person, for the entity providing the course.
  - 2) The course location and written documentation that the course provides facilities of sufficient size to accommodate the maximum enrollment of the course for classroom and hands-on field training.
  - 3) Beginning and ending dates for the course.
  - 4) A course schedule and syllabus.
  - 5) Student and instructor manuals for the course.
  - 6) Documentation of a principal instructor who shall be responsible for the organization of the course and oversight of the teaching of all course material. Guest instructors may be utilized as needed to provide

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

instruction specific to the lecture, hands-on activities, or work practice components of a course. The principal instructor shall have the following qualifications:

- A) at least two years of post high school education in building construction technology; or
  - B) two years of experience in managing a training program specializing in the installation of manufactured homes.
- 7) A final examination for the course that includes criteria for pass/fail. The course must require at least 70% correct on the final examination as a passing score.
- 8) An example of the certificate of course completion that includes the following information:
- A) the name, address, and telephone number of the entity providing the course;
  - B) the name, dates of attendance at course, and indication of pass/fail for the student to whom the certificate is issued.
- b) The Department shall provide written notice via certified mail to the course sponsor whether the request for accreditation has been approved.
- c) For requests that are not approved, the Department's notification will include the reason for disapproval and notice that the course sponsor shall have 10 days to submit a written request for an administrative hearing to contest the Department's decision. In lieu of a request for hearing, the course sponsor may submit a revised request for accreditation in which items noted to be incomplete in the initial request are completed.
- d) The Department shall maintain and make available to the public a list of approved course sponsors.

**Section 870.40 Responsibilities of Entities Offering Accredited Manufactured Home Installer Courses**

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- a) The entity offering an accredited training course shall be responsible for maintaining training course records and making such records available to the Department as necessary.
  - 1) Course records shall be retained at the address specified on the approved training program accreditation application for a minimum of 3 years.
  - 2) The entity shall notify the Department in writing within 30 days after changing the address specified on the training course accreditation application or transferring records to a new address.
  - 3) The Department shall have the authority to enter, inspect and audit training facilities and to examine records to determine compliance with the Act and this Part.
- b) Training course records that shall be maintained include the following:
  - 1) All documents that demonstrate the qualifications of the principal instructor, as specified in Section 870.30(a)(6).
  - 2) Current curriculum/course materials and documents reflecting any changes made to these materials.
  - 3) A copy of the course final examination.
  - 4) Results of the course final examination and a record of each certified installer's course completion.
  - 5) Any other materials specified in Section 870.30 that have been submitted to the Department as part of the program approval.
- c) Entities offering accredited courses shall submit to the Department a list of installers completing a course within 30 days after course completion.

**Section 870.50 Requirements for Accredited Manufactured Home Installer Course Curriculum**

*Each accredited manufactured home installer course shall provide instruction on how to install a manufactured home to the specifications of the manufacturer, review Subpart D of this Part for homes without manufacturer specifications, and test the written and practical installation skills*

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

*of the individual installer* (Section 15 of the Installers Act). Each course shall consist of at least 10 training hours that include the following topics:

- a) The installer's responsibility to obtain a copy of the home manufacturer's setup manual to ensure proper setup of the home in accordance with the home's warranty.
- b) The inspection of the proposed site of the home prior to setup to ensure proper location.
- c) Ensuring that the proposed site has drainage away from the home, vegetation cleared from under the home, and vapor barriers provided.
- d) Support of the home by a foundation system in accordance with the design loads of the home, the existing soil load bearing capacity of the home location, the Illinois Mobile Home Park Act [210 ILCS 115], the Manufactured Home Community Code (77 Ill. Adm. Code 860), and local authority requirements.
- e) Safety considerations for the setup of a home.
- f) Proper leveling of the home and placement of piers or foundation walls in accordance with the home manufacturer's specifications.
- g) Proper anchoring in accordance with the Tiedown Act and Subpart E of this Part.
- h) The installation of the plumbing for the home in accordance with the Illinois Plumbing License Law and the Illinois Plumbing Code.
- i) The installation of the electrical system for the home in compliance with the National Electrical Code.
- j) The installation of the gas or oil utilities for the home in compliance with the requirements of the Installation of Oil Burning Equipment, National Fuel Gas Code, Liquefied Petroleum Gas Code, and the Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards.

**Section 870.55 Reciprocity**

The Department may grant approval of a training program of another state that is determined to be equivalent to the requirements of Subpart B of this Part. Individuals must obtain an Illinois

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

license. Installers who have completed a training course that has reciprocity with Illinois must also obtain an Illinois license, but need not complete an examination.

**Section 870.60 Adverse Licensure Action**

The Department shall provide written notice via certified mail to the course sponsor of its decision to revoke, for a period not exceeding 6 months, the course sponsor's accreditation. The course sponsor shall have 10 days to submit a written request for an administrative hearing to contest the Department's decision. The Department's decision to revoke a course sponsor's accreditation shall be based upon a course sponsor's violation of the Manufactured Home Quality Assurance Act [430 ILCS 117] or this Part.

## SUBPART C: MANUFACTURED HOME INSTALLER REQUIREMENTS

**Section 870.65 Requirements for Manufactured Home Installers License**

To qualify for a license as a manufactured home installer, an applicant shall meet the following requirements:

- a) Be at least 18 years of age;
- b) Complete a Department-approved manufactured home installer course and pass the examination administered at the conclusion of the course, or complete a course offered by another state that has been granted reciprocal approval in accordance with Section 870.55;
- c) Submit the completed application form provided by the Department;
- d) Submit a 1 inch by 1 inch head and shoulder current photo of the license applicant;
- e) Submit the required license application fee of \$150.

**Section 870.70 Continuing Education**

Licensed manufactured home installers must attend 4 hours of training approved by the Department every 2 years to be eligible for license renewal.

**Section 870.75 Licensing Requirements**

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- a) All manufactured homes installed after December 31, 2001 must be installed under the onsite supervision of a licensed manufactured home installer.
- b) A licensed manufactured home installer must provide proof of licensing at the installation site when requested by a Department representative.
- c) When multiple crews are involved in the installation of a manufactured home, a licensed manufactured home installer must be on site for the installation of the support system and the anchoring system. If the utilities are not installed by an individual licensed for that particular trade, then they must be installed by a licensed manufactured home installer or the home owner.
- d) A licensed manufactured home installer is not exempt from the requirements of the Illinois Plumbing License Law.

**Section 870.80 Installation Seals and Compliance Certificates**

- a) The licensed installer who installs the support system for each home must purchase from the Department installation seals and installation compliance certificates for all homes to be installed in Illinois after December 31, 2001. A \$25 check or money order payable to the Illinois Department of Public Health shall be submitted to the Illinois Department of Public Health, Division of Environmental Health, 525 West Jefferson, Springfield, Illinois 62761. Multiple seals and certificates of compliance may be purchased. The seals and compliance certificates may be purchased only by a licensed installer.
- b) Location of Seal. The installation seal must be placed directly above the HUD label upon completion of the installation of the home by the installer responsible for the support system for the home. In the event there is no HUD label on the home, the seal shall be placed where the HUD label would normally be. When a home with an installation seal is relocated, the original installation seal shall be removed or covered with the new installation seal.
- c) Installation Compliance Certificate
  - 1) An installation compliance certificate must be completed within 30 days after the date of installation and the white copy shall be submitted to the Department, the blue copy to the dealer, and the pink copy to the homeowner.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- 2) The installation compliance certificate shall contain the following information:
  - A) Name and address of the licensed installer.
  - B) Installer's license number.
  - C) Name of manufacturer.
  - D) Manufacturer's serial number.
  - E) Home owner's name and address.
  - F) Installation date.
  - G) Number of the installation seal that was affixed to the home.
  - H) Name and address of dealer.
  - I) The name and telephone number of the person or persons responsible for the in-ground support system and the blocking, anchoring, plumbing, electrical, heating/air conditioning and gas connections.
- d) Lost or Damaged Installation Seals or Compliance Certificates. If a seal or compliance certificate becomes lost or damaged, the Department shall immediately be notified in writing by the installer. If possible, the assigned number shall be indicated. All damaged seals or compliance certificates or those unused from an installer who ceases business in Illinois shall be returned to the Department. No refund shall be granted.
- e) Partially Completed Compliance Certificates. The licensed installer shall be responsible for completing as much information on the compliance certificates as is known prior to submitting the form to the Department, dealer and homeowner. The dealer or homeowner shall be responsible for completing the names and telephone numbers for any individuals who performed installation tasks, other than the licensed installer.

SUBPART D: REQUIREMENTS FOR THE INSTALLATION  
OF MANUFACTURED HOMES

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.90 Requirements for the Installation of Manufactured Homes**

- a) Manufactured homes are required to be installed according to the instructions provided by the manufacturer. Any variations to these installation instructions must be approved in writing by the manufacturer prior to the installation of the home. Copies of such approval shall be provided to the Department upon request.
  - 1) Homes installed on a permanent perimeter foundation system as defined in Section 10 of the Manufactured Home Quality Assurance Act are not required to be installed by a licensed manufactured home installer.
  - 2) All homes shall comply with the anchoring requirements contained in Subpart E of this Part.
  - 3) The requirements of Sections 870.110 through 870.170 shall apply to homes installed where the instructions are not available and to the installation of auxiliary structures.
  - 4) All installations shall comply with local jurisdiction requirements pertaining to zoning, building codes, and licensing criteria of installers.
- b) The data plate located on the inside of a cabinet door specifies the design criteria of the homes. For homes that do not have a data plate, the installation shall be designed for a roof live load design of 20 pounds per square foot.

**Section 870.100 Site Location**

- a) The portion of the lot used for the placement of the manufactured home must be firm, undisturbed soil or compacted fill. The soil must be tested for its load bearing capacity and graded to prevent surface water or drainage from accumulating under the home. For sites constructed after July 1, 2003, the ground must be sloped a minimum of ½ inch per foot for at least 6 feet from the perimeter of the home. Impervious surfaces such as concrete and asphalt in this area shall be sloped away from the home at least one inch per 6 feet.
- b) The property must be zoned for manufactured homes and the home shall be placed to meet all the required distance separations.
- c) All decayable material such as grass, twigs, and wood scraps shall be removed from under the home. Shrubs and overhanging branches shall be removed from the immediate vicinity of the home site to prevent windstorm damage.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- d) A minimum 6-mil visqueen vapor barrier, secured and extending to the dimensions of the home, must be placed on the ground underneath the manufactured home before the perimeter enclosure is installed, unless the home is placed on a poured concrete slab.
- e) When gutters and downspouts are installed, the discharge shall be directed away from the home.

**Section 870.110 Support Systems**

Each manufactured home shall be installed on a support system capable of supporting a total of 80 pounds per square foot.

- a) Footings. Footings must be placed on level, firm, undisturbed soil or compacted on controlled fill that is free of grass and organic materials, compacted to a minimum load bearing capacity of 2,000 pounds per square foot. Pre-occupied homes for which the manufacturer of the home is no longer in business or the installation instructions are not available may be placed on an existing footing system that does not go below the frost depth if it is free of cracks or other deficiencies that could cause damage to the home.
  - 1) Area. The area in square inches of the footings is based on the width of the home, the roof design loads, the soil bearing capacity and the intended spacing of the piers. (See 870.Tables A-G.)
  - 2) Types. Footings may consist of the following:
    - A) Individual pier footings consisting of precast or poured-in-place individual pier footing concrete at least 3½ inches thick with a 28-day compressive strength of 3,000 pounds per square inch.
    - B) Concrete runners a minimum of 3½ inches thick under each I-beam or perpendicular to the I-beams at no more than 8 foot intervals.
    - C) Concrete pads a minimum of 3½ inches thick the approximate dimension of the home.
    - D) Pressure treated wood having a 0.60 retention in accordance with the AWPA C22 Standard.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- E) ABS footing pads in accordance with pad manufacturer installation instructions and listed for the required load capacity and type of installation. Support devices and piers must not overlap the footings.
  - F) A support system approved by a licensed professional engineer.
- b) Piers. Piers or load-bearing supports or devices shall be designed and constructed to transmit the vertical live and dead loads to the foundation below. In order to properly support the home, the piers must be of the proper type, size, location and spacing. Piers shall be installed directly under the main frames of the home. Piers shall be no more than two feet from each end of the frame and adequately spaced. (See 870.Tables A-G.) Piers may be concrete blocks or adjustable metal or concrete devices approved and listed for the required load capacities. Load bearing supports or devices shall be listed and labeled, or shall be designed by a licensed professional engineer in Illinois, and shall be approved for the use intended, prior to installation.
- 1) Types. Non-mortared concrete blocks conforming to ASTM C-90 Type N with a nominal size of 8 inches by 8 inches by 16 inches shall be installed with the 16 inch dimension perpendicular to the main frame (I-beam), the open cells vertical, stacked level. A 2 or 4 inch thick 8 inch by 16 inch solid concrete cap block that conforms to ASTM C-145 Type N shall be placed on the top of each stack. The vertical load shall not exceed 8,000 pounds per single stack and 14,000 pounds for a double stack . The blocks must be stacked on a solid base pad in accordance with the soil bearing capacity. As many as 2 wood plates not exceeding 3 inches in combined thickness and 2 shims not exceeding 1 inch total thickness must be used to fill any gap between the concrete cap and main frame. Hardwood shims must be a minimum of 3 inches wide and 6 inches long fitted tight between cap or wood plate and main frame.
  - 2) Clearance and Height. A minimum clearance of 12 inches must be provided between the ground and the bottom of the frame. If piers exceed 36 inches in height, they shall be double blocked. If the height exceeds 80 inches, the pier must be double blocked and mortared with rebar. If the home is placed in an area subject to flooding, a licensed professional engineer in Illinois shall design a support and anchoring system that will resist flood forces. The Federal Emergency Management Agency has information that may assist in the design.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- 3) Load Bearing Openings. In addition to the piers under the main I-beams of the home, piers must be placed under openings in the perimeter walls and center-mating wall openings greater than 4 feet. (See 870.Tables E-G.)
- 4) Elevated Manufactured Homes. When more than  $\frac{1}{4}$  of the area of a home is installed so that the bottom of the main frame is more than 7 feet above ground level, the home support system shall be designed by a licensed professional engineer in Illinois and installation shall be approved by the Department prior to the installation.

**Section 870.120 Structural Connections, Sealing and Patching**

- a) Structural Connections. Multi-section manufactured homes must be secured to immobilize each section, allow for the transfer of required loads, and protect interior and enclosed spaces. (See 870.Table H, Multi-Section Fastening Schedule.)
- b) Sealing. During installation, joints between all multi-section homes must be cleaned and shimmed where the gap exceeds  $\frac{1}{2}$  inch top or bottom, then sealed with a weather-stripping gasket material to limit heat loss and prevent air, moisture and other damaging infiltration. The gasket material must be durable, non-porous caulking, closed cell foam, urethane or sill seal. Caulking, if used, must be capable of compressing and stretching. Sill seal, if used, must be a minimum of  $5\frac{1}{2}$  inches wide and attached with fasteners staggered at 6 inches on center.
- c) Patching. All cuts, holes or tears in the bottom board or floor insulation, including areas around structural connections and plumbing, mechanical and heating equipment penetrations, must be adequately repaired to prevent the entrance of rodents, to limit heat loss and to prevent air, moisture and other damaging infiltration.

**Section 870.130 Electrical Hookup of Manufactured Homes**

All electrical distribution and services must comply with the National Electrical Code in existence at the time of the installation of the electrical service. The electrical service site supply must be a minimum of 100 amperes and rated for the capacity of the home.

**Section 870.140 Plumbing**

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

As specified by the Illinois Plumbing License Law [225 ILCS 320], all plumbing installed in Illinois shall be done by an Illinois licensed plumber or the owner and occupant of the home and shall comply with the Illinois Plumbing Code. A person who installs plumbing and is not a licensed Illinois plumber or is not the owner and occupant of the home can be fined up to \$5,000 in accordance with the provisions of Illinois Plumbing License Law and Plumbers Licensing Code.

**Section 870.150 Heating and Air Conditioning**

All onsite installations of heating and air conditioning systems shall meet the equipment manufacturer's specifications, comply with local code, and be performed by qualified personnel approved or licensed by the local jurisdiction for this work, a licensed manufactured home installer or the homeowner.

- a) Heating Equipment. The heating systems for most homes are provided with the duct systems installed. Onsite installation consists of connecting the crossover duct for multi-section homes. Crossover ducts for multi-section homes must be supported aboveground, sealed to prevent air leaks and cut to length to avoid kinks.
- b) Air Conditioning Equipment. Air conditioning equipment must be installed in accordance with the manufacturer's specifications and comply with local codes. The maximum electrical full load ampere draw for the desired air conditioning unit must not exceed the circuit rating shown. Any field-installed wiring beyond the junction box must include a fused disconnect located within sight of the condensing unit. The maximum fuse size is marked on the condenser data plate. Charging of the air conditioning equipment must be performed by qualified personnel. Condensation from the air conditioning equipment must not drain underneath the home.
- c) Clothes dryer vents must exhaust outside the exterior of the home, or any perimeter foundation or skirting. The exhaust duct must be adequately supported and sealed. The installation of the duct must be in accordance with the manufacturer's instructions.

**870.160 Natural and Liquefied Petroleum Gas Installation**

- a) Natural Gas. There are three codes affecting the operation of natural gas facilities in manufactured homes: the Pipeline Safety Regulations administered by the U.S. Department of Transportation for the pipeline to the meter; the National Fuel Gas

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

Code written by the National Fire Protection Association for the piping from the meter to underneath the home; and the Code of Federal Regulations, Housing and Urban Development for the appliance installation, operation and venting in the home.

- 1) Piping. Natural gas piping must be of approved materials.
  - A) Plastic piping approved for natural gas, ASTM 2513, must be installed below ground level, except that it may terminate aboveground if:
    - i) The aboveground part of the plastic service line is protected against deterioration and external damage; and
    - ii) The plastic service line is not used to support external loads. Plastic pipe, tubing and fittings shall be joined in accordance with manufacturer's instructions. An electrically continuous corrosion resistant tracer wire (Minimum 14 AWG) or tape shall be buried with the plastic pipe to facilitate locating.
  - B) Metallic pipe shall be at least standard weight, Schedule 40. Copper and brass pipe shall not be used if the gas contains more than an average of 0.3 grains of hydrogen sulfide per 100 standard cubic feet of gas. Metallic tubing such as seamless copper (ASTM A254), aluminum alloy or steel tubing (ASTM A539) shall be permitted to be used with gas not corrosive to such material.
- 2) Support. All piping under the home must be supported with appropriate hangers spaced at no more than 6 foot intervals for 1 inch diameter or less pipe and no more than 10 foot intervals for piping 1¼ inch in diameter or more.
- 3) Defects and Corrosion. Defects in pipe, tubing or fittings shall not be repaired. When defective pipe, tubing or fittings are located in a system, the defective material shall be replaced. Gas piping in contact with earth or other material that could corrode the piping shall be protected against corrosion in an approved manner.
- 4) Meters, Valves and Regulators. Meters and regulators must be installed in a readily accessible location and be protected from corrosion and other

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

damage. Each service line must have a service line valve located upstream of the regulator or meter.

- 5) Location and Testing. Each buried main must be installed with at least 24 inches of cover and service lines with at least 18 inches of cover. The service line cover can be reduced to 12 inches if external damage to the pipe is not likely to result. The gas piping system must be tested for leaks prior to occupancy of the home.
- b) Liquefied Petroleum Gas (LP). LP gas containers must be approved for the intended use and properly located in accordance with the Standard for the Storage and Handling of Liquefied Petroleum Gases (NFPA 58-98) (Table 9 – Proper Location of Liquefied Petroleum Gas Containers).
- c) Oil Burning Equipment. Fuel oil burning equipment must be installed in accordance with the Installation of Oil Burning Equipment (NFPA 31).

**Section 870.170 Perimeter Enclosures**

- a) Material and Ventilation. The perimeter enclosure material shall be of material manufactured for this purpose. The material must be installed in a manner that will not allow water to be trapped between the siding or trim to which it is attached. The perimeter enclosure material is to be vented according to the manufacturer's recommendation to prevent moisture buildup. If the manufacturer's specifications are not available, to assure proper ventilation, the open area of the vents must be equal to at least 1/300 of the floor area of the home.
- b) Installation. Perimeter enclosure material must be installed to accept possible frost heave. The perimeter enclosure must be installed to the manufacturer's specifications.
- c) Access. A utility inspection panel that can be opened without the use of tools and that is a minimum of 24 inches by 18 inches must be provided.

**Section 870.180 Accessory Structures**

Accessory structures (porches, decks, garages, carports, etc.) must be supported independently of the manufactured home. The structures, if site-constructed, must conform to local building code requirements. Accessory structures that are attached to the home must have a foundation system compatible with that of the home.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

## SUBPART E: MANUFACTURED HOME ANCHORING

**Section 870.190 Tiedown Equipment Approval**

- a) **Manufacturer's Approval.** Each tiedown manufacturer shall file with the Department a written request for approval to sell tiedown equipment in Illinois. In order to obtain approval, each tiedown manufacturer must submit the following:
- 1) Detailed plans and specifications of all tiedown equipment showing model identification number, pertinent dimensions, materials, and method of securing ties. Each drawing shall bear the seal of a licensed professional engineer in Illinois.
  - 2) Test data regarding the strength of all equipment, which has been prepared and certified by a recognized independent testing laboratory, demonstrating that the anchor and all tiedown equipment meet the requirements of this Section. Each piece of equipment must be tested a minimum of three times and be shown to meet the requirements of Section 870.200. The tests must be conducted with the equipment installed according to the installation instructions.
  - 3) A copy of the installation instructions for each anchor must accompany all anchors when sold. For ground anchors, the instructions shall include information as to the holding capability of the soils in which the anchor is certified to be installed, the method of installation, the type and size of stabilization devices required, the amount of pre-loading, and the method of tension adjustment after installation. The instructions for installation must be consistent with the testing of the equipment especially with regard to the angle and depth of installation of ground anchors. The instructions for concrete anchors shall specify the minimum amount of concrete required, the distance from the edge of the concrete to the anchor and the compressive strength of the concrete. A copy of all instructions, including any revisions, must be submitted prior to the issuance of approval.
  - 4) Each anchor shall be permanently marked with an identification number that is visible when the equipment is installed.
  - 5) If the design, construction or installation instructions of any approved equipment is changed, approval must be obtained from the Department.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- b) **Alternative Approval.** A home owner, dealer, or installer who wishes to tie down a manufactured home with a unique system or materials different from one approved under subsection (a), must submit all information on material specifications, strength of equipment, and system design to the Department for approval. The approval will be based upon the criteria specified in Sections 870.200 and 870.220.
- c) **Evidence of Approval.** The tiedown manufacturer shall present evidence of Department approval to any homeowner or installer upon request. Approval shall be evidenced by the letter of approval from the Department for the specific equipment.
- d) **Previous Approvals.** All previous approvals issued by the Department for tiedown equipment shall become void on July 1, 2003 . New approval will be granted for the tiedown equipment previously approved with the exception that the ground anchor equipment will be rated at the soil holding capability of tests on file and not soil class ratings.

**Section 870.200 Equipment Specifications**

- a) Tie materials shall be capable of resisting a force of 3,150 pounds with no more than 2 percent elongation and shall withstand at least 4,725 pounds without failure. Strapping must meet the requirements of ASTM D3953.91 and cable must be a minimum of ¼ inch diameter galvanized 7 by 19 strand cable.
- b) Anchor equipment and ties shall be weather resistant. Each anchor, when installed, shall be capable of resisting a working load at least equal to 3,150 pounds in the direction of the tie plus 50 percent overload (4,725 pounds) without failure. Double headed anchors must resist vertical and horizontal loads. Failure shall be considered to have occurred when the point of connection between the tie and the anchor moves more than 2 inches at 4,725 pounds in the vertical direction. Anchors designed to be installed so that the loads on the anchor are other than direct withdrawal shall be designed and installed to resist an applied design load of 4,725 pounds at 45 degrees from horizontal without displacing the anchor more than 3 inches horizontally at the point where the tie attaches to the anchor.

**Section 870.210 Compliance**

- a) All manufactured homes and manufactured accessory structures installed after the effective date of this Part must be tied down in accordance with this Part, the

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

home manufacturer's instructions and the tiedown manufacturer's instructions within 30 days after the home is installed on the site. All manufactured accessory structures shall be secured in accordance with the manufacturer's instructions.

- b) If frozen soil or wet soil prevents the installation of ground anchors, the 30 day deadline shall not apply. The home must, in this case, be anchored at the earliest possible date after the soil thaws or dries.

**Section 870.220 Tiedown Installation Requirements**

- a) Equipment. All manufactured homes installed after the effective date of this Part must be installed with equipment approved by the Department.
- b) Ties
  - 1) Cable, strapping or other approved material shall be used for ties.
  - 2) The ties shall connect from an anchor to the closest I-beam beneath the home. Ties shall not connect to steel outriggers, unless specifically stated in the home manufacturer's installation instructions. The angle formed between the tie and the ground shall be between 40 and 50 degrees. If this angle exceeds 50 degrees when the tie is connected to the nearest I-beam, a tie shall connect from an anchor to both I-beams of the unit.
  - 3) Ties shall be evenly spaced on each side of the length of the home with a maximum separation of 12 feet and with the end ties within 2 feet of each end.
  - 4) If steel strapping is used, it must be secured around the I-beam using an approved connecting device. Straps shall go from the anchor to the top of I-beam unless the home manufacturer's instructions indicate otherwise. Care shall be exercised to ensure that minimum bending radius is adhered to, so that the breaking strength of the strapping is not reduced.
  - 5) The ties shall be secured to the I-beam of the home so that they will not become disconnected if the tension is loosened.
  - 6) Ties must terminate with a D-ring, bolt or other tensioning device that will not lower the material strength below that stated in Section 870.200(a).

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

- 7) All cable ends shall be secured with at least two utility bolt type clamps or other fastening device.
- c) Anchors
- 1) All anchors must be installed to full depth as specified in the anchor manufacturer's installation instructions.
  - 2) Stabilizing devices must be utilized when the load on the ground anchor is not applied in line with the anchor. Provisions shall be made to minimize the deflection or slicing through the soil by the anchor rod at ground level. The method of restricting deflection may be the encasement of the top portion of the anchor in a concrete collar or by the use of a stabilizer plate.
  - 3) Ground anchors installed in line with the load of the anchor must be a minimum of 48 inches in length.
- d) Frost Heave. The following measures shall be taken for the specific type of installation in order to prevent frost heave, which can cause damage to a home:
- 1) If the support system for the home does not extend below the frost depth but the anchors do, the ties shall be adjusted (loosened slightly in the fall and tightened in the spring) to compensate for the tension caused by the earth movement.
  - 2) If the support system for the home extends below the frost depth but the anchoring system does not, the ties shall be tightened in the fall and loosened slightly in the spring.
  - 3) If the anchoring system and the support system for the home both extend below the frost depth or neither extends below the frost depth, no provisions for frost heave are necessary.
- e) Permanent Foundation. Homes installed on a permanent foundation are not required to comply with this Code if the foundation is constructed and the home is anchored according to the requirements of the International Residential Code for One and Two Family Dwellings, 2000 Edition, published by the International Code Council.

## SUBPART F: MANUFACTURERS OF MANUFACTURED HOMES

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**870.230 Manufacturer's Responsibilities**

- a) Manufacturers shall include a copy of their installation requirements with each home located in Illinois.
- b) Upon request from the Department, manufacturers shall provide the Department with a copy of the installation requirements for a specific home.
- c) If a manufacturer will honor its home warranty for an installation system that is different than that specified in the installation instructions, such information shall be provided to the Department in writing.

## SUBPART G: ADMINISTRATIVE HEARINGS AND DISPUTE RESOLUTION

**Section 870.240 Administrative Hearings**

Any request for a hearing and the conduct of such hearing shall be governed by the Illinois Department of Public Health Rules of Practice and Procedures in Administrative Hearings (77 Ill. Adm. Code 100).

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE A Soil Pressure**

<u>Soil Type</u>	<u>Allowable Pressure (lbs/sq. ft.)</u>
Hard Pan or Rock	4,000 and up
Gravel or Sandy Gravel	2,000
Sandy or Silty Sand	1,500
Clay or Silty Clay	1,000
Peat or Uncompacted Fill	Special Analysis Required

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE B Footing Areas Required for Soil Bearing Capacity Design Roof Load 20 Pounds Per Square Foot**

Section Width (feet)									
	12	14	16	12	14	16	12	14	16
Support Spacing (feet)									
	6	6	6	8	8	8	10	10	10
Support Loading (pounds per pier)									
	3200	3700	4250	4250	4950	5650	5300	6150	7050
Soil Bearing Capacity (lbs/ft <sup>2</sup> )	Footing Area (square inches)								
1000	461	533	612	612	713	814	763	886	1015
1500	307	355	408	408	475	542	509	590	677
2000	230	266	306	306	356	407	382	443	508
3000	154	178	204	204	238	271	254	295	338
4000	144	144	153	153	178	203	191	221	254

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE C Footing Areas Required for Soil Bearing Capacity Design Roof Load 30 Pounds Per Square Foot**

Section Width (feet)									
	12	14	16	12	14	16	12	14	16
Support Spacing (feet)									
	6	6	6	8	8	8	10	10	10
Support Loading (pounds per pier)									
	3550	4150	4750	4750	5550	6350	5950	6950	7950
Soil Bearing Capacity (lbs/ft <sup>2</sup> )	Footing Area (square inches)								
1000	511	598	684	684	799	914	857	1001	1145
1500	341	398	456	456	533	610	571	667	763
2000	256	299	342	342	400	457	428	500	572
3000	170	199	228	228	266	305	286	334	382
4000	144	148	171	171	200	229	214	250	286

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE D Footing Areas Required for Soil Bearing Capacity Design Roof Load 40 Pounds Per Square Foot**

Section Width (feet)									
	12	14	16	12	14	16	12	14	16
Support Spacing (feet)									
	6	6	6	8	8	8	10	10	10
Support Loading (pounds per pier)									
	3950	4650	5300	5300	6150	7050	6600	7700	8800*
Soil Bearing Capacity (lbs/ft <sup>2</sup> )	Footing Area (square inches)								
1000	569	670	763	763	886	1015	950	1109	1267
1500	379	446	509	509	590	677	634	739	845
2000	284	335	382	382	443	508	475	554	634
3000	190	223	254	254	295	338	317	370	422
4000	144	167	191	191	221	254	238	277	317

- a) First footing centered within 2 feet from end of home.
- b)\* Individual supports, concrete 8"x8"x16" blocks, shall NOT support loads greater than 8,000 pounds for a single stack and 14,000 pounds for a double stack pier.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE E Pier Load and Minimum Pier Capacity for 12 Foot Wide Sections (Pounds)**

	Roof Live Load (psf)	Mating/Perimeter Wall Opening (feet)						
		5	10	15	20	25	30	35
	20	900	1800	2600	3500	4400	5300	6100
	30	1200	2300	3500	4700	5800	7000	8200
	40	1500	2900	4400	5800	7300	8800*	10200*
Soil Bearing Capacity (psf)	Footing Area (square inches)							
1000	20	144	259	374	504	634	763	878
	30	173	331	504	677	835	1008	1181
	40	216	417	634	835	1051	1267	1469
1500	20	144	173	250	336	422	509	586
	30	144	221	336	451	557	672	787
	40	144	278	422	557	701	845	979
2000	20	144	144	187	252	317	382	439
	30	144	166	252	338	418	504	590
	40	144	209	317	418	526	634	734
3000	20	144	144	144	168	211	254	293
	30	144	144	168	226	278	336	394
	40	144	144	211	278	350	422	490
4000	20	144	144	144	144	191	191	220
	30	144	144	144	169	209	252	295
	40	144	144	158	209	263	317	367

\* Individual supports shall NOT support loads greater than 8000 pounds for a single stack of 8"x8"x16" stack of blocks, 14000 pounds for a double stack.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE F Pier Load and Minimum Pier Capacity for 14 Foot Wide Section (Pounds)**

	Roof Live Load (psf)	Mating/Perimeter Wall Opening (feet)						
		5	10	15	20	25	30	35
	20	1000	2000	3000	4100	5100	6100	7100
	30	1400	2700	4100	5400	6800	8100*	9500*
	40	1700	3400	5100	6800	8400*	10100*	11800*
Soil Bearing Capacity (psf)	Footing Area (square inches)							
1000	20	144	288	432	590	734	878	1022
	30	202	389	590	778	979	1166	1368
	40	245	490	734	979	1210	1454	1699
1500	20	144	192	288	394	490	586	682
	30	144	259	394	518	653	778	912
	40	163	326	490	653	806	970	1133
2000	20	144	144	216	295	367	439	511
	30	144	194	295	389	490	583	684
	40	144	245	367	490	605	727	850
3000	20	144	144	144	197	245	293	341
	30	144	144	197	260	326	389	456
	40	144	163	245	326	403	485	566
4000	20	144	144	144	148	184	220	256
	30	144	144	148	194	245	292	342
	40	144	144	184	245	302	364	425

\* Individual supports shall NOT support loads greater than 8000 pounds for a single stack of 8"x8"x16" stack of blocks, 14000 pounds for a double stack.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE G Pier Load and Minimum Pier Capacity for 16 Foot Wide Section (Pounds)**

	Roof Live Load (psf)	Mating/Perimeter Wall Opening (feet)						
		5	10	15	20	25	30	35
	20	1200	2300	3500	4700	5800	7000	8100*
	30	1600	3100	4700	6200	7800	9300*	10900*
	40	1900	3800	5800	7500	9700*	11600*	13600*
Soil Bearing Capacity (psf)	Footing Area (square inches)							
1000	20	173	331	504	677	835	1008	1166
	30	230	446	677	893	1123	1339	1570
	40	274	547	835	1080	1397	1670	1958
1500	20	144	221	336	451	557	672	778
	30	154	298	451	595	749	893	1046
	40	182	365	557	720	931	1114	1306
2000	20	144	165	252	338	418	504	583
	30	144	223	338	446	562	670	785
	40	144	144	418	540	698	835	979
3000	20	144	144	168	226	278	336	389
	30	144	149	226	298	374	446	523
	40	144	182	278	360	466	557	653
4000	20	144	144	144	169	209	252	292
	30	144	144	169	223	281	335	392
	40	144	144	209	270	349	418	490

\* Individual supports shall NOT support loads greater than 8000 pounds for a single stack of 8"x8"x16" stack of blocks, 14000 pounds for a double stack.

## DEPARTMENT OF PUBLIC HEALTH

## NOTICE OF PROPOSED RULES

**Section 870.TABLE H Multi-Section Fastening Schedule**

<b>CONNECTOR LOCATION</b>	<b>FASTENER SIZE</b>	<b>FASTENER ANGLE</b>	<b>FASTENER SPACING</b>
Roof ridge beam connection	½ inch carriage bolts	90 degrees	48 inches on center
Roof ridge beam connection	¾ inch lag screws with washers	45 degrees or less	24 inches on center
Roof rafter connection	4 inch by 10 inch 18 gauge straps with 10-10d nails	90 degrees	48 inches on center
Floor rim joist connection	¾ inch lag screws with washers	45 degrees or less	32 inches on center
Floor connection	Marriage clips	90 degrees	Where installed

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Hearings and Enforcement Proceedings
- 2) Code Citation: 11 Ill. Adm. Code 204
- 3) Section Number: 204.20                      Proposed Action: Amend
- 4) Statutory Authority: 230 ILCS 5/9(b)
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking would prohibit the appeal of a decision of the stewards on a disqualification due to a foul or a riding or driving infraction during the running of a race. Several major racing jurisdictions have adopted a similar rule. In addition, the model rules prepared and endorsed by the Association of Racing Commissioners International (ARCI) includes similar language. Given the nature of horse racing, the necessity of immediate decision making, and the fact that the stewards are hired by the Board specifically because of their expertise, decisions pertaining to disqualifications should not be appealable.
- 6) Will this proposed amendment replace any emergency amendment currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other proposed amendments pending in this Part? No
- 10) Statement of Statewide Policy Objectives: No local governmental units will be required to increase expenditures.
- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days of this notice, to:  

Mickey Ezzo  
Illinois Racing Board  
100 West Randolph, Suite 11-100  
Chicago, Illinois 60601  
(312) 814-5017
- 12) Initial Regulatory Flexibility Analysis:

ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENT

- A) Types of small business affected: None
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda which this rulemaking was summarized: This rulemaking was not included on either of the most 2 recent two regulatory agendas because: it was not anticipated when they were submitted.

The full text of the Proposed Amendment begins on the next page:

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY  
SUBTITLE B: HORSE RACING  
CHAPTER I: ILLINOIS RACING BOARD  
SUBCHAPTER a: GENERAL RULESPART 204  
HEARINGS AND ENFORCEMENT PROCEEDINGS

Section	
204.10	Applicability
204.20	Requests for Hearing
204.30	Purse Distribution
204.40	Appointment and Disqualification
204.50	Transcripts
204.60	Appearances
204.65	Discovery
204.70	Service
204.80	Subpoenas
204.85	Proceedings for Hearings Involving Action by the Board
204.90	Proceedings for Hearings Involving Action by Organization Licensees
204.100	Evidence
204.110	Stipulations
204.120	Continuances
204.130	Closing Arguments
204.140	Findings of Fact and Conclusions of Law

AUTHORITY: Authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Appeals and Enforcement Proceedings, amended December 30, 1977; codified at 5 Ill. Reg. 10876; amended at 10 Ill. Reg. 3825, effective February 13, 1986; amended at 18 Ill. Reg. 7419, effective April 29, 1994; amended at 22 Ill. Reg. 14494, effective August 1, 1998; amended at 26 Ill. Reg. 10806, effective July 1, 2002; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 204.20 Requests for Hearing**

- a) As a matter of right, an appeal may be made to the Board from any ~~Any person~~ aggrieved by a final decision, order, or ruling of the stewards, ~~except decisions~~ concerning the order of finish pertaining to a disqualification of a horse due to a

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

~~foul or a riding or driving infraction. may, as a matter of right, request a Board hearing.~~ Such a hearing shall be a proceeding de novo.

- b) All requests for hearings shall:
  - 1) be in writing;
  - 2) contain an address and telephone number where the petitioner may be notified; and
  - 3) identify the stewards' ruling and state the specific reasons for the request.
- c) Requests for hearing under this Part shall be filed no later than five days after receipt of notice of the stewards' ruling, ejection, exclusion or other action of the Board. The Board shall conduct its hearing within seven days after the receipt of such request unless the petitioner or the Board requests a postponement and shows good cause and the petitioner specifically waives the seven day hearing requirement.
- d) Requests for hearing may be filed in person at, or by mail addressed to, the Board's office at 100 W. Randolph, Suite 11-100, Chicago, Illinois 60601. Requests submitted by mail will be deemed timely if postmarked no later than five days after receipt of notice of stewards' ruling, ejection, exclusion or other action of the Board.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Interstate Common Pools
- 2) Code Citation: 11 Ill. Adm. Code 302
- 3) Section Number: 302.20      Proposed Action: Amend
- 4) Statutory Authority: 230 ILCS 5/9(b)
- 5) A Complete Description of the Subjects and Issues Involved: Illinois utilizes two independent totalisator companies for conducting the pari-mutuel system of wagering on Illinois and out-of-state races. Section 302.20 requires that all Illinois wagers on out-of-state races be combined into one Illinois pool before transmitting to the out-of-state common pool. This method of transmitting is known as a “double-hop.” The current method of transmitting pools has caused operational and reporting problems in posting the final odds after the horse race is completed. The intermediate transfer of pools between Illinois totalisator hubs has caused an unnecessary delay in the final pool transfer to the host racetrack. This rulemaking would permit both Illinois totalisator companies to transmit wagers separately as a means of minimizing delays in updating final odds.
- 6) Will this amendment replace any emergency amendments currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? No
- 9) Are there any other proposed amendments pending in this Part? No
- 10) Statement of Statewide Policy Objective: No local governmental units will be required to increase expenditures.
- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days of this notice, to:

Mickey Ezzo  
Illinois Racing Board  
100 West Randolph, Suite 11-100  
Chicago, Illinois 60601  
(312) 814-5017

ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENT

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small business affected: None
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda which this rulemaking was summarized: This rulemaking was not included on either of the 2 most recent regulatory agendas because: It was not anticipated when they were submitted.

The full text of the Proposed Amendment begins on the next page:

## ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENT  
TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY  
SUBTITLE B: HORSE RACING  
CHAPTER I: ILLINOIS RACING BOARD  
SUBCHAPTER a: GENERAL RULES

PART 302  
INTERSTATE COMMON POOLS

Section	
302.10	General
302.20	Illinois as the Guest State
302.30	Illinois as the Host State

AUTHORITY: Authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Emergency rules adopted at 19 Ill. Reg. 8002, effective June 5, 1995, for a maximum of 150 days; emergency expired November 2, 1995; adopted at 19 Ill. Reg. 13922, effective October 1, 1995; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 302.20 Illinois as the Guest State**

- a) Pari-mutuel wagering pools may be combined with corresponding wagering pools in the host state, or with corresponding pools established by one or more other jurisdictions.
- b) In the event that an organization licensee commingles Illinois pools with the pools of an out-of-state track, ~~all~~ Illinois pool data shall be transmitted by each totalizator system used by Illinois licensees, independent and separately from any other totalizator system used by Illinois licensees. ~~the organization licensee as one pool irrespective of the number of totalizator services involved.~~
- c) In the event that an organization licensee commingles Illinois pools with the pools of an out-of-state track, all rules in effect in the host state shall apply.
- d) In the event that an organization licensee commingles Illinois pools with the pools of an out-of-state track, if for any reason it becomes impossible to successfully merge all Illinois wagers into the interstate common pool, the interstate host track prices shall be paid for the following pools: win, place, show, daily double, perfecta/exacta, quinella, trifecta and Pick-3. For all other wagering pools that are unsuccessfully merged, payouts shall be calculated based on the licensees' pools of the totalizator system that failed to merge with the interstate host track. All

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

separately calculated Illinois pools shall not include the interstate host track's guaranteed minimum pool or payout, and/or carryover pool. Each individual licensee shall be responsible for its wagering pool payouts required under this Part. In all cases, the organization licensee and/or Illinois host track shall determine the liabilities for all licensees as agreed upon by the State Director of Mutuels. If a totalizator used by Illinois licensees is unable to successfully merge pools, a representative of that totalizator shall notify both the Illinois host track and the Board auditor by the start of the following race of the affected interstate host track. the organization licensee shall calculate prices and make payoffs based on Illinois handle rather than issuing refunds or making payoffs based on the sending race track's prices. All Illinois licensees shall publish a copy of this subsection in their official programs.

- e) In the event that an organization licensee commingles Illinois pools with the pools of an out-of-state track, where takeout rates in the common pool are not identical to the takeout rate applicable in Illinois, the Illinois organization licensee may adopt the takeout rate of the sending state or utilize the net price calculation method.
- f) An interstate commission fee shall exceed 5% only for Grade I thoroughbred races and only for harness races with purses exceeding \$200,000.
- g) All Illinois licensees shall provide the Board with pari-mutuel data by way of electronic transmission in a Board prescribed format.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Superfecta
- 2) Code Citation: 11 Ill. Adm. Code 311
- 3) Section Number: 311.40      Proposed Action: Amend
- 4) Statutory Authority: 230 ILCS 5/9(b)
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking permits racetracks conducting thoroughbred racing to card superfecta wagers when uncoupled entries exist so long as minimum standards are met. Section 1413.48 precludes superfectas from being carded when uncoupled entries exist. This proposal also limits racetracks conducting harness racing to carding one coupled or uncoupled entry in a superfecta race with a minimum purse of \$25,000. In addition, racetracks conducting harness racing will be permitted to uncouple common owner entries in stakes races with purses of \$200,000 or more.
- 6) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? No
- 9) Are there any other proposed amendments pending in this Part? Yes
- 10) Statement of Statewide Policy Objective: No local governmental units will be required to increase expenditures.
- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days of this notice, to:  

Mickey Ezzo  
Illinois Racing Board  
100 West Randolph, Suite 11-100  
Chicago, Illinois 60601  
(312) 814-5017
- 12) Initial Regulatory Flexibility Analysis:

ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENT

- A) Types of small business affected: None
  - B) Reporting, bookkeeping or other procedures required for compliance: None
  - C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda which this rulemaking was summarized: This rulemaking was not included on either of the 2 most recent regulatory agendas because: It was not anticipated when they were submitted.

The full text of the Proposed Amendment begins on the next page:

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY  
SUBTITLE B: HORSE RACING  
CHAPTER I: ILLINOIS RACING BOARD  
SUBCHAPTER a: GENERAL RULESPART 311  
SUPERFECTA

Section	
311.10	Superfecta
311.20	Pool Distribution
311.25	Scratches
311.30	Dead Heats
311.35	Minimum Fields
311.40	Entries

AUTHORITY: Authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Adopted at 18 Ill. Reg. 7440, effective May 8, 1994; amended at 19 Ill. Reg. 6663, effective May 1, 1995; amended at 26 Ill. Reg. 4903, effective March 20, 2002; amended at 26 Ill. Reg. 12357, effective August 1, 2002; emergency amendment at 26 Ill. Reg. 14702, effective September 16, 2002, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 16854, effective November 15, 2002, for a maximum of 150 days; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 311.40 Entries**

- a) ~~For thoroughbred racing, entries, either coupled or uncoupled, shall be allowed in a superfecta race under the following conditions: Only one entry (i.e., two or more horses with a common interest) either coupled or uncoupled (see 11 Ill. Adm. Code 1312.265 and 1413.48) shall be allowed in a superfecta race so long as it is a stakes race with a minimum purse of \$25,000.~~
- ~~1) one entry requires at least seven betting interests at the start of the race.~~
  - ~~2) two entries require at least eight betting interests at the start of the race.~~
  - ~~3) more than two entries shall require approval from the Executive Director or the State Director of Mutuels.~~

## ILLINOIS RACING BOARD

## NOTICE OF PROPOSED AMENDMENT

- b) ~~For overnight thoroughbred races, one coupled entry shall be allowed.~~
- b)e) This Section shall not apply to races that are permitted for simulcasting under Section 26(g) of the Act [230 ILCS 5/26(g)] or for uncoupled entries permitted in 11 Ill. Adm. Code 1413.114(c) when there are thoroughbred stakes races with purses of \$250,000 or more.
- c) For harness racing, only one entry, either coupled or uncoupled, shall be allowed in a superfecta race so long as it is a stakes race with a minimum purse of \$25,000. In stakes races with purses of \$200,000 or more, common owner entries, either coupled or uncoupled, shall be allowed.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Hearings Before the Office of Banks and Real Estate Bureau of Banks and Trust Companies
- 2) Code Citation: 38 Ill. Adm. Code 392
- 3) 

<u>Section Numbers:</u>	<u>Adopted Action:</u>
392.10	Amend
392.20	Amend
392.50	Amend
392.60	Amend
392.70	Amend
392.80	Amend
392.100	Amend
392.110	Amend
392.130	Amend
392.140	Amend
392.200	Amend
392.230	Amend
- 3) Statutory Authority: Implementing and authorized by Section 48 of the Illinois Banking Act, Section 20 of the Electronic Fund Transfer Act, Section 5-1 of the Corporate Fiduciary Act, Section 3.074 Illinois Bank Holding Company Act of 1957, Section 8 of the Foreign Bank Representative Office Act, Section 0.05 of the Pawnbroker Regulation Act, Section 38 of the Check Printer and Check Number Act, and Section 18 of the Foreign Banking Office Act.
- 5) Effective Date of amendments: January 30, 2004
- 6) Do these amendments contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the Office of Banks and Real Estate's principal office and is available for public inspection.
- 9) Notices of Proposal Published in Illinois Register: October 31, 2003; 27 Ill. Reg. 16341
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- 11) Differences between proposal and final version: OBRE has incorporated JCAR's recommendations for nonsubstantive changes.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and purpose of amendments: Public Act 92-483 amended the Foreign Bank Representative Office Act to provide that the Commissioner of Banks and Real Estate, rather than the State Banking Board of Illinois, may revoke a license under the Foreign Bank Representative Office Act upon certain findings. The proposed amendments to this rule provide a licensee under the Foreign Bank Representative Office Act a right to a hearing before the Commissioner.
- 16) Information and questions regarding these adopted amendments shall be directed to:

Jeff Riley  
Legislative Liaison  
Office of Banks and Real Estate  
500 E. Monroe Street  
Springfield, IL 62701  
217/782-6167

The full text of the adopted amendments begins on the next page:

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS  
CHAPTER II: OFFICE OF BANKS AND REAL ESTATE

## PART 392

## HEARINGS BEFORE THE OFFICE OF BANKS AND REAL ESTATE

BUREAU OF BANKS AND TRUST COMPANIES

Section	
392.10	Applicability
392.20	Definitions
392.30	Request for a Hearing
392.40	Form of Request for a Hearing
392.50	Hearing Officer
392.60	Notice of Hearing
392.70	Motions
392.80	Answer
392.90	Form of Pleadings
392.100	Service
392.110	Appearances
392.120	Consolidation of Hearing Proceedings
392.130	Authority of Hearing Officer
392.140	Prehearing Conferences
392.150	Subpoenas
392.160	Discovery
392.170	Evidence Depositions
392.180	Conduct of a Hearing
392.190	Evidence
392.200	Record of Hearing Proceedings
392.210	Briefs
392.220	Hearing Officer's Recommendation
392.230	Commissioner's Determination
392.240	Construction of Rules

AUTHORITY: Implementing and authorized by Section 48 of the Illinois Banking Act [205 ILCS 5/48], Section 20 of the Electronic Fund Transfer Act [205 ILCS 616/20], Section 5-1 of the Corporate Fiduciary Act [205 ILCS 620/5-1], Section 3.074 of the Illinois Bank Holding Company Act of 1957 [205 ILCS 10/3.074], Section 7 of the Foreign Bank Representative Office Act [205 ILCS 650/7], Section 0.05 of the Pawnbroker Regulation Act [205 ILCS 510/0.05], Section 38 of the Check Printer and Check Number Act [205 ILCS 690/38], and Section 18 of the Foreign Banking Office Act [205 ILCS 645/18].

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

SOURCE: Adopted at 11 Ill. Reg. 8917; effective April 24, 1987; amended at 11 Ill. Reg. 16424, effective October 6, 1987; recodified from Chapter II, Commissioner of Banks and Trust Companies, to Chapter II, Office of Banks and Real Estate, pursuant to P.A. 89-508, at 20 Ill. Reg. 12645; amended at 22 Ill. Reg. 14723, effective July 28, 1998; amended at 28 Ill. Reg. 2661, effective January 30, 2004.

**Section 392.10 Applicability**

This Part shall apply to hearings conducted under the jurisdiction of the Office of Banks and Real Estate or the Commissioner of Banks and Real Estate pursuant to Section 48 of the Illinois Banking Act [205 ILCS 5/48], Section 20 of the Electronic Fund Transfer Act [205 ILCS 616/20], Section 5-1 of the Corporate Fiduciary Act [205 ILCS 620/5-1], Section 3.074(a)(4) of the Illinois Bank Holding Company Act of 1957 [205 ILCS 10/3.074], Section 6 7 of the Foreign Bank Representative Office Act [205 ILCS 650/67], Section 0.05 of the Pawnbroker Regulation Act [205 ILCS 510/0.05], Section 30 38 of the Check Printer and Check Number Act [205 ILCS 690/30-38], and Section 18 of the Foreign Banking Office Act [205 ILCS 645/18].

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.20 Definitions**

"Administrative decision" means an order, fine, revocation of a Foreign Bank Representative Office license, or other regulatory action issued by the Office of Banks and Real Estate pursuant to authority granted under the Illinois Banking Act [205 ILCS 5], the Electronic Fund Transfer Act [205 ILCS 616], the Corporate Fiduciary Act [205 ILCS 620], the Illinois Bank Holding Company Act of 1957 [205 ILCS 10], the Foreign Bank Representative Office Act [205 ILCS 650], the Pawnbroker Regulation Act [205 ILCS 510], the Check Printer and Check Number Act [205 ILCS 690], or the Foreign Banking Office Act [205 ILCS 645], but does not include an Order issued by the Commissioner pursuant to Section 48(7) of the Illinois Banking Act, Section 3.074(b) of the Illinois Bank Holding Company Act, or Section 5-6 of the Corporate Fiduciary Act.

"Commissioner" means the Commissioner of Banks and Real Estate, or a person authorized by the Commissioner to act on in the Commissioner's behalf ~~stead~~.

"Hearing officer" means the ~~Commissioner or an attorney licensed in the State of Illinois who is the~~ presiding official appointed by the Commissioner to conduct a hearing.

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

"Party" includes the Commissioner and any person subject to an administrative decision.

"Person" means an individual or business entity.

"Respondent" means the persons named in the administrative decision.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.50 Hearing Officer**

The Commissioner ~~shall designate an individual of Banks and Real Estate may serve as the hearing officer or may appoint another individual~~ to serve as the hearing officer.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.60 Notice of Hearing**

- a) ~~Except as provided in subsection (b), a~~ hearing shall be held within 30 ~~thirty (30)~~ days after receipt by the Commissioner of a Request for a Hearing, unless all parties to the hearing agree to an extension. The Commissioner shall send a written notice setting forth the date, the location of the hearing and the name and address of the designated hearing officer to the parties.
- b) In the case of the assessment of a civil money penalty pursuant to the Illinois Banking Act, the Pawnbroker Regulation Act, the Corporate Fiduciary Act, the Foreign Banking Office Act, the Foreign Bank Representative Office Act, or the Check Printer and Check Number Act, a hearing shall be held within a reasonable time determined by the Commissioner, not to exceed 90 days.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.70 Motions**

- a) All preliminary motions shall be in writing and be served upon every party of record and the hearing officer not later than 10 ~~ten (10)~~ days prior to the date of the hearing. All answers to such motions shall be in writing and be served upon all parties every party of record and the hearing officer not later than 5 business ~~five (5)~~ days prior to the date of the hearing.

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- b) Oral arguments will be heard on a preliminary motion unless the hearing officer determines that such oral argument will delay the hearing date.
- c) A preliminary motion will be disposed of by means of a written Ruling, a copy of which shall be sent to all parties of record.
- d) The filing of a preliminary motion or answer to such a motion shall not stay the hearing.
- e) Upon request of any party, arguments or preliminary motions may be held by telephone or video conference call. However, such conference call shall not delay the hearing date.
- f) All other motions shall be in writing unless raised during the hearing and shall be served in such a manner which will ensure receipt of every party of record.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.80 Answer**

- a) An answer to an administrative decision is not required unless the respondent requests a hearing on such decision.
- b) An answer to an administrative decision shall be filed with the Commissioner and the hearing officer, ~~if one has been appointed~~, within 20 days after the day on which the administrative decision is served upon an respondent.
- c) An answer shall contain an explicit admission, denial or appropriate response to each allegation contained within an administrative decision.
- d) Allegations in an administrative decision to which there is no response shall be deemed admitted.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.100 Service**

- a) Service of all pleadings shall be made upon every party of record by hand delivery or by certified mail, return receipt requested.

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- b) Service upon an agent of a party shall be deemed service upon the party.
- c) Service of pleadings consistent with the ~~Code of Civil Procedure~~ Civil Practice Law [735 ILCS 5] requirements for personal service shall be deemed compliance with this Section.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.110 Appearances**

- a) A respondent may appear on the respondent's own behalf or may be represented by an attorney.
- b) An attorney representing a respondent shall file, within ~~20 twenty (20)~~ days from the day on which the administrative decision has been served upon the respondent, a written notice of appearance with the hearing officer which notice shall identify the attorney by name, address, e-mail address if applicable, and telephone number.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.130 Authority of Hearing Officer**

A hearing officer shall have all powers necessary to conduct a hearing including the power to:

- a) administer oaths and affirmations;
- b) direct and regulate the course of a hearing, set the time and place for the hearing and provide for the taking of testimony by deposition if necessary;
- c) examine witnesses and direct witnesses to testify, limit the number of times a witness may testify and limit repetitious or cumulative testimony;
- d) rule upon offers of proof and admit relevant evidence in accordance with Section 10-40 of the Illinois Administrative Procedure Act [5 ILCS 100/10-40];
- e) issue properly executed subpoenas that require and testimony and the production of books, papers, accounts documents; and

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- f) render proposed findings of fact and recommended conclusions of law for review by the Commissioner.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.140 Prehearing Conferences**

- a) The hearing officer shall direct the parties or their attorneys to appear for a conference prior to the hearing for the purpose of considering stipulations concerning admitted facts, authenticity of documents and the use by either or both parties of matters of record to avoid unnecessary introduction of proof when the parties and the hearing officer can agree on a date for the prehearing conference.
- b) Opportunity shall be afforded all parties to dispose of the hearing by stipulation, agreed settlement or consent order, unless otherwise precluded by law. Any stipulation, agreed settlement or consent order shall be submitted in writing to the hearing officer and shall become effective only if approved by the Commissioner. The Commissioner shall consider, but not be limited to, the following factors in approving or disapproving a stipulation, agreed settlement or consent order:
- 1) the nature of the disposition relative to the administrative decision originally issued;
  - 2) the severity of the violation of law, rule, supervisory agreement, or order, or unsafe and unsound practice; and
  - 3) the party's history of past violations of law, rule, supervisory agreement or order, or unsafe and unsound practices.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.200 Record of Hearing Proceedings**

- a) The hearing officer shall appoint a licensed court reporter to make a stenographic transcript of all hearings.
- b) The record in a hearing shall include:
- 1) the items listed in Section 10-35 of the Illinois Administrative Procedure Act [5 ILCS 100/10-35]; and

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- 2) the transcript of a hearing.
- c) The cost of any copy of the transcript requested by any party to the proceeding shall be borne by such party.
- d) The record shall be made available for examination by a party to the proceeding at the Commissioner's Springfield office (500 East Monroe Street, Springfield, Illinois 62701-~~15094532~~) or Chicago office (310 S. Michigan Avenue, Suite 2130, Chicago, Illinois 60604-4278) during regular office hours.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

**Section 392.230 Commissioner's Determination**

- a) ~~If a hearing officer has been appointed, the Commissioner shall review the record.~~
- a)b) The Commissioner shall review the record and issue a written determination which shall include the conclusions of law and the findings of fact upon which the determination is based. The determination shall be sent to all parties to the proceeding by certified mail, return receipt requested, within 60 ~~sixty (60)~~ days, or such other reasonable time determined by the Commissioner, after the conclusion of the hearing.
- b)e) The Commissioner's determination shall become effective on the date it is issued or as otherwise specified in such determination.

(Source: Amended at 28 Ill. Reg. 2661, effective January 30, 2004)

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Hearings for Removal or Prohibition of Directors, Officers, Employees or Agents of a State Bank or a Branch of an Out-of-State Bank, Subsidiary or Holding Company of a State Bank or a Branch of an Out-of State Bank, or Corporate Fiduciary, Subsidiary or Parent Company of a Corporate Fiduciary
- 2) Code Citation: 38 Ill. Adm. Code 900
- 3) 

<u>Section Numbers:</u>	<u>Adopted Action:</u>
900.10	Amend
900.20	Amend
900.30	Amend
900.80	Amend
900.90	Amend
900.100	Amend
900.120	Amend
900.150	Amend
900.160	Amend
900.210	Amend
900.230	Amend
900.240	Amend
- 4) Statutory Authority: Implementing and authorized by Section 48 of the Illinois Banking Act, Section 3.074 of the Illinois Bank Holding Company Act of 1957, and Sections 5-1 and 5-6 of the Corporate Fiduciary Act.
- 5) Effective Date of Rulemaking: January 30, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any materials incorporated by reference, is on file in the Office of Banks and Real Estate's principal office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register: October 31, 2003; 27 Ill. Reg. 16351.
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- 11) Differences between proposal and final version: OBRE has incorporated JCAR's recommendations for nonsubstantive changes.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rulemaking: Public Act 92-483 amended the Foreign Bank Representative Office Act to provide that the Commissioner of Banks and Real Estate, rather than the State Banking Board of Illinois, may revoke a license under the Foreign Bank Representative Office Act upon certain findings. The amendments to this rule remove the State Banking Board's authority to revoke a foreign bank representative office license. In addition, the amendments authorize the State Banking Board to conduct hearings on Orders of Removal or Prohibition against officers, directors, employees, or agents of a subsidiary, holding company, or parent company of a State chartered bank or trust company.
- 16) Information and questions regarding this adopted rulemaking shall be directed to:

Jeff Riley  
Legislative Liaison  
Office of Banks and Real Estate  
500 E. Monroe Street  
Springfield, IL 62701  
217/782-6167

The full text of the adopted amendments begins on the next page:

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

TITLE 38: FINANCIAL INSTITUTIONS  
CHAPTER VII: STATE BANKING BOARD OF ILLINOIS

## PART 900

HEARINGS FOR REMOVAL OR PROHIBITION OF DIRECTORS, OFFICERS,  
EMPLOYEES OR AGENTS OF A STATE BANK OR A BRANCH OF AN OUT-OF-STATE  
BANK, SUBSIDIARY OR HOLDING COMPANY OF A STATE BANK OR A BRANCH OF  
AN OUT-OF-STATE BANK, OR CORPORATE FIDUCIARY, SUBSIDIARY OR PARENT  
COMPANY OF A CORPORATE FIDUCIARY~~OR REVOCATION OF A FOREIGN BANK  
REPRESENTATIVE OFFICE LICENSE~~

## Section

900.10	Applicability
900.20	Definitions
900.30	Request for a Hearing
900.40	Hearing Officer
900.50	Notice of Hearing
900.60	Motions
900.70	Answer to the Order
900.80	Form of Pleadings
900.90	Service
900.100	Appearances
900.110	Consolidation of Hearing Proceedings
900.120	Intervention
900.130	Authority of Hearing Officer
900.140	Prehearing Conferences
900.150	Practice by Telephone <u>or Video Conference Call</u>
900.160	Subpoenas
900.170	Discovery
900.180	Evidence Depositions
900.190	Conduct of a Hearing
900.200	Evidence
900.210	Record of Hearing Proceedings
900.220	Briefs
900.230	Hearing Officer's Findings of Fact and Conclusions of Law
900.240	Board's Determination
900.250	Construction of Rules

AUTHORITY: Implementing Section 48(7) of the Illinois Banking Act [205 ILCS 5/48(7)], Section 5-6 of the Corporate Fiduciary Act [205 ILCS 620/5-6], and Section 6 of the Foreign

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

Bank Representative Office Act [205 ILCS 650/6] and authorized by Section 80(j) of the Illinois Banking Act [205 ILCS 5/80(j)].

SOURCE: Emergency Rule adopted at 10 Ill. Reg. 15672, effective September 11, 1986, for a maximum of 150 days; chapter number and Part number corrected at 10 Ill. Reg. 20328; adopted at 11 Ill. Reg. 8905, effective April 24, 1987; amended at 12 Ill. Reg. 17074, effective October 11, 1988; amended at 20 Ill. Reg. 11359, effective August 1, 1996; expedited correction at 20 Ill. Reg. 14944, effective August 1, 1996; amended at 22 Ill. Reg. 14934, effective July 28, 1998; amended at 28 Ill. Reg. 2670, effective January 30, 2004.

**Section 900.10 Applicability**

This Part shall apply to hearings conducted under the jurisdiction of the State Banking Board of Illinois pursuant to Section 48(7) of the Illinois Banking Act [205 ILCS 5/48(7)], [Section 3.074\(b\) of the Illinois Bank Holding Company Act \[205 ILCS 10/3.074\(b\)\]](#), and Section 5-6 of the Corporate Fiduciary Act [205 ILCS 620/5-6], ~~and Section 6 of the Foreign Bank Representative Office Act [205 ILCS 650/6].~~

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.20 Definitions**

For purposes of this Part:

"Board" means the State Banking Board of Illinois.

"Commissioner" means the [Commissioner](#) ~~Office of the Commissioner~~ of Banks and Real Estate [or a person authorized by the Commissioner to act on behalf of the Commissioner.](#)

"Corporate Fiduciary" shall have the meaning ascribed to it in the Corporate Fiduciary Act [205 ILCS 620]. ~~"Foreign Bank" shall have the meaning ascribed to it in Section 2 of the Foreign Bank Representative Office Act [205 ILCS 650/2].~~

"Hearing Officer" means an attorney [actively](#) licensed in the State of Illinois who is the presiding official appointed by the Board to conduct a hearing.

["Holding Company" shall have the meaning ascribed to it in the Illinois Bank Holding Company Act of 1957 \[205 ILCS 10\].](#)

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

"Order" means an Order of Removal or an Order of Prohibition pursuant to Section 48(7) of the Illinois Banking Act [205 ILCS 5/48(7)], Section 3.074(b) of the Illinois Bank Holding Company Act [205 ILCS 10/3.074(b)], and Section 5-6 of the Corporate Fiduciary Act [205 ILCS 620/5-6], ~~or a revocation of a Foreign Bank Representative Office license pursuant to Section 6 of the Foreign Bank Representative Office Act [205 ILCS 650/6]~~.

"Out-of-state bank" means a bank chartered under the laws of a state other than Illinois, a territory of the United States, or the District of Columbia.

"Party" includes:

the Commissioner;

any person named in an Order; and

after the date of a Ruling permitting a party ~~the State bank or corporate fiduciary~~ to intervene, any of the following affected by the Order:

a State bank;

a branch of an out-of-state bank;

a corporate fiduciary; or

a subsidiary, parent company or holding company of the State bank, branch of the out-of-state bank, or corporate fiduciary affected by the Order.

"Person" means any director, officer, employee or agent of a foreign bank, State bank, branch of an out-of-state bank, corporate fiduciary or subsidiary, parent company, or holding company of a State bank, branch of an out-of-state bank, or corporate fiduciary, ~~or foreign bank.~~

"Respondent" means the persons named in the Order.

"Ruling" means a direction of the Board or its duly appointed hearing officer made or entered in writing and not included in a judgment.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

**Section 900.30 Request for a Hearing**

A request for a hearing before the Board pursuant to Section 48(7) of the Illinois Banking Act, Section 3.074(b) of the Illinois Bank Holding Company Act of 1957, or Section 5-6 of the Corporate Fiduciary Act, ~~or Section 6 of the Foreign Bank Representative Office Act~~ shall be in writing and shall be received by the Board within 10 calendar days after receipt of the Order.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.80 Form of Pleadings**

- a) All pleadings shall clearly show the title and docket number of the proceeding in connection with which the pleadings are filed.
- b) All pleadings shall be typewritten on white 8½ x 11 inch paper.
- c) Three copies of all pleadings shall be filed with the Board or its duly appointed hearing officer.
- d) One of the three copies of each pleading filed shall be signed by the party or by the attorney representing the party and shall contain the address and telephone number of the individual signing the pleadings.
- e) All pleadings required to be filed with the Board or its duly appointed hearing officer shall be sent either by certified mail, return receipt requested, or by personal delivery to the Board at the Commissioner's Springfield office (500 East Monroe Street, Springfield, Illinois 62701-1509) or Chicago office (310 S. Michigan Avenue, Suite 2130, Chicago, Illinois 60604-4278)-4532.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.90 Service**

- a) Service of all pleadings shall be made upon every party of record by personal hand-delivery or by certified mail, return receipt requested.
- b) Service upon the agent of a party shall be deemed service upon the party.
- c) Service of pleadings consistent with the Code of Civil Procedure Illinois Civil

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

~~Practice Law~~ [735 ILCS 5] requirements for personal service shall be deemed compliance with this Section.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.100 Appearances**

- a) A respondent may appear on the respondent's own behalf or may be represented by an attorney.
- b) An attorney representing a respondent shall file, within 20 days from the day on which an Order has been served upon the respondent, a written notice of appearance with the Board or its duly appointed hearing officer that shall identify the attorney by name, address, e-mail address if applicable, and telephone number.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.120 Intervention**

- a) Upon application by the State bank, branch of the out-of-state bank, or corporate fiduciary, or the subsidiary, parent company, or holding company of such State bank, branch of out-of-state bank, or corporate fiduciary, affected by an Order, the Board or its duly appointed hearing officer shall, by written ~~Ruling~~ ruling, permit such bank or corporate fiduciary, or subsidiary, parent company, or holding company of such bank or corporate fiduciary, to intervene in a hearing proceeding, if:
  - 1) the Board or its duly appointed hearing officer finds that the representation of the ~~State~~-bank's or corporate fiduciary's interest, or the interest of the subsidiary, parent company, or holding company of such bank or corporate fiduciary's interest, is or may be inadequate; and
  - 2) the intervention would not delay the proceeding or prejudice the parties.
- b) All Petitions for Intervention shall be in writing and shall be served upon every party and the Board or its duly appointed hearing officer not later than 10 days prior to the date of the hearing.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

**Section 900.150 Practice by Telephone or Video Conference Call**

Upon request of any party, arguments on preliminary motions may be held by telephone or video conference call, provided that all parties can see and/or hear all other parties. ~~The~~However, such conference call, however, shall not delay the hearing date.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.160 Subpoenas**

- a) Upon application to the Board or its duly appointed hearing officer by any party, the Board or its duly appointed hearing officer shall issue a subpoena for attendance of a witness having knowledge of relevant facts at a deposition or hearing and require the production of any relevant books, papers, accounts and documents in the course of and pursuant to any deposition or hearing under Section 48(7) of the Illinois Banking Act, Section 3.074(b) of the Illinois Bank Holding Company Act of 1957, or Section 5-6 of the Corporate Fiduciary Act.
- b) Every subpoena shall state the title and docket number of the hearing and shall command each person to whom it is directed to:
  - 1) give testimony;
  - 2) produce books, papers, accounts and documents at the time and place therein specified; or
  - 3) do both the actions specified in subsections (b)(1) and (2).

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.210 Record of Hearing Proceedings**

- a) The Board or its duly appointed hearing officer shall appoint a licensed court reporter to make a stenographic transcript of all hearings.
- b) The record in a hearing shall include:
  - 1) The items listed in Section 10-35 of the Illinois Administrative Procedure Act [5 ILCS 100/10-35].

## OFFICE OF BANKS AND REAL ESTATE

## NOTICE OF ADOPTED AMENDMENTS

- 2) The transcript of a hearing.
- c) The cost of any copy of the transcript requested by any party to the proceeding shall be borne by such party.
- d) The record shall be made available for examination by a party to the proceeding and the party's attorney at the Commissioner's Springfield office (500 East Monroe Street, Springfield, Illinois 62701-~~15091532~~) or Chicago office (310 S. Michigan Avenue, Suite 2130, Chicago, Illinois 60604-4278) during regular office hours.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.230 Hearing Officer's Findings of Fact and Conclusions of Law**

- a) The hearing officer shall prepare written proposed findings of fact and conclusions of law. Findings of fact shall be based exclusively on the evidence presented at the hearing, including matters officially noticed. Each conclusion of law shall be supported by authority or reasoned opinion.
- b) The hearing officer shall submit the proposed findings of fact and conclusions of law to the Board within ~~thirty (30)~~ days or as soon as reasonably practical after the conclusion of the hearing.

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

**Section 900.240 Board's Determination**

- a) If a hearing officer has been appointed, the Board shall review the record.
- b) The Board shall issue a written determination which shall include the conclusions of law and the findings of fact upon which the determination is based. The determination shall be sent to all parties to the proceeding by certified mail, return receipt requested, within ~~sixty (60)~~ days or as soon as reasonably practical after the conclusion of the hearing.
- c) The Board's determination shall become effective on the date it is issued or as otherwise specified in such determination.

OFFICE OF BANKS AND REAL ESTATE

NOTICE OF ADOPTED AMENDMENTS

(Source: Amended at 28 Ill. Reg. 2670, effective January 30, 2004)

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Procedures for Gas, Electric, Water and Sanitary Sewer Utilities Governing Eligibility for Service, Deposits, Payment Practices and Discontinuance of Service
- 2) Code Citation: 83 Ill. Adm. Code 280
- 3) Section Number: 280.136                      Adopted Action:  
New Section
- 4) Statutory Authority: Implementing Section 8-206 and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/8-206 and 10-101]
- 5) Effective Date of Amendment: February 10, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) A copy of the adopted amendment, including any material incorporated by reference, is on file in the Commission's Springfield office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register: 9/26/03 at 27 Ill. Reg. 14955
- 10) Has JCAR issued a Statement of Objection to this amendment? No
- 11) Differences between proposal and final version: None
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? No changes were required.
- 13) Will this amendment replace any emergency amendment currently in effect? Yes
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Amendment: P.A. 93-289 became effective on July 22, 2003. This added subsection (k) to Section 8-206 of the Public Utilities Act. Subsection (k) prohibits gas and electric utilities from disconnecting service to any residential customer who is a participant under Section 6 of the Energy Assistance Act of 1989 for nonpayment of a bill or deposit where gas or electricity is used as the primary source of space heating or is used to control or operate the primary source of space heating

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF ADOPTED AMENDMENT

equipment at the premises during the period of time from December 1 through and including March 31 of the immediately succeeding calendar year. This amendment updates Part 280 to take into account the prohibition on disconnecting service to the subject utility customers from December 1 through March 31. The added language repeats the prohibition found in Section 8-206(k) of the Public Utilities Act.

- 16) Information and questions regarding this adopted amendment shall be directed to:

Conrad S. Rubinkowski  
Office of General Counsel  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield IL 62701  
(217)785-3922

The full text of the adopted amendment begins on the next page:

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF ADOPTED AMENDMENT

TITLE 83: PUBLIC UTILITIES  
CHAPTER I: ILLINOIS COMMERCE COMMISSION  
SUBCHAPTER b: PROVISIONS APPLICABLE TO  
MORE THAN ONE KIND OF UTILITY

## PART 280

PROCEDURES FOR GAS, ELECTRIC, WATER AND SANITARY SEWER  
UTILITIES GOVERNING ELIGIBILITY FOR SERVICE, DEPOSITS,  
PAYMENT PRACTICES AND DISCONTINUANCE OF SERVICE

Section	
280.10	Policy
280.20	Scope and Application
280.30	Saving Clause
280.40	Definitions
280.50	Applicants for Service
280.60	Present Customers
280.70	Deposits
280.75	Refunds
280.76	Refunds of Additional Charges
280.80	Estimated Bills
280.90	Past Due Bills and Late Payment Charges
280.100	Unbilled Service
280.105	Treatment of Illegal Taps
280.110	Deferred Payment Agreements
280.120	Budget Payment Plan
280.130	Discontinuance of Service
280.135	Discontinuance of Service During the Period of Time from December 1 Through and Including March 31
<u>280.136</u>	<u>Energy Act of 1989 Participants Discontinuance Prohibition</u>
280.138	Reconnection of Former Residential Utility Customers for the Heating Season
280.140	Discontinuance of Service to Accounts Affecting Master Metered Apartment Buildings
280.150	Service Reconnection Charge
280.160	Dispute Procedures
280.170	Commission Complaint Procedures
280.180	Public Notice of Commission Rules
280.190	Second Language Notices
280.200	Customer Information Booklet
280.APPENDIX A	Notice of Utility Shut Off

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF ADOPTED AMENDMENT

280.APPENDIX B Requirements to Avoid Shut Off of Service in the Event of Illness  
280.APPENDIX C Public Notice  
280.APPENDIX D Insert to be Included with Each Notice of Disconnection Sent to Residential Gas and Electric Customers

**AUTHORITY:** Implementing the Small Business Utility Deposit Relief Act [220 ILCS 35] and Sections 8-101, 8-206, and 8-207 of the Public Utilities Act [220 ILCS 5/8-101, 8-206, and 8-207], and authorized by Section 8 of the Small Business Utility Deposit Relief Act [220 ILCS 35/8] and Sections 8-101, 8-207, and 10-101 of the Public Utilities Act [220 ILCS 5/8-101, 8-207, and 10-101].

**SOURCE:** Rule repealed, new rule adopted at 3 Ill. Reg. 1, p. 102, effective January 6, 1979; emergency amendment at 3 Ill. Reg. 46, p. 65, effective November 16, 1979, for a maximum of 150 days; amended at 4 Ill. Reg. 46, p. 1274, effective November 10, 1980; amended at 6 Ill. Reg. 10917, effective September 7, 1982; amended at 6 Ill. Reg. 13723, effective November 8, 1982; amended at 7 Ill. Reg. 9285, effective July 22, 1983; codified at 7 Ill. Reg. 13218; emergency amendment at 7 Ill. Reg. 14543, effective October 18, 1983, for a maximum of 150 days; amended at 7 Ill. Reg. 13221, effective November 1, 1983; emergency amendment at 7 Ill. Reg. 16667, effective December 1, 1983, for a maximum of 150 days; amended at 8 Ill. Reg. 3664, effective March 15, 1984; emergency amendment at 8 Ill. Reg. 17924, effective September 13, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 21222, effective October 15, 1984; amended at 9 Ill. Reg. 2268, effective February 8, 1985; amended at 16 Ill. Reg. 11023, effective July 1, 1992; amended at 17 Ill. Reg. 805, effective January 15, 1993; amended at 18 Ill. Reg. 6160, effective May 1, 1994; amended at 18 Ill. Reg. 17974, effective December 15, 1994; emergency amendment at 25 Ill. Reg. 16545, effective December 13, 2001 for a maximum of 150 days; amended at 26 Ill. Reg. 7032, effective May 1, 2002; amended at 27 Ill. Reg. 4527, effective April 1, 2003; emergency amendment at 27 Ill. Reg. 15156, effective September 15, 2003, for a maximum of 150 days; amended at 28 Ill. Reg. 2684, effective February 10, 2004.

**Section 280.136 Energy Act of 1989 Participants Discontinuance Prohibition**

*Notwithstanding any other provision of this Part, no electric or gas public utility shall disconnect service to any residential customer who is a participant under Section 6 of the Energy Assistance Act of 1989 [305 ILCS 20/6] for nonpayment of a bill or deposit where gas or electricity is used as the primary source of space heating or is used to control or operate the primary source of space heating equipment at the premises during the period of time from December 1 through and including March 31 of the immediately succeeding calendar year. [220 ILCS 5/8-206(k)]*

(Source: Added at 28 Ill. Reg. 2684, effective February 10, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Pay Plan
- 2) Code Citation: 80 Ill. Adm. Code 310
- 3) 

<u>Section Numbers:</u>	<u>Adopted Action:</u>
310.80	Amended
310.100	Amended
310.110	Amended
310.130	Amended
310.220	Amended
310.230	Amended
310.280	Amended
310.290	Amended
310.450	Amended
310.530	Amended
310.540	Amended
Appendix A, Table W	Amended
Appendix B	Amended
Appendix C	Amended
Appendix D	Amended
Appendix G	Amended
- 4) Statutory Authority: Authorized by Sections 8 and 8a of the Personnel Code [20 ILCS 415/8 and 8a].
- 5) Effective Date of Amendments: January 22, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.  
  
Copies of all Pay Plan amendments and Collective Bargaining contracts are available upon request from the Division of Technical Services.
- 9) Notices of Proposed Published in the Illinois Register:  
July 7, 2003, 27 Ill. Reg. 9656  
July 11, 2003, 27 Ill. Reg. 10145

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

10) Has JCAR issued a Statement of Objection to these amendments? No

11) Differences between proposal and final version:

In PART heading, the period was deleted from "PART 310."

In the Table of Contents listing of Section 310.110, "2003" was stricken and "2004" added. In the Table of Contents listing of 310.APPENDIX C, "Administrative" was stricken and "Administrator" was added.

In the AUTHORITY note, "Section" was changed to "Sections", and ".]" was changed to "]."

In the SOURCE note, "amendment" was added after "peremptory", "1999," was changed to "1999;"; after "September 24, 1999" the comma was changed to a semicolon, after the semicolon "emergency expired November 27, 2000;" was added, the 1<sup>st</sup> "amendment" and "on" were deleted, and after the semicolon "emergency amendment at 27 Ill. Reg. 10442, effective July 1, 2003, for a maximum of 150 days;" was added.

In Section 310.280, "The rate of pay for a specific position or class of positions where it is deemed desirable to exclude such from the other requirements of this Pay Plan shall be only as designated by the Governor." was reinstated. In the Table, "Community Affairs" was stricken and "Economic Opportunity" added.

For Section 310.APPENDIX A TABLE W, "**Appendix**" was stricken and "**APPENDIX**" added. Before "**TABLE**", "**Section 310.**" was added. In the source note at the end of the section, "Proposed amendment" was changed to "Amended".

For Section 310.80, "SUBPART A: NARRATIVE" was added.

In Section 310.100, "layoff" was underlined and "lay-off" was stricken, ".00" was deleted to reflect text on file, "ten" was deleted and "10" was added, "fifteen" was stricken and "15" added.

In Section 310.220, the 1<sup>st</sup> comma was stricken and "or" added, a comma was added after "agency", the comma after "or" was stricken, "Specified" was changed to "specified" to reflect the text on file, "paragraph b)" was changed to "subsection (b)" and "has been" was changed to "is".

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

In Section 310.230, "**time**" was stricken and "**Time**" was added to match the Table of Contents. In the table's 2<sup>nd</sup> entry for the Office Clerk category, "(Daily)" was changed to "(daily)".

For Section 310.450, "SUBPART C: MERIT COMPENSATION SYSTEM" was added, "d)" was stricken and the text, "e)" was stricken and "d)" added, "performance" was stricken and "Performance" was added, "f)" was stricken and "e)" added, "g)" was stricken and "f)" added.

In 310.APPENDIX B, "**Appendix**" was stricken and "**APPENDIX**" added.

In Section 310.Appendix A Table W, "Labor Conciliator", "RC-062-02" and "22750" were added and dated tables removed per the peremptory amendment at 27 Ill. Reg. 17433, November 7, 2003.

Because of the March 5, 2002, adoption, Section 310.100(f) asterisks paragraph was amended to reflect added and stricken language.

The following were done per the adopted amendment at 27 Ill. Reg. 18557, December 1, 2003. In Section 310.280, Designated Rate, the Senior Public Service Administrator position (400070-37-00-000-05-01) in the Department of Central Management Services is a designated rate no longer required.

In Section 310. Appendix A, Table W RC-062 (Technical Employees, AFSCME), the abolished titles of Computer Information Consultant Trainee and Computer Systems Software Specialist Trainee are deleted by action of the Civil Services Commission and per a July 2000 Memorandum of Understanding with AFSCME. The Liquor Control Special Agent II title is now included in RC-062 Collective Bargaining Unit.

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will these amendments replace any emergency rulemaking currently in effect? No
- 14) Are there any amendments pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>Ill. Reg. Citation</u>
310.230	Amend	27 Ill. Reg. 17304, November 21, 2003
310.280	Amend	27 Ill. Reg. 17304, November 21, 2003
310.Appendix A, Table AB	Amend	27 Ill. Reg. 17304, November 21, 2003

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

15) Summary and Purpose of Amendments:

In Section 310.80, Increases in Pay, step increases are being suspended under paragraph (a)(1), and superior performance increases are being suspended under paragraph (d)(2).

In Section 310.100, Other Pay Provisions, the paragraph relating to "Incentive Pay" is being deleted.

In Sections 310.110, 310.130, 310.290, 310.530, 310.540, Appendices B, C, D, and G, the Fiscal Year is being changed from 2003 to 2004.

In Section 310.220, Negotiated Rate, pay increases for positions that are excluded from the bargaining unit are being suspended in paragraph (b).

In Section 310.230, Part-time Daily or Hourly Special Services Rate, the hourly and daily part time rate for the Office Assistant and Office Clerk are being upgraded to reflect the increase that was negotiated for RC-014-OCB union employees. All other rates are remaining the same as the previous Fiscal Year.

Section 310.280, Designated Rate, Medical Administrator V, 26406-10-76-000-00-01, is added at an annual salary of \$186,000, effective April 7, 2003.

In Section 310.290, Out-of-State or Foreign Service Rate, increases under this Section are being suspended.

In Section 310.450, Procedures for Determining Annual Merit Increases, merit increases are being suspended as expressed in paragraph (d).

In Section 310.540, Annual Merit Increase Guidechart for Fiscal Year 2004, the percentage of increase is being changed to zero amount for all categories.

In Section 310. Appendix A, Table W, RC-062 (Technical Employees, AFSCME), the Disability Appeals Officer was added to the RC-062 bargaining unit and assigned salary range RC-062-21, effective 11/02/2000, and then reevaluated to salary range RC-062-22, effective 04/16/2003, in accordance with an arbitration agreement.

In Appendix B, Schedule of Salary Grades, the previous July 1, 2003 Step 8 rate is being deleted and replaced with the current (January 1, 2004) Step 8.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF ADOPTED AMENDMENTS

- 16) Information and questions regarding these adopted amendments shall be directed to:

Ms. Marianne Armento  
Department of Central Management Services  
Division of Technical Services  
504 William G. Stratton Building  
Springfield IL 62706  
Telephone: (217) 782-5601  
Fax: (217) 524-4570

- 17) Do these amendments require the preview of the Procurement Policy Board as specified in Section 5-25 of the Illinois Procurement Code [30 ILCS 50/5-25]? No

The full text of the adopted amendments begins on the next page:

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF ADOPTED AMENDMENTS

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES  
SUBTITLE B: PERSONNEL RULES, PAY PLANS, AND  
POSITION CLASSIFICATIONS

CHAPTER I: DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

PART 310  
PAY PLAN

SUBPART A: NARRATIVE

Section	
310.20	Policy and Responsibilities
310.30	Jurisdiction
310.40	Pay Schedules
310.50	Definitions
310.60	Conversion of Base Salary to Pay Period Units
310.70	Conversion of Base Salary to Daily or Hourly Equivalents
310.80	Increases in Pay
310.90	Decreases in Pay
310.100	Other Pay Provisions
310.110	Implementation of Pay Plan Changes for Fiscal Year <del>2004</del> 2003
310.120	Interpretation and Application of Pay Plan
310.130	Effective Date
310.140	Reinstitution of Within Grade Salary Increases (Repealed)
310.150	Fiscal Year 1985 Pay Changes in Schedule of Salary Grades, effective July 1, 1984 (Repealed)

SUBPART B: SCHEDULE OF RATES

Section	
310.205	Introduction
310.210	Prevailing Rate
310.220	Negotiated Rate
310.230	Part-Time Daily or Hourly Special Services Rate
310.240	Hourly Rate
310.250	Member, Patient and Inmate Rate
310.260	Trainee Rate
310.270	Legislated and Contracted Rate
310.280	Designated Rate
310.290	Out-of-State or Foreign Service Rate

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- 310.300 Educator Schedule for RC-063 and HR-010  
 310.310 Physician Specialist Rate  
 310.320 Annual Compensation Ranges for Executive Director and Assistant Executive Director, State Board of Elections  
 310.330 Excluded Classes Rate (Repealed)

## SUBPART C: MERIT COMPENSATION SYSTEM

## Section

- 310.410 Jurisdiction  
 310.420 Objectives  
 310.430 Responsibilities  
 310.440 Merit Compensation Salary Schedule  
 310.450 Procedures for Determining Annual Merit Increases  
 310.455 Intermittent Merit Increase  
 310.456 Merit Zone (Repealed)  
 310.460 Other Pay Increases  
 310.470 Adjustment  
 310.480 Decreases in Pay  
 310.490 Other Pay Provisions  
 310.495 Broad-Band Pay Range Classes  
 310.500 Definitions  
 310.510 Conversion of Base Salary to Pay Period Units (Repealed)  
 310.520 Conversion of Base Salary to Daily or Hourly Equivalents  
 310.530 Implementation  
 310.540 Annual Merit Increase Guidechart for Fiscal Year ~~2004~~ 2003  
 310.550 Fiscal Year 1985 Pay Changes in Merit Compensation System, effective July 1, 1984 (Repealed)

## 310.APPENDIX A Negotiated Rates of Pay

- 310.TABLE A HR-190 (Department of Central Management Services – State of Illinois Building – SEIU)  
 310.TABLE B HR-200 (Department of Labor – Chicago, Illinois – SEIU) (Repealed)  
 310.TABLE C RC-069 (Firefighters, AFSCME) (Repealed)  
 310.TABLE D HR-001 (Teamsters Local #726)  
 310.TABLE E RC-020 (Teamsters Local #330)  
 310.TABLE F RC-019 (Teamsters Local #25)  
 310.TABLE G RC-045 (Automotive Mechanics, IFPE)  
 310.TABLE H RC-006 (Corrections Employees, AFSCME)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

310.TABLE I	RC-009 (Institutional Employees, AFSCME)
310.TABLE J	RC-014 (Clerical Employees, AFSCME)
310.TABLE K	RC-023 (Registered Nurses, INA)
310.TABLE L	RC-008 (Boilermakers)
310.TABLE M	RC-110 (Conservation Police Lodge)
310.TABLE N	RC-010 (Professional Legal Unit, AFSCME)
310.TABLE O	RC-028 (Paraprofessional Human Services Employees, AFSCME)
310.TABLE P	RC-029 (Paraprofessional Investigatory and Law Enforcement Employees, IFPE)
310.TABLE Q	RC-033 (Meat Inspectors, IFPE)
310.TABLE R	RC-042 (Residual Maintenance Workers, AFSCME)
310.TABLE S	HR-012 (Fair Employment Practices Employees, SEIU) (Repealed)
310.TABLE T	HR-010 (Teachers of Deaf, IFT)
310.TABLE U	HR-010 (Teachers of Deaf, Extracurricular Paid Activities)
310.TABLE V	CU-500 (Corrections Meet and Confer Employees)
310.TABLE W	RC-062 (Technical Employees, AFSCME)
310.TABLE X	RC-063 (Professional Employees, AFSCME)
310.TABLE Y	RC-063 (Educators, AFSCME)
310.TABLE Z	RC-063 (Physicians, AFSCME)
310.TABLE AA	NR-916 (Department of Natural Resources, Teamsters)
310.TABLE AB	VR-007 (Plant Maintenance Engineers, Operating Engineers)
310.APPENDIX B	Schedule of Salary Grades – Monthly Rates of Pay for Fiscal Year <del>2003</del> <u>2004</u>
310.APPENDIX C	Medical Administrator Rates for Fiscal Year <del>2003</del> <u>2004</u>
310.APPENDIX D	Merit Compensation System Salary Schedule for Fiscal Year <del>2003</del> <u>2004</u>
310.APPENDIX E	Teaching Salary Schedule (Repealed)
310.APPENDIX F	Physician and Physician Specialist Salary Schedule (Repealed)
310.APPENDIX G	Broad-Band Pay Range Classes Salary Schedule for Fiscal Year <del>2003</del> <u>2004</u>

AUTHORITY: Implementing and authorized by Sections 8 and 8a of the Personnel Code [20 ILCS 415/8 and 8a].

SOURCE: Filed June 28, 1967; codified at 8 Ill. Reg. 1558; emergency amendment at 8 Ill. Reg. 1990, effective January 31, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 2440, effective February 15, 1984; emergency amendment at 8 Ill. Reg. 3348, effective March 5, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 4249, effective March 16, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 5704, effective April 16, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 7290, effective May 11,

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

1984, for a maximum of 150 days; amended at 8 Ill. Reg. 11299, effective June 25, 1984; emergency amendment at 8 Ill. Reg. 12616, effective July 1, 1984, for a maximum of 150 days; emergency amendment at 8 Ill. Reg. 15007, effective August 6, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 15367, effective August 13, 1984; emergency amendment at 8 Ill. Reg. 21310, effective October 10, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 21544, effective October 24, 1984; amended at 8 Ill. Reg. 22844, effective November 14, 1984; emergency amendment at 9 Ill. Reg. 1134, effective January 16, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 1320, effective January 23, 1985; amended at 9 Ill. Reg. 3681, effective March 12, 1985; emergency amendment at 9 Ill. Reg. 4163, effective March 15, 1985, for a maximum of 150 days; emergency amendment at 9 Ill. Reg. 9231, effective May 31, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 9420, effective June 7, 1985; amended at 9 Ill. Reg. 10663, effective July 1, 1985; emergency amendment at 9 Ill. Reg. 15043, effective September 24, 1985, for a maximum of 150 days; preemptory amendment at 10 Ill. Reg. 3325, effective January 22, 1986; amended at 10 Ill. Reg. 3230, effective January 24, 1986; emergency amendment at 10 Ill. Reg. 8904, effective May 13, 1986, for a maximum of 150 days; preemptory amendment at 10 Ill. Reg. 8928, effective May 13, 1986; emergency amendment at 10 Ill. Reg. 12090, effective June 30, 1986, for a maximum of 150 days; preemptory amendment at 10 Ill. Reg. 13675, effective July 31, 1986; preemptory amendment at 10 Ill. Reg. 14867, effective August 26, 1986; amended at 10 Ill. Reg. 15567, effective September 17, 1986; emergency amendment at 10 Ill. Reg. 17765, effective September 30, 1986, for a maximum of 150 days; preemptory amendment at 10 Ill. Reg. 19132, effective October 28, 1986; preemptory amendment at 10 Ill. Reg. 21097, effective December 9, 1986; amended at 11 Ill. Reg. 648, effective December 22, 1986; preemptory amendment at 11 Ill. Reg. 3363, effective February 3, 1987; preemptory amendment at 11 Ill. Reg. 4388, effective February 27, 1987; preemptory amendment at 11 Ill. Reg. 6291, effective March 23, 1987; amended at 11 Ill. Reg. 5901, effective March 24, 1987; emergency amendment at 11 Ill. Reg. 8787, effective April 15, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 11830, effective July 1, 1987, for a maximum of 150 days; preemptory amendment at 11 Ill. Reg. 13675, effective July 29, 1987; amended at 11 Ill. Reg. 14984, effective August 27, 1987; preemptory amendment at 11 Ill. Reg. 15273, effective September 1, 1987; preemptory amendment at 11 Ill. Reg. 17919, effective October 19, 1987; preemptory amendment at 11 Ill. Reg. 19812, effective November 19, 1987; emergency amendment at 11 Ill. Reg. 20664, effective December 4, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20778, effective December 11, 1987; preemptory amendment at 12 Ill. Reg. 3811, effective January 27, 1988; preemptory amendment at 12 Ill. Reg. 5459, effective March 3, 1988; amended at 12 Ill. Reg. 6073, effective March 21, 1988; preemptory amendment at 12 Ill. Reg. 7783, effective April 14, 1988; emergency amendment at 12 Ill. Reg. 7734, effective April 15, 1988, for a maximum of 150 days; preemptory amendment at 12 Ill. Reg. 8135, effective April 22, 1988; preemptory amendment at 12 Ill. Reg. 9745, effective May 23, 1988; emergency amendment at 12 Ill. Reg. 11778, effective July 1, 1988, for a maximum of 150 days; emergency amendment at 12 Ill. Reg. 12895, effective July 18, 1988,

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

for a maximum of 150 days; preemptory amendment at 12 Ill. Reg. 13306, effective July 27, 1988; corrected at 12 Ill. Reg. 13359; amended at 12 Ill. Reg. 14630, effective September 6, 1988; amended at 12 Ill. Reg. 20449, effective November 28, 1988; preemptory amendment at 12 Ill. Reg. 20584, effective November 28, 1988; preemptory amendment at 13 Ill. Reg. 8080, effective May 10, 1989; amended at 13 Ill. Reg. 8849, effective May 30, 1989; preemptory amendment at 13 Ill. Reg. 8970, effective May 26, 1989; emergency amendment at 13 Ill. Reg. 10967, effective June 20, 1989, for a maximum of 150 days; emergency amendment expired on November 17, 1989; amended at 13 Ill. Reg. 11451, effective June 28, 1989; emergency amendment at 13 Ill. Reg. 11854, effective July 1, 1989, for a maximum of 150 days; corrected at 13 Ill. Reg. 12647; preemptory amendment at 13 Ill. Reg. 12887, effective July 24, 1989; amended at 13 Ill. Reg. 16950, effective October 20, 1989; amended at 13 Ill. Reg. 19221, effective December 12, 1989; amended at 14 Ill. Reg. 615, effective January 2, 1990; preemptory amendment at 14 Ill. Reg. 1627, effective January 11, 1990; amended at 14 Ill. Reg. 4455, effective March 12, 1990; preemptory amendment at 14 Ill. Reg. 7652, effective May 7, 1990; amended at 14 Ill. Reg. 10002, effective June 11, 1990; emergency amendment at 14 Ill. Reg. 11330, effective June 29, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 14361, effective August 24, 1990; emergency amendment at 14 Ill. Reg. 15570, effective September 11, 1990, for a maximum of 150 days; emergency amendment expired on February 8, 1991; corrected at 14 Ill. Reg. 16092; preemptory amendment at 14 Ill. Reg. 17098, effective September 26, 1990; amended at 14 Ill. Reg. 17189, effective October 2, 1990; amended at 14 Ill. Reg. 17189, effective October 19, 1990; amended at 14 Ill. Reg. 18719, effective November 13, 1990; preemptory amendment at 14 Ill. Reg. 18854, effective November 13, 1990; preemptory amendment at 15 Ill. Reg. 663, effective January 7, 1991; amended at 15 Ill. Reg. 3296, effective February 14, 1991; amended at 15 Ill. Reg. 4401, effective March 11, 1991; preemptory amendment at 15 Ill. Reg. 5100, effective March 20, 1991; preemptory amendment at 15 Ill. Reg. 5465, effective April 2, 1991; emergency amendment at 15 Ill. Reg. 10485, effective July 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 11080, effective July 19, 1991; amended at 15 Ill. Reg. 13080, effective August 21, 1991; amended at 15 Ill. Reg. 14210, effective September 23, 1991; emergency amendment at 16 Ill. Reg. 711, effective December 26, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 3450, effective February 20, 1992; preemptory amendment at 16 Ill. Reg. 5068, effective March 11, 1992; preemptory amendment at 16 Ill. Reg. 7056, effective April 20, 1992; emergency amendment at 16 Ill. Reg. 8239, effective May 19, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 8382, effective May 26, 1992; emergency amendment at 16 Ill. Reg. 13950, effective August 19, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14452, effective September 4, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 238, effective December 23, 1992; preemptory amendment at 17 Ill. Reg. 498, effective December 18, 1992; amended at 17 Ill. Reg. 590, effective January 4, 1993; amended at 17 Ill. Reg. 1819, effective February 2, 1993; amended at 17 Ill. Reg. 6441, effective April 8, 1993; emergency amendment at 17 Ill. Reg. 12900, effective July 22, 1993, for a maximum of 150 days; amended at 17 Ill.

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Reg. 13409, effective July 29, 1993; emergency amendment at 17 Ill. Reg. 13789, effective August 9, 1993, for a maximum of 150 days; emergency amendment at 17 Ill. Reg. 14666, effective August 26, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 19103, effective October 25, 1993; emergency amendment at 17 Ill. Reg. 21858, effective December 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 22514, effective December 15, 1993; amended at 18 Ill. Reg. 227, effective December 17, 1993; amended at 18 Ill. Reg. 1107, effective January 18, 1994; amended at 18 Ill. Reg. 5146, effective March 21, 1994; preemptory amendment at 18 Ill. Reg. 9562, effective June 13, 1994; emergency amendment at 18 Ill. Reg. 11299, effective July 1, 1994, for a maximum of 150 days; preemptory amendment at 18 Ill. Reg. 13476, effective August 17, 1994; emergency amendment at 18 Ill. Reg. 14417, effective September 9, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 16545, effective October 31, 1994; preemptory amendment at 18 Ill. Reg. 16708, effective October 28, 1994; amended at 18 Ill. Reg. 17191, effective November 21, 1994; amended at 19 Ill. Reg. 1024, effective January 24, 1995; preemptory amendment at 19 Ill. Reg. 2481, effective February 17, 1995; preemptory amendment at 19 Ill. Reg. 3073, effective February 17, 1995; amended at 19 Ill. Reg. 3456, effective March 7, 1995; preemptory amendment at 19 Ill. Reg. 5145, effective March 14, 1995; amended at 19 Ill. Reg. 6452, effective May 2, 1995; preemptory amendment at 19 Ill. Reg. 6688, effective May 1, 1995; amended at 19 Ill. Reg. 7841, effective June 1, 1995; amended at 19 Ill. Reg. 8156, effective June 12, 1995; amended at 19 Ill. Reg. 9096, effective June 27, 1995; emergency amendment at 19 Ill. Reg. 11954, effective August 1, 1995, for a maximum of 150 days; preemptory amendment at 19 Ill. Reg. 13979, effective September 19, 1995; preemptory amendment at 19 Ill. Reg. 15103, effective October 12, 1995; amended at 19 Ill. Reg. 16160, effective November 28, 1995; amended at 20 Ill. Reg. 308, effective December 22, 1995; emergency amendment at 20 Ill. Reg. 4060, effective February 27, 1996, for a maximum of 150 days; preemptory amendment at 20 Ill. Reg. 6334, effective April 22, 1996; preemptory amendment at 20 Ill. Reg. 7434, effective May 14, 1996; amended at 20 Ill. Reg. 8301, effective June 11, 1996; amended at 20 Ill. Reg. 8657, effective June 20, 1996; amended at 20 Ill. Reg. 9006, effective June 26, 1996; amended at 20 Ill. Reg. 9925, effective July 10, 1996; emergency amendment at 20 Ill. Reg. 10213, effective July 15, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 10841, effective August 5, 1996; preemptory amendment at 20 Ill. Reg. 13408, effective September 24, 1996; amended at 20 Ill. Reg. 15018, effective November 7, 1996; preemptory amendment at 20 Ill. Reg. 15092, effective November 7, 1996; emergency amendment at 21 Ill. Reg. 1023, effective January 6, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 1629, effective January 22, 1997; amended at 21 Ill. Reg. 5144, effective April 15, 1997; amended at 21 Ill. Reg. 6444, effective May 15, 1997; amended at 21 Ill. Reg. 7118, effective June 3, 1997; emergency amendment at 21 Ill. Reg. 10061, effective July 21, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 12859, effective September 8, 1997, for a maximum of 150 days; preemptory amendment at 21 Ill. Reg. 14267, effective October 14, 1997; preemptory amendment at 21 Ill. Reg. 14589, effective October 15, 1997; preemptory amendment at 21 Ill. Reg. 15030, effective November 10, 1997; amended at 21 Ill.

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Reg. 16344, effective December 9, 1997; preemptory amendment at 21 Ill. Reg. 16465, effective December 4, 1997; preemptory amendment at 21 Ill. Reg. 17167, effective December 9, 1997; preemptory amendment at 22 Ill. Reg. 1593, effective December 22, 1997; amended at 22 Ill. Reg. 2580, effective January 14, 1998; preemptory amendment at 22 Ill. Reg. 4326, effective February 13, 1998; preemptory amendment at 22 Ill. Reg. 5108, effective February 26, 1998; preemptory amendment at 22 Ill. Reg. 5749, effective March 3, 1998; amended at 22 Ill. Reg. 6204, effective March 12, 1998; preemptory amendment at 22 Ill. Reg. 7053, effective April 1, 1998; preemptory amendment at 22 Ill. Reg. 7320, effective April 10, 1998; preemptory amendment at 22 Ill. Reg. 7692, effective April 20, 1998; emergency amendment at 22 Ill. Reg. 12607, effective July 2, 1998, for a maximum of 150 days; preemptory amendment at 22 Ill. Reg. 15489, effective August 7, 1998; amended at 22 Ill. Reg. 16158, effective August 31, 1998; preemptory amendment at 22 Ill. Reg. 19105, effective September 30, 1998; preemptory amendment at 22 Ill. Reg. 19943, effective October 27, 1998; preemptory amendment at 22 Ill. Reg. 20406, effective November 5, 1998; amended at 22 Ill. Reg. 20581, effective November 16, 1998; amended at 23 Ill. Reg. 664, effective January 1, 1999; preemptory amendment at 23 Ill. Reg. 730, effective December 29, 1998; emergency amendment at 23 Ill. Reg. 6533, effective May 10, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 7065, effective June 3, 1999; emergency amendment at 23 Ill. Reg. 8169, effective July 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 11020, effective August 26, 1999; amended at 23 Ill. Reg. 12429, effective September 21, 1999; preemptory amendment at 23 Ill. Reg. 12493, effective September 23, 1999; amended at 23 Ill. Reg. 12604, effective September 24, 1999; amended at 23 Ill. Reg. 13053, effective September 27, 1999; preemptory amendment at 23 Ill. Reg. 13132, effective October 1, 1999; amended at 23 Ill. Reg. 13570, effective October 26, 1999; amended at 23 Ill. Reg. 14020, effective November 15, 1999; amended at 24 Ill. Reg. 1025, effective January 7, 2000; preemptory amendment at 24 Ill. Reg. 3399, effective February 3, 2000; amended at 24 Ill. Reg. 3537, effective February 18, 2000; amended at 24 Ill. Reg. 6874, effective April 21, 2000; amended at 24 Ill. Reg. 7956, effective May 23, 2000; emergency amendment at 24 Ill. Reg. 10328, effective July 1, 2000, for a maximum of 150 days; emergency expired November 27, 2000; preemptory amendment at 24 Ill. Reg. 10767, effective July 3, 2000; amended at 24 Ill. Reg. 13384, effective August 17, 2000; preemptory amendment at 24 Ill. Reg. 14460, effective September 14, 2000; preemptory amendment at 24 Ill. Reg. 16700, effective October 30, 2000; preemptory amendment at 24 Ill. Reg. 17600, effective November 16, 2000; amended at 24 Ill. Reg. 18058, effective December 4, 2000; preemptory amendment at 24 Ill. Reg. 18444, effective December 1, 2000; amended at 25 Ill. Reg. 811, effective January 4, 2001; amended at 25 Ill. Reg. 2389, effective January 22, 2001; amended at 25 Ill. Reg. 4552, effective March 14, 2001; preemptory amendment at 25 Ill. Reg. 5067, effective March 21, 2001; amended at 25 Ill. Reg. 5618, effective April 4, 2001; amended at 25 Ill. Reg. 6655, effective May 11, 2001; amended at 25 Ill. Reg. 7151, effective May 25, 2001; preemptory amendment at 25 Ill. Reg. 8009, effective June 14, 2001; emergency amendment at 25 Ill. Reg. 9336, effective July 3, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 9846, effective July 23, 2001; amended at 25 Ill.

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Reg. 12087, effective September 6, 2001; amended at 25 Ill. Reg. 15560, effective November 20, 2001; peremptory amendment at 25 Ill. Reg. 15671, effective November 15, 2001; amended at 25 Ill. Reg. 15974, effective November 28, 2001; emergency amendment at 26 Ill. Reg. 223, effective December 21, 2001, for a maximum of 150 days; amended at 26 Ill. Reg. 1143, effective January 17, 2002; amended at 26 Ill. Reg. 4127, effective March 5, 2002; peremptory amendment at 26 Ill. Reg. 4963, effective March 15, 2002; amended at 26 Ill. Reg. 6235, effective April 16, 2002; emergency amendment at 26 Ill. Reg. 7314, effective April 29, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 10425, effective July 1, 2002; emergency amendment at 26 Ill. Reg. 10952, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 13934, effective September 10, 2002; amended at 26 Ill. Reg. 14965, effective October 7, 2002; emergency amendment at 26 Ill. Reg. 16583, effective October 24, 2002, for a maximum of 150 days; emergency expired March 22, 2003; peremptory amendment at 26 Ill. Reg. 17280, effective November 18, 2002; amended at 26 Ill. Reg. 17374, effective November 25, 2002; amended at 26 Ill. Reg. 17987, effective December 9, 2002; amended at 27 Ill. Reg. 3261, effective February 11, 2003; amended at 27 Ill. Reg. 8855, effective May 15, 2003; amended at 27 Ill. Reg. 9114, effective May 27, 2003; emergency amendment at 27 Ill. Reg. 10442, effective July 1, 2003, for a maximum of 150 days; peremptory amendment at 27 Ill. Reg. 17433, effective November 7, 2003; amended at 27 Ill. Reg. 18560, effective December 1, 2003; peremptory amendment at 28 Ill. Reg. 1441, effective January 9, 2004; amended at 28 Ill. Reg. 2680, effective January 22, 2004.

## SUBPART A: NARRATIVE

**Section 310.80 Increases in Pay**

After the effective date of this Part, except as otherwise provided for in this Section, for employees occupying positions in classes that are paid in conformance with the Schedule of Salary Grades (Appendix B) specified herein, increases shall be granted as follows and will become effective the first day of the pay period following the date of approval:

- a) Satisfactory Performance Increase –
  - 1) Each employee who has not attained Step 8 of the relevant salary grade, and whose level of performance has been at a satisfactory level of competence, shall be successively advanced in pay to the next higher step in the salary grade after one year of creditable service in the same class. (Effective July 1, 2003, step increases are suspended.)
  - 2) A satisfactory performance increase shall become effective on the first day of the month within which the required period of creditable service is

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

reached.

- 3) No satisfactory performance increase may be given after the effective date of separation.
- b) Withholding Satisfactory Performance Increase – As an inducement toward attainment of satisfactory level of competence, satisfactory performance increases may be withheld from the employee who has not achieved a satisfactory level of performance. Such action must be supported by:
- 1) A performance record showing less than satisfactory performance. This must be prepared by the appropriate supervisor, discussed with the employee and approved by the agency head prior to the date the increase would otherwise become effective. The performance record will not be invalidated by refusal of an employee to sign. In such cases, an explanatory comment shall be made on the record by the supervisor. This record will be preserved by the agency.
  - 2) Notice of withholding of satisfactory performance increases to the Department of Central Management Services – It shall be reported upon completion of action required by subsection (b)(1) above, but not later than the submission of the payroll reflecting the denial of the increase.
- c) Redetermination – A satisfactory performance increase previously withheld shall be granted when the cause for withholding has been eliminated. Redetermination must be made at least annually. In such cases the increases will be effective the first day of the month following date of approval and will be preceded by the preparation and filing of a Performance Record within the agency indicating the attainment of satisfactory level of competence.
- d) Superior Performance Increase –
- 1) The head of an agency may grant a superior performance increase to an employee who characteristically carries out his/her work activities in such a way that the results are substantially above a satisfactory level of performance.
  - 2) An employee shall be eligible for a superior performance increase after six months continuous service. A minimum of 18 months must elapse between superior performance increases. A superior performance increase

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

shall be for one step in the relevant salary grade. (Effective July 1, 2003, step increases are suspended.)

- 3) A superior performance increase does not affect the creditable service anniversary date. A performance record supporting a superior performance increase award shall be retained by each agency head, and shall be available to the Director of Central Management Services upon request.
  - 4) During the fiscal year, the number of superior performance increases in an agency should not exceed one out of five employees.
- e) Other Pay Increases –
- 1) Promotion and Reallocation – Normally upon promotion or reallocation an employee shall be advanced to the lowest step in the new grade which represents at least a full step increase in the former grade. An equivalent of a full step for those employees on Step 8 shall be determined by the value difference between Steps 6 and 7 of the former pay grade. Any deviation requires prior written approval of the Director of Central Management Services. In determining the appropriateness of a request for a special salary treatment by an employing agency, the Director of Central Management Services will consider whether the need for the special salary treatment is substantial, whether the action is consistent with the treatment of other similar situations, and whether the action is equitable in view of the particular circumstances prompting the request.
  - 2) Reevaluation – If a higher salary grade is assigned to a class, the employee occupying the position in the class shall be advanced to the lowest step in the new grade which represents an increase in pay. If an employee becomes eligible for a satisfactory performance increase as a result of the reevaluation, a one-step increase will be granted immediately.
  - 3) Separation & Subsequent Appointment – Upon separation from a position of a given class and appointment within four calendar days to a position in a higher salary grade, an increase shall be given under the conditions and requirements applicable to promotions.
- f) Adjustment – An employee may receive an upward adjustment in his/her base salary for the purpose of correcting a previous error, oversight or when the best

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

interest of the agency and the State of Illinois will be served. Adjustments must have the prior approval of the Director of Central Management Services. In determining the appropriateness of a request for a salary adjustment by an employing agency, the Director of Central Management Services will consider whether the need for the adjustment is substantial, whether the action is consistent with the treatment of other similar situations, and whether the action is equitable in view of the particular circumstances prompting the request.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.100 Other Pay Provisions**

- a) Transfer – Upon the assignment of an employee to a vacant position in a class with the same salary grade as the class for the position being vacated, the employee's base salary will not be changed. Upon separation from a position of a given class and subsequent appointment to a position in the same salary grade, no increase in salary will be given.
- b) Entrance Salary – Normally upon original entry to state service, an employee's base salary will be at Step 1c of the salary grade.
  - 1) Qualifications above Minimum Requirements –
    - A) If a candidate possesses directly related training and experience in excess of the minimum requirements of the class specification, the entrance salary may be up to Step 3 as determined by the employing agency. The salary offered should not provide more than a 10% increase over the candidate's current salary.
    - B) Such qualifications above the minimum requirements must possess documented support for higher than the Step 1c entrance salary. An entrance salary higher than Step 3 must have prior approval from the Director of Central Management Services.
  - 2) Area Differential – For positions where additional compensation is required because of dissimilar economic or other conditions in the geographical area in which such positions are established, a higher entrance step may be authorized by the Director of Central Management Services. Present employees receiving less than the new rate shall be advanced to the new rate.

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- 3) Upon the geographical transfer from or to an area for which additional compensation has been authorized, an employee will receive an adjustment to the appropriate salary level for the new geographical area of assignment effective the first day of the month following date of approval.
- c) Differential and Overtime Pay – An eligible employee may have an amount added to his/her base salary for a given pay period for work performed which is in excess of the normal requirements for the position and work schedule, as follows:
- 1) Shift Differential Pay – An employee may be paid an amount in addition to his/her base salary for work performed on a regularly scheduled second or third shift. The additional compensation will be at a rate and in a manner approved by the Department of Central Management Services. The Director of Central Management Services will approve the manner and rate of this provision after considering the need of the employing agency, the treatment of other similar situations, prevailing practices of other employers, and the equity of the particular circumstances.
  - 2) Overtime Pay –
    - A) The Director of Central Management Services will maintain a list of titles whose incumbents are eligible for overtime at a time and one-half rate for all hours actually worked in excess of the normal work schedule in any given work week. Overtime shall be paid in cash only unless an employee requests compensatory time off at the time and one-half rate. Such request shall be considered and granted or denied by the agency in light of their operating needs. The employee shall make his/her choice known to the agency not later than the end of the work week in which the overtime was earned. If such compensatory time request is granted it shall be taken within the fiscal year it was earned at a time convenient to the employee and consistent with the operating needs of the agency. Accrued compensatory time not used by the end of the fiscal year in which it was earned shall be liquidated and paid in cash at the rate it was earned.
    - B) A list will also be maintained by the Director of Central Management Services of titles whose incumbents are eligible for straight-time overtime. Employees in these classes of positions

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

who are assigned and perform work in excess of the normal work schedule as established by the agency shall be compensated at a straight-time rate on either a cash or compensatory time-off basis, as determined by the agency in light of their operating needs, for all hours worked in excess of a normal work week. Overtime in less than one-half hour increments per day shall not be accrued. If compensatory time is not liquidated within the fiscal year during which it is accrued, it must be liquidated at the end of the fiscal year in cash at the employee's rate of pay in effect at the time of liquidation. ~~3) Incentive Pay – An employee may be paid an amount in addition to his/her base salary for work performed in excess of the normal work standard as determined by agency management. The additional compensation shall be at a wage rate and in a manner approved by the Director of the Department of Central Management Services. The Director of Central Management Services will approve the manner and rate of this provision after considering the need of the employing agency, the treatment of other similar situations, prevailing practices of other employers, and the equity of the particular circumstances.~~

~~3)4~~ Extra Duty Pay – An employee may be paid an amount in addition to his/her base salary for service in addition to the regular work schedule on a special work assignment. Additional compensation will be at a rate and in a manner approved by the Director of the Department of Central Management Services. The Director of Central Management Services will approve the manner and rate of this provision after considering the need of the employing agency, the treatment of other similar situations, prevailing practices of other employers, and the equity of the particular circumstances.

- d) Part-Time Work – Part-time employees whose base salary is other than an hourly or daily basis shall be paid on a daily basis which will be computed from annual rates of salary and the total number of work days in the year.
- e) Out-of-State Assignment – Employees who are assigned to work out-of-state on a temporary basis may receive an appropriate differential during the period of the assignment, as approved by the Director of Central Management Services. The Director of Central Management Services will approve the manner and rate of this provision after considering the need of the employing agency, the treatment of other similar situations, prevailing practices of other employers, and the equity of

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

the particular circumstances.

- f) Lump Sum Payment – Shall be provided for accrued vacation, sick leave\* and unused compensatory overtime at the current base rate to those employees separated from employment under the Personnel Code. Leaves of absence and temporary ~~layoff~~ ~~lay-off~~ (per 80 Ill. Adm. Code 302.510) are not separations and therefore lump sum cannot be given in these transactions. Method of computation is explained in Section 310.70(a) of this Part.

AGENCY NOTE – The method to be used in computing the lump sum payment for accrued vacation, sick leave\* and unused compensatory overtime payment for an incumbent entitled to shift differential during his/her regular work hours will be to use his/her current base salary plus the shift differential pay.

\*Sick leave earned prior to January 1, 1984 and after December 31, 1997 is not compensable. Sick leave earned and not used between January 1, 1984 and December 31, 1997 will be compensable at the current base daily rate times one-half of the total number of compensable sick days ~~earned and retained during that time period.~~

- g) Salary Treatment Upon Return From Leave – An employee returning from Military Leave, Peace Corps Leave, Vista Leave, Service-Connected Disability Leave, Leave to accept a Temporary, Emergency, Provisional, Exempt or Trainee position, or Educational Leave will be placed on the step which reflects satisfactory performance increases to which he/she would have been entitled during his/her period of leave. Creditable service date will be maintained. An employee returning to his/her former salary grade from any other leave of over fourteen days will be placed at the step on which he/she was situated prior to his/her leave, and his/her creditable service date will be extended by the duration of the leave.
- h) Salary Treatment Upon Reemployment –
- 1) Upon the reemployment of an employee in a class with the same salary grade as the class for the position held before layoff, the employee will be placed at the same salary step as held at the time of the layoff, and his/her creditable service date will be adjusted to reflect that time on layoff does not count as creditable service time.
  - 2) Upon the reemployment of an employee in a class at a lower salary range

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

than the range of the class for the position held before layoff, the employee will be placed at the step in the lower salary grade which provides the base salary nearest in amount to, but less than, the current value of the step held at the time of layoff, and his/her creditable service date will be adjusted to reflect that time on layoff does not count as creditable service time.

- i) Reinstatement – The salary upon reinstatement of an employee will be as determined by the employing agency and approved by the Director of Central Management Services. This salary should not provide more than a 10% increase over the candidate's current salary or exceed the current value of the salary step held in the position where previously certified. In no event is the resulting salary to be lower than the minimum rate or higher than the maximum rate of the salary range.
- j) Extended Service Payment –
  - 1) Effective July 1, 2001, the Step 8 rate shall be increased by \$25 per month for those employees who have attained ~~10 ten~~ years of service and have three years of creditable service on Step 8 in the same pay grade.
  - 2) Effective July 1, 2001, the Step 8 rate shall be increased by \$50 per month for those employees who have attained ~~15 fifteen~~ years of service and have three years of creditable service on Step 8 in the same pay grade.
- k) Bi-lingual Pay – Effective July 1, 2000, individual positions whose job descriptions require the use of sign language, a second language or Braille shall receive 5% or \$100 per month, whichever is greater, in addition to the employee's base rate.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.110 Implementation of Pay Plan Changes for Fiscal Year ~~2004~~ 2003**

The rates of pay for all employees occupying positions subject to the Schedule of Salary Grades shall be as set out in Appendix B, Schedule of Salary Grades – Monthly Rates of Pay for Fiscal Year ~~2004~~ 2003.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

**Section 310.130 Effective Date**

This Pay Plan Narrative (Subpart A), Schedule of Rates (Subpart B), and Schedule of Salary Grades (Appendix B) shall be effective for Fiscal Year 2004 2003.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## SUBPART B: SCHEDULE OF RATES

**Section 310.220 Negotiated Rate**

- a) The rate of pay for a class in any specific area; or agency, or in a specific area for an agency, as established and approved by the Director of Central Management Services after having conducted negotiations for this purpose; or; as certified as being correct and reported to the Director of Central Management Services for specified operating and maintenance employees in the State of Illinois Building, Chicago, and by the Director of Labor for designated classifications in the City of Chicago.
- b) An employee occupying a position in a class normally subject to contract, but whose position is excluded from the bargaining unit, shall receive the contract rate and other compensation items specified by the contract, unless another specific provision has been established by the Director of Central Management Services. (Effective July 1, 2003, subsection (b) is suspended.)
- c) As provided in certain collective bargaining agreements, an employee may be paid at an appropriate higher rate when assigned to perform the duties of a higher level position. Eligibility for this pay and the amount thereof will be as provided in the contract.
- d) The negotiated rates of pay for classifications in specified operating agencies shall be as indicated in Appendix A of this Part.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.230 Part-~~Time~~ ~~time~~ Daily or Hourly Special Services Rate**

The rate of pay as approved by the Director of Central Management Services for persons employed on a consultative or part-time basis requiring irregular hours of work shall be as listed below, except the total compensation of an employee in any given month shall not exceed the

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

monthly rate of Step 5 of the salary grade for the title as shown in the Schedule of Salary Grades (Appendix B) of this Part if the class title is subject to the Schedule of Salary Grades, or Step 5 of the negotiated salary range for classes of positions shown in Section 310.220, Subpart B, Schedule of Rates, or 75% of the maximum rate of those classes of positions subject to the provisions of the Merit Compensation System, Subpart C of this Pay Plan.

Account Technician II	14.10 to 19.49 (hourly)
	106 to 146 (daily)
Apiary Inspector	8.28 to 10.15 (hourly)
Building/Grounds Laborer	5.15 to 6.00 (hourly)
Building/Grounds Lead I	5.15 to 7.00 (hourly)
Building/Grounds Lead II	5.25 to 8.00 (hourly)
Building/Grounds Maintenance Worker	5.15 to 6.00 (hourly)
Chaplain I	39 to 70 (daily)
Chemist I	39 to 45 (daily)
Conservation/Historic Preservation Worker	5.15 to 9.00 (hourly)
Conservation/Historic Preservation Worker (2nd season – site interpretation)	5.15 to 9.00 (hourly)
Conservation/Historic Preservation Worker (3rd season – site interpretation)	5.15 to 9.00 (hourly)
Dentist I	70 to 150 (daily)
Dentist II	100 to 185 (daily)
Educator	39 to 85 (daily)
Educator Aide	39 (daily)
Guard II	67 to 84 (daily)
Guard III	75 to 96 (daily)
Hearing and Speech Advanced Specialist	15 to 30 (hourly)
Hearings Referee	75 to 200 (daily)
Janitor I	5.15 to 5.30 (hourly)
Labor Maintenance Lead Worker	5.15 to 6.00 (hourly)
Labor Relations Investigator	39 to 70 (daily)
Laborer (Maintenance)	7.05 to 8.00 (hourly)
Maintenance Worker	5.15 (hourly)
Occupational Therapist Program Coordinator	40 to 160 (daily)
Office Aide	10.45 to 13.46 (hourly)
	78 to 101 (daily)
Office Assistant	<del>12.18 to 16.04 (hourly)</del>
	<del>91 to 120 (daily)</del>
	<del>11.56 to 15.26 (hourly)</del>
	<del>87 to 114 (daily)</del>

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Office Associate	12.24 to 16.42 (hourly)
	92 to 123 (daily)
Office Clerk	<u>11.55 to 15.08 (hourly)</u>
	<u>87 to 113 (daily)</u>
	<del>10.94 to 14.31 (hourly)</del>
	<del>82 to 107 (daily)</del>
Optometrist	15 to 35 (hourly)
	50 to 160 (daily)
Physician	100 to 300 (daily)
Physician Specialist (A)	20 to 60 (hourly)
	100 to 325 (daily)
Physician Specialist (B)	20 to 70 (hourly)
	100 to 350 (daily)
Physician Specialist (C)	20 to 105 (hourly)
	100 to 360 (daily)
Physician Specialist (D)	20 to 115 (hourly)
	100 to 370 (daily)
Podiatrist	50 to 125 (daily)
Psychologist I	39 to 80 (daily)
Psychologist II	40 to 125 (daily)
Psychologist III	40 to 150 (daily)
Recreation Worker I	5.33 (hourly)
	40 to 45 (daily)
Registered Nurse I	39 to 54 (daily)
Registered Nurse I (2nd or 3rd shift)	41 to 56 (daily)
Registered Nurse I (Cook County)	43 to 58 (daily)
Registered Nurse I (Cook County – 2nd or 3rd shift)	44 to 59 (daily)
Registered Nurse II	43 to 58 (daily)
Registered Nurse II (2nd or 3rd shift)	44 to 59 (daily)
Registered Nurse II (Cook County)	45 to 60 (daily)
Registered Nurse II (Cook County – 2nd or 3rd shift)	47 to 62 (daily)
Revenue Tax Specialist I	14.10 to 19.49 (hourly)
	106 to 146 (daily)
Social Worker II	39 to 75 (daily)
Social Worker III	39 to 80 (daily)
Student Worker	5.15 to 8.00 (hourly)
Technical Advisor II	32 to 35 (hourly)
Technical Advisor III	32 to 60 (hourly)
Veterinarian II	95 to 130 (daily)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.280 Designated Rate**

The rate of pay for a specific position or class of positions where it is deemed desirable to exclude such from the other requirements of this Pay Plan shall be only as designated by the Governor.

Department of Children & Family Services

Public Service Administrator (Pos. No. 37015-16-23-120-00-01)	<u>Annual Salary</u> 85,104
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Department of Commerce & Economic Opportunity

Administrative Assistant II (Pos. No. 00502-42-00-040-11-01)	<u>Annual Salary</u> 63,840
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Public Information Officer IV (Pos. No. 37004-42-00-005-10-01)	<u>Annual Salary</u> 69,792
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Public Service Administrator (Pos. No. 37015-42-35-110-10-03)	<u>Annual Salary</u> 78,612
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Public Service Administrator (Pos. No. 37015-42-35-140-20-01)	<u>Annual Salary</u> 96,360
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Department of Human Services

Administrative Assistant I (Pos. No. 00501-10-68-010-80-21)	<u>Annual Salary</u> 55,200
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Medical Administrator I, Option D (Pos. No. 26401-10-79-006-00-21)	<u>Annual Salary</u> 142,368
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<u>Medical Administrator V</u> <u>(Pos. No. 26406-10-76-000-00-01)</u>	<u>Annual Salary</u> <u>186,000</u>
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Public Service Administrator (Pos. No. 37015-10-23-100-30-01)	<u>Annual Salary</u> 76,572
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## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Senior Public Service Administrator (Pos. No. 40070-10-65-000-00-01)	<u>Annual Salary</u> 105,475	
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Senior Public Service Administrator (Pos. No. 40070-10-81-920-00-21)	<u>Annual Salary</u> 105,480	
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Illinois Labor Relations Board

Private Secretary II (Pos. No. 34202-50-19-000-00-01)	<u>Annual Salary</u> 51,900	
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Department of Natural Resources

Administrative Assistant II (Pos. No. 00502-12-30-000-20-01)	<u>Annual Salary</u> 50,520	
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Department of Public Aid

Senior Public Service Administrator (Pos. No. 40070-33-20-000-00-61)	<u>Annual Salary</u> 123,060	
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Department of Revenue

Public Service Administrator (Pos. No. 37015-25-61-140-80-01)	<u>Annual Salary</u> 76,668	
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Department of State Police

Senior Public Service Administrator (Pos. No. 40070-21-10-000-00-01)	<u>Annual Salary</u> 117,828	
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Senior Public Service Administrator (Pos. No. 40070-21-40-000-00-01)	<u>Annual Salary</u> 117,828	
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(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.290 Out-of-State or Foreign Service Rate**

The rate of pay for employees occupying positions which require payment in accordance with

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

the economic conditions and social legislation of another state or foreign country. An adjustment may be made to the salary of an employee stationed in a foreign country to compensate for a change in the currency exchange rate. The Director of the Department of Central Management Services will, before approving an adjustment, consider the need of the employing agency, the treatment of other similar situations, prevailing practices of other employers, and the equity of the particular circumstances. (Effective July 1, 2003, increases are suspended.)

Title	Range Effective Fiscal Year <del>2004</del> 2003
Executive II (States Other Than California and New Jersey) (CA, NJ)	3269-5894 3696-6663
Foreign Service Economic Development Executive I	3848-7082
Foreign Service Economic Development Executive II	4929-9283
Foreign Service Economic Development Representative	3269-5894
Office Administrator IV (States Other Than California and New Jersey) (CA, NJ)	2570-4452 2906-5032
Office Assistant (Foreign Service)	2169-2862
Office Associate (States Other Than California and New Jersey) (CA, NJ)	2295-3081 2595-3483
Office Coordinator (States Other Than California and New Jersey) (CA, NJ)	2370-3199 2679-3617
Public Service Administrator (States Other Than California and New Jersey) (CA, NJ)	3445-7542 3895-8525
Revenue Auditor I (States Other Than California and New Jersey)	3105-4480

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

(CA, NJ)	3510-5065
Revenue Auditor II (States Other Than California and New Jersey) (CA, NJ)	3587-5295 4055-5985
Revenue Auditor III (States Other Than California and New Jersey) (CA, NJ)	4226-6301 4778-7123
Revenue Auditor Trainee (States Other Than California and New Jersey) (CA, NJ)	2645-3657 2990-4134
Revenue Tax Specialist I (States Other Than California and New Jersey) (CA, NJ)	2645-3657 2990-4134
Revenue Tax Specialist II (States Other Than California and New Jersey) (CA, NJ)	2861-4047 3234-4575
Revenue Tax Specialist Trainee (States Other Than California and New Jersey) (CA, NJ)	2448-3335 2768-3770
Senior Public Service Administrator (States Other Than California and New Jersey) (CA, NJ)	4750-11161 5369-12617

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## SUBPART C: MERIT COMPENSATION SYSTEM

**Section 310.450 Procedures for Determining Annual Merit Increases**

- a) An annual merit increase is an in-range salary adjustment for demonstrated performance.

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

- b) Eligibility for an annual merit increase shall be determined by the following conditions:
- 1) Each employee will be eligible for a merit review after attaining 12 months creditable service. The employee's immediate supervisor shall prepare an Individual Development and Performance Evaluation form prior to the Performance Review Date, and discuss the results with the employee.
  - 2) Should the Individual Development and Performance review result in the employee not being eligible for an annual merit increase due to provisions of Section 310.450(d), or should the employee's base rate be at the maximum rate of pay of the salary range assigned to the employee's position, the employee will not be eligible for an annual merit increase until 12 months of additional creditable service has been accrued.
- c) Based upon the results of the Individual Development and Performance Evaluation, the employees' immediate supervisor shall determine whether the employee's performance warrants or does not warrant an annual merit increase. ~~The amount of an annual merit increase recommendation shall be determined by use of the Merit Increase Guidechart of Section 310.540 if the employee's Individual Development and Performance Evaluation has on the Performance Review Date been evaluated at a Category 3 or higher level. An employee whose Individual Development and Performance Evaluation has on the Performance Review Date been evaluated at Category 4 shall not receive an increase in the present base salary. However, in no event is the resulting salary to be lower than the minimum or higher than the maximum rate of pay of the respective salary range assigned to the employee's position.~~
- ~~de)~~ The employee's immediate supervisor shall prepare a ~~Performance~~ performance Certification and Salary Increase Recommendation form indicating whether or not the employee is eligible for an annual merit increase and the amount thereof. (Effective July 1, 2003, merit increases are suspended.)
- ~~ef)~~ The employee's immediate supervisor shall forward the Individual Development and Performance Evaluation records and Performance Certification and Salary Increase Recommendation records to the agency head or a designated authority for review and approval.
- ~~fg)~~ Annual merit increase in pay shall become effective the first day of the month in

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

which the employee's Performance Review Date occurs.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.530 Implementation**

- a) The salary schedule for the Merit Compensation System for Fiscal Year ~~2003~~ 2004 will continue as set forth in Appendix D of the Pay Plan.
- b) The Merit Increase Guidechart for Fiscal Year ~~2003~~ 2004 as set forth in Section 310.540 of the Pay Plan.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

**Section 310.540 Annual Merit Increase Guidechart for Fiscal Year ~~2003~~ 2004**

Category	Definition	Increase
Category 1	Exceptional	<del>\$00% to 5%+\$125</del>
Category 2	Accomplished	<del>\$00% to 3%+\$125</del>
Category 3	Acceptable	<del>\$00% to 3%</del>
Category 4	Unacceptable	\$0

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

**Section 310.APPENDIX A Negotiated Rates of Pay****Section 310.TABLE W RC-062 (Technical Employees, AFSCME)**

Title	Salary Grade	Code
Accountant	RC-062-14	00130
Accountant Advanced	RC-062-16	00133
Accounting and Fiscal Administration Career Trainee	RC-062-12	00140
Activity Therapist	RC-062-15	00157
Activity Therapist Coordinator	RC-062-17	00160
Actuarial Assistant	RC-062-16	00187
Actuarial Examiner	RC-062-16	00195
Actuarial Examiner Trainee	RC-062-13	00196
Actuarial Senior Examiner	RC-062-19	00197
Actuary I	RC-062-20	00201
Actuary II	RC-062-24	00202
Agricultural Market News Assistant	RC-062-12	00804
Agricultural Marketing Generalist	RC-062-14	00805
Agricultural Marketing Reporter	RC-062-18	00807
Agricultural Marketing Representative	RC-062-18	00810
Agriculture Land and Water Resource Specialist I	RC-062-14	00831
Agriculture Land and Water Resource Specialist II	RC-062-17	00832
Agriculture Land and Water Resource Specialist III	RC-062-20	00833
Aircraft Pilot I	RC-062-18	00955
Aircraft Pilot I (Eff. 07-01-01)	RC-062-19	00955
Aircraft Pilot II	RC-062-21	00956
Aircraft Pilot II (Eff. 07-01-01)	RC-062-22	00956
Appraisal Specialist I	RC-062-14	01251
Appraisal Specialist II	RC-062-16	01252
Appraisal Specialist III	RC-062-18	01253
Arts Council Associate	RC-062-12	01523
Arts Council Program Coordinator	RC-062-18	01526
Arts Council Program Representative	RC-062-15	01527
Bank Examiner I	RC-062-16	04131
Bank Examiner II	RC-062-19	04132
Bank Examiner III	RC-062-22	04133
Behavioral Analyst I	RC-062-17	04351
Behavioral Analyst II	RC-062-19	04352
Behavioral Analyst Associate	RC-062-15	04355
Business Administrative Specialist	RC-062-16	05810

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Buyer	RC-062-18	05900
Carnival and Amusement Safety Inspector	RC-062-16	06550
Carnival and Amusement Safety Inspector Trainee	RC-062-10	06555
Chemist I	RC-062-16	06941
Chemist II	RC-062-19	06942
Chemist III	RC-062-21	06943
Child Protective Associate Investigator	RC-062-15	07187
Child Protective Investigator	RC-062-17	07188
Child Protective Lead Investigator	RC-062-18	07189
Child Welfare Staff Development Coordinator I	RC-062-17	07201
Child Welfare Staff Development Coordinator II	RC-062-19	07202
Child Welfare Staff Development Coordinator III	RC-062-20	07203
Child Welfare Staff Development Coordinator IV	RC-062-22	07204
Child Welfare Specialist	RC-062-15	07211
Children and Family Service Intern – Option 1	RC-062-12	07241
Children and Family Service Intern – Option 2	RC-062-15	07242
Clinical Laboratory Technologist I	RC-062-18	08220
Clinical Laboratory Technologist II	RC-062-19	08221
Clinical Laboratory Technologist Trainee	RC-062-14	08229
Communications Systems Specialist	RC-062-23	08860
Community Management Specialist I	RC-062-15	08891
Community Management Specialist II	RC-062-17	08892
Community Management Specialist III	RC-062-19	08893
Community Planner I	RC-062-15	08901
Community Planner II	RC-062-17	08902
Community Planner III	RC-062-19	08903
Conservation Education Representative	RC-062-12	09300
Conservation Grant Administrator I	RC-062-18	09311
Conservation Grant Administrator II	RC-062-20	09312
Conservation Grant Administrator III	RC-062-22	09313
Construction Program Assistant	RC-062-12	09525
Correctional Counselor I	RC-062-15	09661
Correctional Counselor II	RC-062-17	09662
Correctional Counselor III	RC-062-19	09663
Corrections Academy Trainer	RC-062-17	09732
Corrections Apprehension Specialist	RC-062-19	09750
Corrections Industries Marketing Representative	RC-062-17	09803
Corrections Leisure Activities Specialist I	RC-062-14	09811
Corrections Leisure Activities Specialist I (Eff. 07-01-01)	RC-062-15	09811
Corrections Leisure Activities Specialist II	RC-062-16	09812

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Corrections Leisure Activities Specialist II (Eff. 07-01-01)	RC-062-17	09812
Corrections Leisure Activities Specialist III	RC-062-19	09813
Corrections Parole Agent	RC-062-17	09842
Corrections Senior Parole Agent	RC-062-19	09844
Criminal Intelligence Analyst I	RC-062-18	10161
Criminal Intelligence Analyst II	RC-062-20	10162
Criminal Intelligence Analyst Specialist	RC-062-22	10165
Criminal Justice Specialist I	RC-062-16	10231
Criminal Justice Specialist II	RC-062-20	10232
Curator of the Lincoln Collection	RC-062-16	10750
Day Care Licensing Representative I	RC-062-15	11471
Developmental Disabilities Council Program Planner I	RC-062-12	12361
Developmental Disabilities Council Program Planner II	RC-062-16	12362
Developmental Disabilities Council Program Planner III	RC-062-18	12363
Dietitian	RC-062-14	12510
Dietitian (Eff. 07-01-01)	RC-062-15	12510
<u>Disability Appeals Officer</u>	<u>RC-062-21</u>	<u>12530</u>
<u>Disability Appeals Officer (Eff. 04-16-03)</u>	<u>RC-062-22</u>	<u>12530</u>
Disability Claims Adjudicator I	RC-062-15	12537
Disability Claims Adjudicator II	RC-062-17	12538
Disability Claims Analyst	RC-062-20	12540
Disability Claims Specialist	RC-062-18	12558
Disaster Services Planner	RC-062-19	12585
Document Examiner	RC-062-22	12640
Educator – Provisional	RC-062-12	13105
Employment Security Manpower Representative I	RC-062-12	13621
Employment Security Manpower Representative II	RC-062-14	13622
Employment Security Program Representative	RC-062-14	13650
Employment Security Program Representative – Intermittent	RC-062-14H	13651
Employment Security Service Representative	RC-062-16	13667
Employment Security Specialist I	RC-062-14	13671
Employment Security Specialist II	RC-062-16	13672
Employment Security Specialist III	RC-062-19	13673
Employment Security Tax Auditor I	RC-062-17	13681
Employment Security Tax Auditor II	RC-062-19	13682
Energy and Natural Resources Specialist I	RC-062-15	13711
Energy and Natural Resources Specialist II	RC-062-17	13712
Energy and Natural Resources Specialist III	RC-062-19	13713
Energy and Natural Resources Specialist Trainee	RC-062-12	13715

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Environmental Health Specialist I	RC-062-14	13768
Environmental Health Specialist II	RC-062-16	13769
Environmental Health Specialist III	RC-062-18	13770
Environmental Protection Associate	RC-062-12	13785
Environmental Protection Specialist I	RC-062-14	13821
Environmental Protection Specialist II	RC-062-16	13822
Environmental Protection Specialist III	RC-062-18	13823
Environmental Protection Specialist IV	RC-062-22	13824
Financial Institution Examiner I	RC-062-16	14971
Financial Institution Examiner II	RC-062-19	14972
Financial Institution Examiner III	RC-062-22	14973
Financial Institution Examiner Trainee	RC-062-13	14978
Flight Safety Coordinator	RC-062-21	15640
Forensic Scientist I	RC-062-18	15891
Forensic Scientist II	RC-062-20	15892
Forensic Scientist III	RC-062-22	15893
Forensic Scientist Trainee	RC-062-15	15897
Guardianship Representative	RC-062-17	17710
Habilitation Program Coordinator	RC-062-17	17960
Handicapped Services Representative I	RC-062-11	17981
Health and Safety Officer I	RC-062-14	18001
Health and Safety Officer II	RC-062-16	18002
Health and Safety Officer Trainee	RC-062-10	18006
Health Facilities Surveyor I	RC-062-16	18011
Health Facilities Surveyor II	RC-062-19	18012
Health Facilities Surveyor III	RC-062-20	18013
Health Planning Specialist I	RC-062-19	18154
Health Planning Specialist II	RC-062-22	18155
Health Services Investigator I – Opt. A	RC-062-19	18181
Health Services Investigator I – Opt. B	RC-062-20	18182
Health Services Investigator II – Opt. A	RC-062-22	18185
Health Services Investigator II – Opt. B	RC-062-22	18186
Health Services Investigator II – Opt. C	RC-062-23	18187
Health Services Investigator II – Opt. D	RC-062-23	18188
Historical Documents Conservator I	RC-062-13	18981
Historical Research Editor II	RC-062-14	19002
Human Relations Representative	RC-062-16	19670
Human Services Caseworker	RC-062-16	19785
Human Services Grants Coordinator I	RC-062-14	19791
Human Services Grants Coordinator II	RC-062-17	19792

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Human Services Grants Coordinator III	RC-062-20	19793
Human Services Grants Coordinator Trainee	RC-062-12	19796
Human Services Sign Language Interpreter	RC-062-16	19810
Iconographer	RC-062-12	19880
Industrial Services Consultant I	RC-062-14	21121
Industrial Services Consultant II	RC-062-16	21122
Industrial Services Consultant Trainee	RC-062-11	21125
Industrial Services Hygienist	RC-062-19	21127
Industrial Services Hygienist Technician	RC-062-16	21130
Industrial Services Hygienist Trainee	RC-062-12	21133
Instrument Designer	RC-062-18	21500
Insurance Analyst III	RC-062-14	21563
Insurance Analyst IV	RC-062-16	21564
Insurance Company Field Staff Examiner	RC-062-16	21608
Insurance Company Financial Examiner Trainee	RC-062-13	21610
Insurance Performance Examiner	RC-062-14	21671
Intermittent Unemployment Insurance Representative	RC-062-12H	21689
Labor Conciliator	RC-062-20	22750
Laboratory Equipment Specialist	RC-062-18	22990
Laboratory Quality Specialist I	RC-062-19	23021
Laboratory Quality Specialist II	RC-062-21	23022
Laboratory Research Specialist I	RC-062-19	23027
Laboratory Research Specialist II	RC-062-21	23028
Land Acquisition Agent I	RC-062-15	23091
Land Acquisition Agent II	RC-062-18	23092
Land Acquisition Agent III	RC-062-21	23093
Land Reclamation Specialist I	RC-062-14	23131
Land Reclamation Specialist II	RC-062-17	23132
Liability Claims Adjuster I	RC-062-14	23371
Library Associate	RC-062-12	23430
Life Sciences Career Trainee	RC-062-12	23600
Liquor Control Special Agent II	RC-062-15	23752
Local Housing Advisor I	RC-062-14	24031
Local Housing Advisor II	RC-062-16	24032
Local Housing Advisor III	RC-062-18	24033
Local Revenue and Fiscal Advisor I	RC-062-15	24101
Local Revenue and Fiscal Advisor II	RC-062-17	24102
Local Revenue and Fiscal Advisor III	RC-062-19	24103
Lottery Sales Representative	RC-062-16	24515
Management Operations Analyst I	RC-062-18	25541

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Management Operations Analyst II	RC-062-20	25542
Manpower Planner I	RC-062-14	25591
Manpower Planner II	RC-062-17	25592
Manpower Planner III	RC-062-20	25593
Manpower Planner Trainee	RC-062-12	25597
Medical Assistance Consultant I	RC-062-13	26501
Medical Assistance Consultant II	RC-062-16	26502
Medical Assistance Consultant III	RC-062-19	26503
Mental Health Specialist I	RC-062-12	26924
Mental Health Specialist II	RC-062-14	26925
Mental Health Specialist III	RC-062-16	26926
Mental Health Specialist Trainee	RC-062-11	26928
Meteorologist	RC-062-18	27120
Methods and Procedures Advisor I	RC-062-14	27131
Methods and Procedures Advisor II	RC-062-16	27132
Methods and Procedures Career Associate I	RC-062-11	27135
Methods and Procedures Career Associate II	RC-062-12	27136
Methods and Procedures Career Associate Trainee	RC-062-09	27137
Metrologist Associate	RC-062-14	27146
Microbiologist I	RC-062-16	27151
Microbiologist II	RC-062-19	27152
Natural Resources Coordinator	RC-062-15	28831
Natural Resources Specialist	RC-062-18	28832
Natural Resources Advanced Specialist	RC-062-20	28833
Network Control Center Specialist	RC-062-21	28873
Network Control Center Technician I	RC-062-13	28875
Network Control Center Technician II	RC-062-16	28876
Network Control Center Technician Trainee	RC-062-10	28879
Paralegal Assistant	RC-062-14	30860
Police Training Specialist	RC-062-17	32990
Property Consultant	RC-062-15	34900
Property Tax Analyst I	RC-062-12	34921
Property Tax Analyst II	RC-062-14	34922
Public Aid Appeals Advisor	RC-062-18	35750
Public Aid Family Support Specialist I	RC-062-17	35841
Public Aid Investigator	RC-062-19	35870
Public Aid Investigator Trainee	RC-062-14	35874
Public Aid Lead Casework Specialist	RC-062-17	35880
Public Aid Program Quality Analyst	RC-062-19	35890
Public Aid Quality Control Reviewer	RC-062-17	35892

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Public Aid Staff Development Specialist I	RC-062-15	36071
Public Aid Staff Development Specialist II	RC-062-17	36072
Public Health Educator Associate	RC-062-14	36434
Public Health Program Specialist I	RC-062-14	36611
Public Health Program Specialist II	RC-062-16	36612
Public Health Program Specialist Trainee	RC-062-12	36615
Public Information Officer I	RC-062-12	37001
Public Information Officer II	RC-062-14	37002
Railroad Safety Specialist I	RC-062-19	37601
Railroad Safety Specialist II	RC-062-21	37602
Railroad Safety Specialist III	RC-062-23	37603
Railroad Safety Specialist IV	RC-062-25	37604
Real Estate Investigator	RC-062-19	37730
Recreation Worker I	RC-062-12	38001
Recreation Worker II	RC-062-14	38002
Rehabilitation Counselor	RC-062-17	38145
Rehabilitation Counselor Senior	RC-062-19	38158
Rehabilitation Counselor Trainee	RC-062-15	38159
Rehabilitation Services Advisor I	RC-062-20	38176
Rehabilitation Workshop Supervisor I	RC-062-12	38194
Rehabilitation Workshop Supervisor II	RC-062-14	38195
Reimbursement Officer I	RC-062-14	38199
Reimbursement Officer II	RC-062-16	38200
Research Economist I	RC-062-18	38207
Research Scientist I	RC-062-13	38231
Research Scientist II	RC-062-16	38232
Research Scientist III	RC-062-20	38233
Resource Planner I	RC-062-17	38281
Resource Planner II	RC-062-19	38282
Resource Planner III	RC-062-22	38283
Revenue Auditor I	RC-062-16	38371
Revenue Auditor II	RC-062-19	38372
Revenue Auditor III	RC-062-21	38373
Revenue Auditor III (Eff. 07-01-01)	RC-062-22	38373
Revenue Auditor Trainee	RC-062-12	38375
Revenue Collection Officer I	RC-062-15	38401
Revenue Collection Officer II	RC-062-17	38402
Revenue Collection Officer III	RC-062-19	38403
Revenue Collection Officer Trainee	RC-062-12	38405
Revenue Senior Special Agent	RC-062-23	38557

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Revenue Special Agent	RC-062-19	38558
Revenue Special Agent Trainee	RC-062-14	38565
Revenue Tax Specialist I	RC-062-12	38571
Revenue Tax Specialist II	RC-062-14	38572
Revenue Tax Specialist III	RC-062-17	38573
Revenue Tax Specialist Trainee	RC-062-10	38575
Site Interpretive Coordinator	RC-062-13	41093
Site Services Specialist I	RC-062-15	41117
Site Services Specialist II	RC-062-17	41118
Site Assistant Superintendent I	RC-062-15	41071
Site Assistant Superintendent II	RC-062-17	41072
Social Service Consultant I	RC-062-18	41301
Social Service Consultant II	RC-062-19	41302
Social Service Program Planner I	RC-062-15	41311
Social Service Program Planner II	RC-062-17	41312
Social Service Program Planner III	RC-062-20	41313
Social Service Program Planner IV	RC-062-22	41314
Social Services Career Trainee	RC-062-12	41320
Social Worker I	RC-062-15	41411
Social Worker I (Eff. 07-01-01)	RC-062-16	41411
Staff Development Technician I	RC-062-12	41781
State Police Field Specialist I	RC-062-18	42001
State Police Field Specialist II	RC-062-20	42002
Statistical Research Specialist I	RC-062-12	42741
Statistical Research Specialist II	RC-062-14	42742
Statistical Research Specialist III	RC-062-17	42743
Storage Tank Safety Specialist	RC-062-18	43005
Substance Abuse Specialist I	RC-062-17	43251
Substance Abuse Specialist II	RC-062-19	43252
Substance Abuse Specialist III	RC-062-22	43253
Telecommunications Systems Analyst	RC-062-17	45308
Telecommunications Systems Technician I	RC-062-10	45312
Telecommunications Systems Technician II	RC-062-13	45313
Unemployment Insurance Adjudicator I	RC-062-11	47001
Unemployment Insurance Adjudicator II	RC-062-13	47002
Unemployment Insurance Adjudicator III	RC-062-15	47003
Unemployment Insurance Revenue Analyst I	RC-062-15	47081
Unemployment Insurance Revenue Analyst II	RC-062-17	47082
Unemployment Insurance Revenue Specialist	RC-062-13	47087
Unemployment Insurance Special Agent I	RC-062-15	47091

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

Unemployment Insurance Special Agent II	RC-062-17	47092
Veterans Educational Specialist I	RC-062-15	47681
Veterans Educational Specialist II	RC-062-17	47682
Veterans Educational Specialist III	RC-062-21	47683
Veterans Employment Representative I	RC-062-14	47701
Veterans Employment Representative II	RC-062-16	47702
Vocational Assessment Specialist	RC-062-18	48160
Volunteer Services Coordinator I	RC-062-13	48481
Volunteer Services Coordinator II	RC-062-16	48482
Wage Claims Specialist	RC-062-09	48770
Weatherization Specialist I	RC-062-14	49101
Weatherization Specialist II	RC-062-17	49102
Weatherization Specialist III	RC-062-20	49103
Weatherization Specialist Trainee	RC-062-12	49105

Effective July 1, 2003

## S T E P S

	1c	1b	1a	1	2	3	4	5	6	7	8	Eff. 1/1/04 8
RC-062-09	2161	2214	2268	2324	2396	2474	2549	2630	2709	2836	2893	2921
RC-062-09a	2214	2268	2324	2382	2456	2536	2614	2700	2781	2913	2971	3000
RC-062-09m	2265	2320	2376	2433	2507	2588	2668	2753	2835	2968	3027	3057
RC-062-10	2229	2284	2341	2399	2486	2561	2645	2728	2814	2957	3016	3046
RC-062-10a	2284	2341	2399	2459	2549	2627	2714	2801	2889	3041	3102	3132
RC-062-10m	2335	2392	2451	2510	2600	2680	2768	2854	2945	3099	3161	3192
RC-062-11	2310	2367	2426	2487	2573	2656	2751	2842	2930	3085	3147	3178
RC-062-11a	2367	2426	2487	2550	2640	2727	2824	2919	3012	3174	3237	3269
RC-062-11m	2419	2478	2538	2601	2694	2780	2878	2974	3070	3231	3296	3328
RC-062-12	2400	2460	2522	2586	2681	2771	2874	2968	3077	3243	3308	3340
RC-062-12a	2460	2522	2586	2654	2752	2844	2954	3053	3166	3337	3404	3437
RC-062-12m	2512	2573	2638	2707	2806	2898	3010	3111	3224	3397	3465	3499
RC-062-12H	14.77	15.14	15.52	15.91	16.50	17.05	17.69	18.26	18.94	19.96	20.36	20.55

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

RC-062-12Ha	15.14	15.52	15.91	16.33	16.94	17.50	18.18	18.79	19.48	20.54	20.95	21.15
RC-062-12Hm	15.46	15.83	16.23	16.66	17.27	17.83	18.52	19.14	19.84	20.90	21.32	21.53
RC-062-13	2487	2550	2616	2684	2783	2889	2998	3108	3223	3403	3471	3505
RC-062-13a	2550	2616	2684	2755	2857	2969	3085	3197	3316	3505	3575	3610
RC-062-13m	2601	2669	2738	2809	2912	3026	3143	3255	3376	3565	3636	3672
RC-062-14	2588	2656	2727	2800	2907	3020	3152	3267	3391	3588	3660	3696
RC-062-14a	2656	2727	2800	2875	2988	3108	3243	3364	3493	3696	3770	3807
RC-062-14m	2709	2780	2853	2930	3045	3165	3301	3423	3552	3755	3830	3868
RC-062-14H	15.93	16.34	16.78	17.23	17.89	18.58	19.40	20.10	20.87	22.08	22.52	22.74
RC-062-14Ha	16.34	16.78	17.23	17.69	18.39	19.13	19.96	20.70	21.50	22.74	23.20	23.43
RC-062-14Hm	16.67	17.11	17.56	18.03	18.74	19.48	20.31	21.06	21.86	23.11	23.57	23.80
RC-062-15	2688	2760	2834	2911	3038	3164	3288	3423	3550	3763	3838	3876
RC-062-15a	2760	2834	2911	2992	3125	3255	3386	3527	3656	3875	3953	3991
RC-062-15m	2813	2887	2966	3049	3183	3312	3447	3585	3715	3935	4014	4053
RC-062-16	2808	2883	2963	3047	3184	3324	3463	3607	3751	3973	4052	4092
RC-062-16a	2883	2963	3047	3136	3276	3424	3568	3714	3864	4092	4174	4215
RC-062-16m	2939	3020	3105	3193	3335	3484	3628	3774	3924	4151	4234	4276
RC-062-17	2932	3015	3102	3192	3340	3494	3642	3789	3943	4178	4262	4303
RC-062-17a	3015	3102	3192	3284	3440	3599	3750	3903	4061	4304	4390	4433
RC-062-17m	3072	3160	3250	3343	3501	3660	3811	3963	4120	4364	4451	4495
RC-062-18	3082	3171	3262	3359	3522	3686	3853	4011	4172	4421	4509	4554
RC-062-18a	3171	3262	3359	3460	3630	3797	3970	4133	4297	4553	4644	4690
RC-062-18m	3228	3320	3420	3518	3689	3857	4029	4192	4358	4612	4704	4750
RC-062-19	3244	3338	3437	3541	3722	3897	4079	4249	4427	4695	4789	4836
RC-062-19a	3338	3437	3541	3647	3833	4012	4202	4377	4561	4836	4933	4981
RC-062-19m	3398	3499	3602	3707	3894	4073	4261	4438	4621	4895	4993	5042
RC-062-20	3425	3529	3634	3742	3931	4114	4309	4496	4681	4967	5066	5116
RC-062-20a	3529	3634	3742	3854	4049	4238	4439	4630	4822	5117	5219	5271
RC-062-20m	3587	3694	3802	3914	4108	4297	4498	4690	4882	5175	5279	5330
RC-062-21	3616	3725	3837	3950	4153	4354	4558	4766	4964	5273	5378	5431

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

RC-062-21a	3725	3837	3950	4068	4279	4484	4695	4908	5113	5432	5541	5595
RC-062-21m	3785	3897	4010	4130	4338	4544	4755	4968	5172	5491	5601	5656
RC-062-22	3822	3937	4056	4177	4394	4609	4827	5050	5261	5587	5699	5755
RC-062-22a	3937	4056	4177	4302	4526	4748	4971	5201	5419	5755	5870	5928
RC-062-22m	3997	4114	4237	4363	4584	4808	5029	5260	5480	5815	5931	5989
RC-062-23	4056	4177	4302	4430	4665	4904	5137	5374	5608	5959	6078	6138
RC-062-23a	4177	4302	4430	4565	4806	5052	5290	5534	5775	6137	6260	6321
RC-062-23m	4237	4363	4491	4624	4865	5111	5350	5594	5835	6197	6321	6383
RC-062-24	4315	4444	4577	4715	4966	5225	5476	5729	5988	6363	6490	6554
RC-062-24a	4444	4577	4715	4858	5116	5381	5641	5901	6167	6555	6686	6752
RC-062-24m	4504	4637	4775	4918	5174	5440	5700	5961	6228	6614	6746	6812
RC-062-25	4599	4737	4879	5025	5301	5580	5858	6137	6416	6828	6965	7033
RC-062-25a	4737	4879	5025	5175	5460	5746	6034	6322	6608	7032	7173	7243
RC-062-25m	4798	4938	5086	5235	5520	5805	6093	6381	6667	7092	7234	7305

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

**Section 310. ~~APPENDIX~~ Appendix B Schedule of Salary Grades – Monthly Rates of Pay  
for Fiscal Year ~~2004~~ 2003**

Salary Grade	Step 1c	Step 1b	Step 1a	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1	1663	1704	1746	1789	1835	1877	1922	1974	2018	2098	<del>2140</del> <del>2119</del> <del>01/03</del> <del>-2140</del>
2	1705	1747	1790	1835	1877	1922	1976	2024	2072	2153	<del>2196</del> <del>2175</del> <del>01/03</del> <del>-2196</del>
3	1743	1786	1831	1877	1922	1977	2027	2076	2127	2221	<del>2265</del> <del>2243</del> <del>01/03</del> <del>-2265</del>
4	1784	1829	1875	1922	1977	2031	2080	2141	2190	2288	<del>2334</del> <del>2311</del> <del>01/03</del> <del>2334</del>
5	1835	1881	1928	1977	2033	2091	2148	2202	2258	2358	<del>2402</del> <del>2379</del> <del>01/03</del> <del>-2402</del>
6	1886	1934	1983	2033	2092	2150	2214	2273	2337	2440	<del>2489</del> <del>2464</del> <del>01/03</del> <del>-2489</del>
7	1940	1989	2040	2092	2153	2219	2284	2349	2417	2530	<del>2581</del> <del>2555</del> <del>01/03</del> <del>-2581</del>
8	1996	2047	2099	2153	2224	2293	2369	2435	2508	2626	<del>2679</del> <del>2652</del> <del>01/03</del> <del>-2679</del>
9	2061	2114	2168	2224	2296	2374	2449	2529	2605	2727	<del>2782</del> <del>2754</del> <del>01/03</del>

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

10	2129	2184	2241	2299	2386	2461	2543	2623	2706	2843	<del>2782</del> <u>2900</u> <del>2871</del> 01/03 <del>2900</del>
11	2210	2267	2326	2387	2473	2554	2645	2733	2817	2966	<u>3025</u> <del>2996</del> 01/03 <del>3025</del>
12	2300	2360	2422	2486	2578	2664	2763	2854	2959	3118	<u>3180</u> <del>3149</del> 01/03 <del>3180</del>
13	2387	2450	2515	2581	2676	2778	2883	2988	3099	3272	<u>3337</u> <del>3305</del> 01/03 <del>3337</del>
14	2488	2554	2622	2692	2795	2904	3031	3141	3261	3450	<u>3519</u> <del>3485</del> 01/03 <del>3519</del>
15	2585	2654	2725	2799	2921	3042	3162	3291	3413	3618	<u>3690</u> <del>3654</del> 01/03 <del>3690</del>
16	2700	2772	2849	2930	3062	3196	3330	3468	3607	3820	<u>3896</u> <del>3858</del> 01/03 <del>3896</del>
17	2819	2899	2983	3069	3212	3360	3502	3643	3791	4017	<u>4097</u> <del>4057</del> 01/03 <del>4097</del>
18	2963	3049	3137	3230	3387	3544	3705	3857	4012	4251	<u>4336</u> <del>4294</del> 01/03 <del>4336</del>
19	3119	3210	3305	3405	3579	3747	3922	4086	4257	4514	<u>4604</u> <del>4559</del> 01/03

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF ADOPTED AMENDMENTS

20	3293	3393	3494	3598	3780	3956	4143	4323	4501	4776	<del>4604</del> <u>4872</u> <del>4824</del> 01/03 <del>4872</del> <u>5171</u>
21	3477	3582	3689	3798	3993	4187	4383	4583	4773	5070	<del>5121</del> 01/03 <del>5171</del> <u>5479</u>
22	3675	3786	3900	4016	4225	4432	4641	4856	5059	5372	<del>5426</del> 01/03 <del>5479</del> <u>5845</u>
23	3900	4016	4137	4260	4486	4715	4939	5167	5392	5730	<del>5787</del> 01/03 <del>5845</del> <u>6240</u>
24	4149	4273	4401	4534	4775	5024	5265	5509	5758	6118	<del>6179</del> 01/03 <del>6240</del> <u>6696</u>
25	4422	4555	4691	4832	5097	5365	5633	5901	6169	6565	<del>6631</del> 01/03 <del>6696</del>

Schedule of Salary Grades (Alternative Retirement Formula only)

– Monthly Rates of Pay for Fiscal Year ~~2004~~2003

Salary Grade	Step 1c	Step 1b	Step 1a	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1a	1704	1746	1789	1834	1881	1924	1971	2024	2070	2152	<u>2195</u> <del>2174</del> 01/03 <del>2195</del> <u>2253</u>
2a	1747	1790	1835	1881	1924	1971	2026	2076	2125	2209	<del>2231</del> 01/03 <del>2253</del> <u>2325</u>
3a	1786	1831	1877	1924	1971	2027	2079	2129	2182	2279	<u>2325</u>

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

4a	1829	1875	1922	1971	2027	2083	2133	2196	2247	2348	<del>2302</del> <del>01/03:</del> <del>2325</del> <del>2395</del> <del>2371</del> <del>01/03</del> <del>:2395</del>
5a	1881	1928	1977	2027	2085	2145	2203	2259	2317	2417	<del>2465</del> <del>2441</del> <del>01/03:</del> <del>2465</del>
6a	1934	1983	2033	2085	2146	2206	2271	2332	2398	2405	<del>2554</del> <del>2529</del> <del>01/03:</del> <del>2554</del>
7a	1989	2040	2092	2146	2209	2277	2344	2410	2481	2597	<del>2649</del> <del>2623</del> <del>01/03:</del> <del>2649</del>
8a	2047	2099	2153	2209	2282	2353	2431	2499	2574	2696	<del>2750</del> <del>2723</del> <del>01/03:</del> <del>2750</del>
9a	2114	2168	2224	2282	2356	2436	2513	2596	2674	2801	<del>2857</del> <del>2829</del> <del>01/03:</del> <del>2857</del>
10a	2184	2241	2299	2359	2449	2526	2610	2693	2778	2924	<del>2982</del> <del>2953</del> <del>01/03:</del> <del>2982</del>
11a	2267	2326	2387	2450	2538	2622	2715	2807	2896	3052	<del>3113</del> <del>3083</del> <del>01/03:</del> <del>3113</del>
12a	2360	2422	2486	2552	2646	2735	2840	2936	3044	3209	<del>3273</del> <del>3241</del> <del>01/03:</del> <del>3273:</del>
13a	2450	2515	2581	2649	2747	2855	2966	3074	3188	3370	<del>3437</del>

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

											404
											<del>01/03:</del>
											3437
14a	2554	2622	2692	2764	2873	2988	3118	3235	3359	3554	<del>3625</del>
											3590
											<del>01/03:</del>
											3625
15a	2654	2725	2799	2877	3005	3130	3256	3391	3515	3726	<del>3801</del>
											3763
											<del>01/03:</del>
											3801
16a	2772	2849	2930	3015	3150	3292	3431	3571	3715	3935	<del>4014</del>
											3974
											<del>01/03:</del>
											4014
17a	2899	2983	3069	3158	3308	3461	3606	3753	3905	4138	<del>4221</del>
											4179
											<del>01/03:</del>
											4221
18a	3049	3137	3230	3327	3490	3651	3817	3974	4132	4378	<del>4466</del>
											4422
											<del>01/03:</del>
											4466
19a	3210	3305	3405	3507	3686	3858	4040	4209	4386	4650	<del>4743</del>
											4697
											<del>01/03:</del>
											4743
20a	3393	3494	3598	3706	3893	4075	4268	4452	4637	4920	<del>5018</del>
											4969
											<del>01/03:</del>
											5018
21a	3582	3689	3798	3912	4114	4312	4514	4719	4916	5223	<del>5327</del>
											5275
											<del>01/03:</del>
											5327
22a	3786	3900	4016	4137	4352	4565	4780	5001	5211	5534	<del>5645</del>
											5589
											<del>01/03:</del>
											5645
23a	4016	4137	4260	4389	4621	4858	5087	5321	5553	5901	<del>6019</del>

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF ADOPTED AMENDMENTS

24a	4273	4401	4534	4671	4919	5174	5424	5674	5930	6303	5960 <del>01/03:</del> 6019 6429 6366 <del>01/03:</del> 6429
25a	4555	4691	4832	4976	5250	5525	5802	6079	6354	6762	6897 6830 <del>01/03:</del> 6897

Schedule of Salary Grades (Maximum Security Institutions)  
for Fiscal Year ~~2004~~ 2003

Salary Grade	Step 1c	Step 1b	Step 1a	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1m	1755	1798	1841	1885	1933	1976	2022	2076	2121	2203	2247 <del>2225</del> <del>01/03:</del> 2247
2m	1799	1842	1886	1933	1976	2022	2078	2127	2177	2260	2305 <del>2283</del> <del>01/03:</del> 2305
3m	1838	1882	1928	1976	2022	2079	2130	2181	2233	2330	2377 <del>2353</del> <del>01/03:</del> 2377
4m	1880	1926	1974	2022	2079	2134	2185	2248	2298	2399	2447 <del>2423</del> <del>01/03:</del> 2447
5m	1933	1980	2028	2079	2136	2196	2255	2311	2368	2468	2517 <del>2493</del> <del>01/03:</del> 2517
6m	1985	2035	2085	2136	2197	2257	2323	2384	2450	2556	2607 <del>2582</del> <del>01/03:</del> 2607

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

7m	2041	2091	2144	2197	2260	2328	2395	2462	2532	2648	<del>2701</del> <del>2674</del> <del>01/03:</del> <del>2701</del>
8m	2098	2151	2204	2260	2333	2404	2483	2551	2626	2747	<del>2802</del> <del>2774</del> <del>01/03:</del> <del>2802</del>
9m	2165	2220	2276	2333	2407	2488	2565	2647	2726	2854	<del>2911</del> <del>2883</del> <del>01/03:</del> <del>2911</del>
10m	2235	2292	2351	2410	2500	2577	2662	2744	2832	2980	<del>3040</del> <del>3010</del> <del>01/03:</del> <del>3040</del>
11m	2319	2378	2438	2501	2590	2673	2767	2860	2952	3107	<del>3169</del> <del>3138</del> <del>01/03:</del> <del>3169</del>
12m	2412	2473	2537	2603	2698	2787	2894	2991	3100	3266	<del>3331</del> <del>3299</del> <del>01/03:</del> <del>3331</del>
13m	2501	2566	2633	2701	2800	2910	3022	3130	3246	3428	<del>3497</del> <del>3462</del> <del>01/03:</del> <del>3497</del>
14m	2605	2673	2743	2817	2928	3043	3174	3291	3415	3611	<del>3683</del> <del>3647</del> <del>01/03:</del> <del>3683</del>
15m	2705	2776	2852	2932	3061	3185	3314	3447	3572	3784	<del>3860</del> <del>3822</del> <del>01/03:</del> <del>3860</del>
16m	2826	2904	2986	3070	3207	3350	3488	3629	3773	3991	<del>4071</del> <del>4031</del> <del>01/03:</del> <del>4071</del>

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

17m	2954	3038	3125	3214	3366	3519	3664	3811	3962	4196	<del>4280</del> <del>4238</del> <del>01/03:</del> <del>4280</del>
18m	3104	3192	3288	3383	3547	3709	3874	4031	4190	4435	<del>4524</del> <del>4479</del> <del>01/03:</del> <del>4524</del>
19m	3267	3364	3463	3564	3744	3916	4097	4267	4443	4707	<del>4801</del> <del>4754</del> <del>01/03:</del> <del>4801</del>
20m	3449	3552	3656	3763	3950	4132	4325	4510	4694	4976	<del>5076</del> <del>5026</del> <del>01/03:</del> <del>5076</del>
21m	3639	3747	3856	3971	4171	4369	4572	4777	4973	5280	<del>5386</del> <del>5333</del> <del>01/03:</del> <del>5386</del>
22m	3843	3956	4074	4195	4408	4623	4836	5058	5269	5591	<del>5703</del> <del>5647</del> <del>01/03:</del> <del>5703</del>
23m	4074	4195	4318	4446	4678	4914	5144	5379	5611	5959	<del>6078</del> <del>6019</del> <del>01/03:</del> <del>6078</del>
24m	4331	4459	4591	4729	4975	5231	5481	5732	5988	6360	<del>6487</del> <del>6424</del> <del>01/03:</del> <del>6487</del>
25m	4613	4748	4890	5034	5308	5582	5859	6136	6411	6819	<del>6955</del> <del>6887</del> <del>01/03:</del> <del>6955</del>

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

**Section 310. ~~APPENDIX~~Appendix C Medical Administrator Rates for Fiscal Year ~~2003~~ 2004**

<u>Title</u>	<u>Minimum Salary</u>	<u>Midpoint Salary</u>	<u>Maximum Salary</u>
Medical Administrator I, Option C	8090	9843	11596
Medical Administrator I, Option D	9035	10837	12639
Medical Administrator II, Option C	8743	10528	12313
Medical Administrator II, Option D	10039	11903	13767
Medical Administrator III	10396	12438	14480
Medical Administrator IV	10564	12606	14648
Medical Administrator V	10734	12778	14822

The rates of pay for physicians occupying or appointed to a position in the Medical Administrator classes shall be as listed in the above schedule. All provisions of Subpart C of the Pay Plan, Merit Compensation System will apply to the Medical Administrator positions.

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

**Section 310. ~~APPENDIX~~Appendix D Merit Compensation System Salary Schedule for Fiscal Year ~~2004~~ 2003**

<u>Salary Range</u>	<u>Minimum Salary</u>	<u>Midpoint Salary</u>	<u>Maximum Salary</u>
MC 01	2142	2904	3666
MC 02	2235	3053	3871
MC 03	2343	3230	4117
MC 04	2449	3381	4313
MC 05	2571	3581	4591
MC 06	2702	3759	4816
MC 07	2843	3984	5125
MC 08	2996	4227	5458
MC 09	3167	4463	5759
MC 10	3346	4752	6158
MC 11	3534	5046	6558
MC 12	3753	5384	7015
MC 13	4008	5755	7502
MC 14	4286	6179	8072
MC 15	4600	6624	8648
MC 16	4925	7116	9307
MC 17	5314	7681	10048
MC 18	5728	8015	10302
MC 19	6187	8364	10541

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

## NOTICE OF ADOPTED AMENDMENTS

**Section 310. ~~APPENDIX~~Appendix G Broad-Band Pay Range Classes Salary Schedule for Fiscal Year ~~2004~~ 2003**

<u>Title</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
Health Information Administrator	2571	5125
Human Resources Representative	2235	4313
Human Resources Specialist	2571	5125
Public Service Administrator	2996	6558
Residential Services Supervisor	2235	4313
Senior Public Service Administrator	4130	9705
Site Superintendent	2571	5125

(Source: Amended at 28 Ill. Reg. 2680, effective January 22, 2004)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Practice in Administrative Hearings
- 2) Code Citation: 89 Ill. Adm. Code 104
- 3) Section Number: 104.208                      Adopted Action: Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendment: February 1, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted amendment, including any materials incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register: September 5, 2003 (27 Ill. Reg. 14294)
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences Between Proposal and Final Version:

In Section 104.208(b), the new text, "other than 89 Ill. Adm. code 140.16(a)(7)", has been deleted.

No other substantive changes have been made in the text of the proposed amendments.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this amendment replace any emergency amendments currently in effect? No
- 14) Are there any other amendments pending on this Part? No
- 15) Summary and Purpose of Amendment: These amendments implement Public Act 92-0789 as it pertains to the termination of vendors of non-emergency transportation under the Medical Assistance Program. The Department may terminate such transportation

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENT

vendors from participation in the Program prior to an evidentiary hearing but only after reasonable notice and an opportunity for the vendor to respond.

- 16) Information and questions regarding this adopted amendment shall be directed to:

Joanne Scattoloni  
Office of the General Counsel, Rules Section  
Illinois Department of Public Aid  
201 South Grand Avenue East, Third Floor  
Springfield, Illinois 62763-0002  
(217) 524-0081

The full text of the adopted amendment begins on the next page:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF PUBLIC AID  
SUBCHAPTER a: GENERAL PROVISIONSPART 104  
PRACTICE IN ADMINISTRATIVE HEARINGS

## SUBPART A: ASSISTANCE APPEALS

Section	
104.1	Assistance Appeals
104.10	Initiation of Appeal Process
104.11	Pre-Appeal Review
104.12	Notice of Hearing
104.20	Conduct of Hearings
104.21	Representation
104.22	Appellant Participation in Hearing
104.23	Evidentiary Requirements
104.30	Subpoenas
104.35	Amendment of Appeal
104.40	Consolidation of Appeals
104.45	Postponement or Continuation of Hearings
104.50	Withdrawal of Appeal
104.55	Closing of Hearing Record
104.60	Dismissal of Appeal
104.70	Final Administrative Decision
104.80	Public Aid Committee

## SUBPART B: RESPONSIBLE RELATIVE AND JOINT PAYEE PETITIONS

Section	
104.100	Support Order, Responsible Relative and Joint Payee Petitions
104.101	Petition for Hearing
104.102	Conduct of Administrative Support Hearings
104.103	Conduct of Hearings to Contest the Determination of Past-Due Support or of Share of Jointly-Owned Federal or State Income Tax Refunds or Other Joint Federal or State Payments
104.104	Conduct of Other Hearings
104.105	Conduct of Hearings on Petitions for Release from Administrative Paternity

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

## Orders

- 104.110 Conduct of Hearings on Joint Owner's Contest of Levy of Jointly-Owned Personal Property

## SUBPART C: MEDICAL VENDOR HEARINGS

## Section

- 104.200 Applicability  
104.202 Definitions  
104.204 Notice of Denial of An Application  
104.206 Notice of Intent to Recover Money  
104.207 Notice of Contested Paternity Hearing  
104.208 Notice of Intent to Terminate, Suspend or Not Renew Provider Agreement  
104.209 Notice of Intent to Certify Past-Due Support Owed by a Responsible Relative to, or Failure to Comply with a Subpoena or Warrant from, a State Licensing Agency and to Take Disciplinary Action  
104.210 Right to Hearing  
104.211 Notice of Termination or Suspension Pursuant to Exclusion by the Department of Health and Human Services  
104.212 Prior Factual Determinations  
104.213 Demand for Judicial Determination of the Existence of the Father and Child Relationship  
104.215 Notice of Formal Conference  
104.216 Formal Conference on Recovery of Money  
104.217 Purpose of Formal Conference  
104.220 Notice of Hearing  
104.221 Issues at Hearings  
104.225 Legal Counsel  
104.226 Appearance of Attorney or Other Representative  
104.230 Notice, Service and Proof of Service  
104.231 Form of Papers  
104.235 Discovery  
104.240 Conduct of Hearings  
104.241 Amendments  
104.242 Motions  
104.243 Subpoenas  
104.244 Burden of Proof  
104.245 Witness at Hearings  
104.246 Evidence at Hearings

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

104.247	Cross-Examination
104.248	Disqualification of Hearing Officers
104.249	Genetic Testing in Contested Paternity Hearings
104.250	Official Notice
104.255	Computer Generated Documents
104.260	Recommendation of Peer Review Committee
104.270	Time Limits for Hearings
104.271	Continuances and Extensions
104.272	Withholding of Payments During Pendency of Proceedings
104.273	Continuation of Payments During Pendency of Proceedings
104.274	Denial of Payments for Services During Pendency of Proceedings
104.280	Record of Hearings
104.285	Failure to Appear or Proceed
104.290	Recommended Decision
104.295	Director's Decision

SUBPART D: RULES FOR JOINT DEPARTMENT ACTIONS AGAINST  
SKILLED NURSING FACILITIES AND INTERMEDIATE CARE  
FACILITIES PARTICIPATING IN THE MEDICAID PROGRAM

## Section

104.300	Authority
104.302	Definitions
104.304	Department Actions Against Nursing Homes Facilities
104.310	Certification
104.320	Joint Administrative Hearing
104.330	Facilities Certified Under Both Medicare and Medicaid

SUBPART E: FOOD STAMP ADMINISTRATIVE DISQUALIFICATION HEARINGS

## Section

104.400	Suspected Intentional Violation of the Program
104.410	Advance Notice of Administrative Disqualification Hearing
104.420	Postponement of Hearing
104.430	Administrative Disqualification Hearing Procedures
104.440	Failure to Appear
104.450	Participation While Awaiting a Hearing
104.460	Consolidation of Administrative Disqualification Hearing with Fair Hearing
104.470	Administrative Disqualification Hearing Decision and Notice of Decision

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

104.480 Appeal Procedure

## SUBPART F: INCORPORATION BY REFERENCE

## Section

104.800 Incorporation by Reference

AUTHORITY: Implementing Sections 11-8 through 11-8.7, 12-4.9 and 12-4.25 and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/11-8 through 11-8.7, 12-4.9, 12-4.25 and 12-13].

SOURCE: Filed and effective December 30, 1977; emergency rule at 2 Ill. Reg. 11, p. 151, effective March 9, 1978, for a maximum of 150 days; amended at 2 Ill. Reg. 21, p. 10, effective May 26, 1978; amended at 2 Ill. Reg. 33, p. 57, effective August 17, 1978; preemptory amendment at 3 Ill. Reg. 11, p. 38, effective March 1, 1979; amended at 4 Ill. Reg. 21, p.80, effective May 8, 1980; preemptory amendment at 5 Ill. Reg. 1197, effective January 23, 1981; amended at 5 Ill. Reg. 10753, effective October 1, 1981; amended at 6 Ill. Reg. 894, effective January 7, 1982; codified at 7 Ill. Reg. 5706; amended at 8 Ill. Reg. 5274, effective April 9, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 16979; amended at 8 Ill. Reg. 18114, effective September 21, 1984; amended at 10 Ill. Reg. 10129, effective June 1, 1986; amended at 11 Ill. Reg. 9213, effective April 30, 1987; amended at 12 Ill. Reg. 9142, effective May 16, 1988; amended at 13 Ill. Reg. 3944, effective March 10, 1989; amended at 13 Ill. Reg. 17013, effective October 16, 1989; amended at 14 Ill. Reg. 18836, effective November 9, 1990; amended at 15 Ill. Reg. 5320, effective April 1, 1991; amended at 15 Ill. Reg. 6557, effective April 30, 1991; amended at 16 Ill. Reg. 12903, effective August 15, 1992; amended at 16 Ill. Reg. 16632, effective October 23, 1992; amended at 16 Ill. Reg. 18834, effective December 1, 1992; emergency amendment at 17 Ill. Reg. 659, effective January 7, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 7025, effective April 30, 1993; amended at 18 Ill. Reg. 11260, effective July 1, 1994; amended at 19 Ill. Reg. 1321, effective January 30, 1995; emergency amendment at 19 Ill. Reg. 10268, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 15521, effective October 30, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15711, effective November 6, 1995; amended at 20 Ill. Reg. 1229, effective December 29, 1995; amended at 20 Ill. Reg. 5699, effective March 28, 1996; amended at 20 Ill. Reg. 14891, effective November 1, 1996; emergency amendment at 21 Ill. Reg. 8671, effective July 1, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 9306, effective July 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 13648, effective October 1, 1997; amended at 21 Ill. Reg. 14977, effective November 7, 1997; emergency amendment at 22 Ill. Reg. 17113, effective September 10, 1998, for a maximum of 150 days; amended at 23 Ill. Reg. 2393, effective January 22, 1999;

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

emergency amendment at 23 Ill. Reg. 11734, effective September 1, 1999, for a maximum of 150 days; amended at 24 Ill. Reg. 2418, effective January 27, 2000; amended at 25 Ill. Reg. 5351, effective April 1, 2001; amended at 26 Ill. Reg. 9836, effective June 26, 2002; emergency amendment at 26 Ill. Reg. 11022, effective July 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 12306, effective July 26, 2002; amended at 26 Ill. Reg. 17743, effective November 27, 2002; amended at 27 Ill. Reg. 5853, effective March 24, 2003; amended at 27 Ill. Reg. 13771, effective August 1, 2003; amended at 28 Ill. Reg. 2735, effective February 1, 2004.

## SUBPART C: MEDICAL VENDOR HEARINGS

**Section 104.208 Notice of Intent to Terminate, Suspend or Not Renew Provider Agreement**

- a) Except for actions brought jointly by the Department of Public Aid and the Department of Public Health pursuant to Section 104.300, the following provisions apply. If, in an action other than one under 89 Ill. Adm. Code 140.16(a)(2) or one under 89 Ill. Adm. Code 140.16(a)(9) based on a conviction for a violation of the Illinois Public Aid Code, the Department intends to terminate or suspend a vendor's eligibility to participate in the Medical Assistance Program, or terminate (or not renew) a vendor's provider agreement, it shall notify the vendor in writing, setting forth:
- 1) the reason for the Department's action,
  - 2) a statement of the right to request a hearing prior to the intended action taking effect,
  - 3) a statement of the time, place and nature of the hearing,
  - 4) a statement of the legal authority and jurisdiction under which the hearing is to be held, and
  - 5) a reference to the provisions of the statutes and rules involved.
- b) Except for actions brought jointly by the Department of Public Aid and the Department of Public Health pursuant to Section 104.300, the following provisions apply. If, in an action under 89 Ill. Adm. Code 140.16(a)(2), except in an action initiated pursuant to Section 104.211, an action ~~or one~~ under 89 Ill. Adm. Code 140.16(a)(9) based on a conviction for a violation of the Illinois Public Aid Code, or an action brought against a non-emergency transportation

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

vendor under 89 Ill. Adm. Code 140.16(a), the Department intends to terminate or suspend a vendor's eligibility to participate in the Medical Assistance Program, or terminate (or not renew) a vendor's provider agreement, it shall notify the vendor in writing, setting forth:

- 1) the reason for the Department's action,
  - 2) the effective date of the action,
  - 3) a statement that the vendor has the opportunity to respond prior to the effective date and a statement of how and to whom such a response should be made,
  - 4) a statement that the action will be effective on such date regardless of whether any hearing requested has been completed,
  - 5) a statement of the right to request a hearing,
  - 6) a statement of the time, place and nature of the hearing,
  - 7) a statement of the legal authority and jurisdiction under which the hearing is to be held, and
  - 8) a reference to the provisions of the statutes and rules involved.
- c) In an action brought jointly against a nursing home (not an ICF/MR facility) by the Illinois Department of Public Aid and the Illinois Department of Public Health pursuant to Section 104.300 in which the Department of Public Aid intends to terminate, suspend or deny the provider agreement, and the Department of Public Health intends to deny certification, the Departments shall notify the vendor in writing, setting forth:
- 1) the reason for the Department's action,
  - 2) the effective date of the action,
  - 3) a statement that the vendor has an opportunity to respond prior to the effective date and a statement of how and to whom such a response should be made,

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

- 4) a statement that the action will be effective on such date regardless of whether any hearing requested has been completed,
  - 5) a statement of the right to request a hearing,
  - 6) a statement that a hearing will be scheduled to take place within 30 days after receipt of a request for hearing,
  - 7) a statement of the legal authority and jurisdiction under which the hearing is to be held, and
  - 8) a reference to the Sections of the statutes and rules involved.
- d) In an action brought jointly against an ICF/MR facility by the Illinois Department of Public Aid and the Illinois Department of Public Health pursuant to Section 104.300 in which the Department of Public Aid intends to terminate, suspend or deny the provider agreement, and the Department of Public Health intends to deny certification, the Departments shall notify the vendor in writing, setting forth:
- 1) the reason for the Department's action,
  - 2) a statement of the right to request a hearing prior to the intended action taking effect,
  - 3) a statement that a hearing will be scheduled to take place within 30 days after receipt of a request for hearing,
  - 4) a statement of the legal authority and jurisdiction under which the hearing is to be held, and
  - 5) a reference to the provisions of the statutes and rules involved.
- e) The notice shall also inform the vendor, where applicable, that the final administrative decision of the Department could result in suspension for a specific period of time as well as termination.

(Source: Amended at 28 Ill. Reg. 2735, effective February 1, 2004)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Medical Payment
- 2) Code Citation: 89 Ill. Adm. Code 140
- 3) 

<u>Section Numbers:</u>	<u>Adopted Action:</u>
140.71	Amendment
140.492	Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendments: February 1, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any materials incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register:  
  
August 29, 2003 (27 Ill. Reg. 14065) – Section 140.71  
  
September 19, 2003 (27 Ill. Reg. 14776) – Section 140.492
- 10) Has JCAR issued a statement of objection to these amendments? No
- 11) Differences Between Proposal and Final Version: No substantive changes have been made in these proposed rulemakings. However, 2 separately proposed rulemakings were combined to make this one adopted rulemaking. (See #9 above.)
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will these amendments replace emergency amendments currently in effect?  
  
Yes - (27 Ill. Reg. 14065) – Section 140.71  
  
Yes - (27 Ill. Reg. 14776) – Section 140.492

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 14) Are there any other amendments pending on this Part? Yes

<u>Sections</u>	<u>Proposed Action</u>	<u>Illinois Register Citation</u>
140.11	Amendment	October 31, 2003 (27 Ill. Reg. 16385)
140.13	Amendment	October 31, 2003 (27 Ill. Reg. 16385)
140.19	Amendment	January 23, 2004 (28 Ill. Reg. 1330)
140.43	Amendment	October 31, 2003 (27 Ill. Reg. 16385)
140.450	Amendment	September 12, 2003 (27 Ill. Reg. 14384)
140.498	New Section	October 31, 2003 (27 Ill. Reg. 16385)

- 15) Summary and Purpose of Amendments:

**Section 140.71** (27 Ill. Reg. 14065) - Under these amendments, providers of hospital services that qualify to receive advance payments and expedited claims payments under Section 140.71, will be eligible to receive such payments that are related to Medicaid Percentage Adjustments. Companion amendments are being adopted in a new Section at 89 Ill. Adm. Code 148.122 under which Medicaid Percentage Adjustments are being established. Other changes in Section 140.71 provide clarifications on hospitals that qualify for advance and expedited claims payments as disproportionate share hospitals.

**Section 140.492** (27 Ill. Reg. 14776) - These amendments pertain to the Department's rules affecting medical transportation services for medical assistance recipients. The amendments add a new provision allowing the Department to adjust reimbursement for medical transportation services when such adjustments are necessary to ensure the availability of transportation to medical services. Under these changes, the Department will have the ability to quickly respond to issues concerning access to transportation services.

- 16) Information and questions regarding these adopted amendments shall be directed to:

Joanne Scattoloni  
Office of the General Counsel, Rules Section  
Illinois Department of Public Aid  
201 South Grand Avenue East, Third Floor  
Springfield, Illinois 62763-0002  
(217) 524-0081

The full text of the adopted amendments begins on the next page:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF PUBLIC AID  
SUBCHAPTER d: MEDICAL PROGRAMSPART 140  
MEDICAL PAYMENT

## SUBPART A: GENERAL PROVISIONS

## Section

- 140.1 Incorporation By Reference
- 140.2 Medical Assistance Programs
- 140.3 Covered Services Under Medical Assistance Programs
- 140.4 Covered Medical Services Under AFDC-MANG for non-pregnant persons who are 18 years of age or older (Repealed)
- 140.5 Covered Medical Services Under General Assistance
- 140.6 Medical Services Not Covered
- 140.7 Medical Assistance Provided to Individuals Under the Age of Eighteen Who Do Not Qualify for AFDC and Children Under Age Eight
- 140.8 Medical Assistance For Qualified Severely Impaired Individuals
- 140.9 Medical Assistance for a Pregnant Woman Who Would Not Be Categorically Eligible for AFDC/AFDC-MANG if the Child Were Already Born Or Who Do Not Qualify As Mandatory Categorically Needy
- 140.10 Medical Assistance Provided to Incarcerated Persons

## SUBPART B: MEDICAL PROVIDER PARTICIPATION

## Section

- 140.11 Enrollment Conditions for Medical Providers
- 140.12 Participation Requirements for Medical Providers
- 140.13 Definitions
- 140.14 Denial of Application to Participate in the Medical Assistance Program
- 140.15 Recovery of Money
- 140.16 Termination or Suspension of a Vendor's Eligibility to Participate in the Medical Assistance Program
- 140.17 Suspension of a Vendor's Eligibility to Participate in the Medical Assistance Program
- 140.18 Effect of Termination on Individuals Associated with Vendor
- 140.19 Application to Participate or for Reinstatement Subsequent to Termination, Suspension or Barring

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

140.20	Submittal of Claims
140.21	Reimbursement for QMB Eligible Medical Assistance Recipients and QMB Eligible Only Recipients and Individuals Who Are Entitled to Medicare Part A or Part B and Are Eligible for Some Form of Medicaid Benefits
140.22	Magnetic Tape Billings (Repealed)
140.23	Payment of Claims
140.24	Payment Procedures
140.25	Overpayment or Underpayment of Claims
140.26	Payment to Factors Prohibited
140.27	Assignment of Vendor Payments
140.28	Record Requirements for Medical Providers
140.30	Audits
140.31	Emergency Services Audits
140.32	Prohibition on Participation, and Special Permission for Participation
140.33	Publication of List of Terminated, Suspended or Barred Entities
140.35	False Reporting and Other Fraudulent Activities
140.40	Prior Approval for Medical Services or Items
140.41	Prior Approval in Cases of Emergency
140.42	Limitation on Prior Approval
140.43	Post Approval for items or Services When Prior Approval Cannot Be Obtained
140.55	Recipient Eligibility Verification (REV) System
140.71	Reimbursement for Medical Services Through the Use of a C-13 Invoice Voucher Advance Payment and Expedited Payments
140.72	Drug Manual (Recodified)
140.73	Drug Manual Updates (Recodified)

## SUBPART C: PROVIDER ASSESSMENTS

Section	
140.80	Hospital Provider Fund
140.82	Developmentally Disabled Care Provider Fund
140.84	Long Term Care Provider Fund
140.94	Medicaid Developmentally Disabled Provider Participation Fee Trust Fund/Medicaid Long Term Care Provider Participation Fee Trust Fund
140.95	Hospital Services Trust Fund
140.96	General Requirements (Recodified)
140.97	Special Requirements (Recodified)
140.98	Covered Hospital Services (Recodified)
140.99	Hospital Services Not Covered (Recodified)
140.100	Limitation On Hospital Services (Recodified)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 140.101 Transplants (Recodified)
- 140.102 Heart Transplants (Recodified)
- 140.103 Liver Transplants (Recodified)
- 140.104 Bone Marrow Transplants (Recodified)
- 140.110 Disproportionate Share Hospital Adjustments (Recodified)
- 140.116 Payment for Inpatient Services for GA (Recodified)
- 140.117 Hospital Outpatient and Clinic Services (Recodified)
- 140.200 Payment for Hospital Services During Fiscal Year 1982 (Recodified)
- 140.201 Payment for Hospital Services After June 30, 1982 (Repealed)
- 140.202 Payment for Hospital Services During Fiscal Year 1983 (Recodified)
- 140.203 Limits on Length of Stay by Diagnosis (Recodified)
- 140.300 Payment for Pre-operative Days and Services Which Can Be Performed in an Outpatient Setting (Recodified)
- 140.350 Copayments (Recodified)
- 140.360 Payment Methodology (Recodified)
- 140.361 Non-Participating Hospitals (Recodified)
- 140.362 Pre July 1, 1989 Services (Recodified)
- 140.363 Post June 30, 1989 Services (Recodified)
- 140.364 Prepayment Review (Recodified)
- 140.365 Base Year Costs (Recodified)
- 140.366 Restructuring Adjustment (Recodified)
- 140.367 Inflation Adjustment (Recodified)
- 140.368 Volume Adjustment (Repealed)
- 140.369 Groupings (Recodified)
- 140.370 Rate Calculation (Recodified)
- 140.371 Payment (Recodified)
- 140.372 Review Procedure (Recodified)
- 140.373 Utilization (Repealed)
- 140.374 Alternatives (Recodified)
- 140.375 Exemptions (Recodified)
- 140.376 Utilization, Case-Mix and Discretionary Funds (Repealed)
- 140.390 Subacute Alcoholism and Substance Abuse Services (Recodified)
- 140.391 Definitions (Recodified)
- 140.392 Types of Subacute Alcoholism and Substance Abuse Services (Recodified)
- 140.394 Payment for Subacute Alcoholism and Substance Abuse Services (Recodified)
- 140.396 Rate Appeals for Subacute Alcoholism and Substance Abuse Services (Recodified)
- 140.398 Hearings (Recodified)

## SUBPART D: PAYMENT FOR NON-INSTITUTIONAL SERVICES

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

## Section

140.400	Payment to Practitioners
140.402	Copayments for Noninstitutional Medical Services
140.405	SeniorCare Pharmaceutical Benefit
140.410	Physicians' Services
140.411	Covered Services By Physicians
140.412	Services Not Covered By Physicians
140.413	Limitation on Physician Services
140.414	Requirements for Prescriptions and Dispensing of Pharmacy Items - Physicians
140.416	Optometric Services and Materials
140.417	Limitations on Optometric Services
140.418	Department of Corrections Laboratory
140.420	Dental Services
140.421	Limitations on Dental Services
140.422	Requirements for Prescriptions and Dispensing Items of Pharmacy Items - Dentists
140.425	Podiatry Services
140.426	Limitations on Podiatry Services
140.427	Requirement for Prescriptions and Dispensing of Pharmacy Items - Podiatry
140.428	Chiropractic Services
140.429	Limitations on Chiropractic Services (Repealed)
140.430	Independent Clinical Laboratory Services
140.431	Services Not Covered by Independent Clinical Laboratories
140.432	Limitations on Independent Clinical Laboratory Services
140.433	Payment for Clinical Laboratory Services
140.434	Record Requirements for Independent Clinical Laboratories
140.435	Advanced Practice Nurse Services
140.436	Limitations on Advanced Practice Nurse Services
140.438	Imaging Centers
140.440	Pharmacy Services
140.441	Pharmacy Services Not Covered
140.442	Prior Approval of Prescriptions
140.443	Filling of Prescriptions
140.444	Compounded Prescriptions
140.445	Legend Prescription Items (Not Compounded)
140.446	Over-the-Counter Items
140.447	Reimbursement
140.448	Returned Pharmacy Items
140.449	Payment of Pharmacy Items

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 140.450 Record Requirements for Pharmacies
- 140.451 Prospective Drug Review and Patient Counseling
- 140.452 Mental Health Clinic Services
- 140.453 Definitions
- 140.454 Types of Mental Health Clinic Services
- 140.455 Payment for Mental Health Clinic Services
- 140.456 Hearings
- 140.457 Therapy Services
- 140.458 Prior Approval for Therapy Services
- 140.459 Payment for Therapy Services
- 140.460 Clinic Services
- 140.461 Clinic Participation, Data and Certification Requirements
- 140.462 Covered Services in Clinics
- 140.463 Clinic Service Payment
- 140.464 Hospital-Based and Encounter Rate Clinic Payments
- 140.465 Speech and Hearing Clinics (Repealed)
- 140.466 Rural Health Clinics (Repealed)
- 140.467 Independent Clinics
- 140.469 Hospice
- 140.470 Home Health Services
- 140.471 Home Health Covered Services
- 140.472 Types of Home Health Services
- 140.473 Prior Approval for Home Health Services
- 140.474 Payment for Home Health Services
- 140.475 Medical Equipment, Supplies, Prosthetic Devices and Orthotic Devices
- 140.476 Medical Equipment, Supplies, Prosthetic Devices and Orthotic Devices for Which Payment Will Not Be Made
- 140.477 Limitations on Equipment, Prosthetic Devices and Orthotic Devices
- 140.478 Prior Approval for Medical Equipment, Supplies, Prosthetic Devices and Orthotic Devices
- 140.479 Limitations, Medical Supplies
- 140.480 Equipment Rental Limitations
- 140.481 Payment for Medical Equipment, Supplies, Prosthetic Devices and Hearing Aids
- 140.482 Family Planning Services
- 140.483 Limitations on Family Planning Services
- 140.484 Payment for Family Planning Services
- 140.485 Healthy Kids Program
- 140.486 Limitations on Medichek Services (Repealed)
- 140.487 Healthy Kids Program Timeliness Standards
- 140.488 Periodicity Schedules, Immunizations and Diagnostic Laboratory Procedures

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

140.490	Medical Transportation
140.491	Limitations on Medical Transportation
140.492	Payment for Medical Transportation
140.493	Payment for Helicopter Transportation
140.494	Record Requirements for Medical Transportation Services
140.495	Psychological Services
140.496	Payment for Psychological Services
140.497	Hearing Aids

## SUBPART E: GROUP CARE

Section	
140.500	Long Term Care Services
140.502	Cessation of Payment at Federal Direction
140.503	Cessation of Payment for Improper Level of Care
140.504	Cessation of Payment Because of Termination of Facility
140.505	Informal Hearing Process for Denial of Payment for New ICF/MR
140.506	Provider Voluntary Withdrawal
140.507	Continuation of Provider Agreement
140.510	Determination of Need for Group Care
140.511	Long Term Care Services Covered By Department Payment
140.512	Utilization Control
140.513	Notification of Change in Resident Status
140.514	Certifications and Recertifications of Care (Repealed)
140.515	Management of Recipient Funds – Personal Allowance Funds
140.516	Recipient Management of Funds
140.517	Correspondent Management of Funds
140.518	Facility Management of Funds
140.519	Use or Accumulation of Funds
140.520	Management of Recipient Funds – Local Office Responsibility
140.521	Room and Board Accounts
140.522	Reconciliation of Recipient Funds
140.523	Bed Reserves
140.524	Cessation of Payment Due to Loss of License
140.525	Quality Incentive Program (QUIP) Payment Levels
140.526	Quality Incentive Standards and Criteria for the Quality Incentive Program (QUIP) (Repealed)
140.527	Quality Incentive Survey (Repealed)
140.528	Payment of Quality Incentive (Repealed)
140.529	Reviews (Repealed)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

140.530	Basis of Payment for Long Term Care Services
140.531	General Service Costs
140.532	Health Care Costs
140.533	General Administration Costs
140.534	Ownership Costs
140.535	Costs for Interest, Taxes and Rent
140.536	Organization and Pre-Operating Costs
140.537	Payments to Related Organizations
140.538	Special Costs
140.539	Reimbursement for Basic Nursing Assistant, Developmental Disabilities Aide, Basic Child Care Aide and Habilitation Aide Training and Nursing Assistant Competency Evaluation
140.540	Costs Associated With Nursing Home Care Reform Act and Implementing Regulations
140.541	Salaries Paid to Owners or Related Parties
140.542	Cost Reports – Filing Requirements
140.543	Time Standards for Filing Cost Reports
140.544	Access to Cost Reports (Repealed)
140.545	Penalty for Failure to File Cost Reports
140.550	Update of Operating Costs
140.551	General Service Costs Updates
140.552	Nursing and Program Costs
140.553	General Administrative Costs Updates
140.554	Component Inflation Index (Repealed)
140.555	Minimum Wage
140.560	Components of the Base Rate Determination
140.561	Support Costs Components
140.562	Nursing Costs
140.563	Capital Costs
140.565	Kosher Kitchen Reimbursement
140.566	Out-of-State Placement
140.567	Level II Incentive Payments (Repealed)
140.568	Duration of Incentive Payments (Repealed)
140.569	Clients With Exceptional Care Needs
140.570	Capital Rate Component Determination
140.571	Capital Rate Calculation
140.572	Total Capital Rate
140.573	Other Capital Provisions
140.574	Capital Rates for Rented Facilities
140.575	Newly Constructed Facilities (Repealed)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 140.576 Renovations (Repealed)
- 140.577 Capital Costs for Rented Facilities (Renumbered)
- 140.578 Property Taxes
- 140.579 Specialized Living Centers
- 140.580 Mandated Capital Improvements (Repealed)
- 140.581 Qualifying as Mandated Capital Improvement (Repealed)
- 140.582 Cost Adjustments
- 140.583 Campus Facilities
- 140.584 Illinois Municipal Retirement Fund (IMRF)
- 140.590 Audit and Record Requirements
- 140.642 Screening Assessment for Nursing Facility and Alternative Residential Settings and Services
- 140.643 In-Home Care Program
- 140.645 Home and Community Based Services Waivers for Medically Fragile, Technology Dependent, Disabled Persons Under Age 21
- 140.646 Reimbursement for Developmental Training (DT) Services for Individuals With Developmental Disabilities Who Reside in Long Term Care (ICF and SNF) and Residential (ICF/MR) Facilities
- 140.647 Description of Developmental Training (DT) Services
- 140.648 Determination of the Amount of Reimbursement for Developmental Training (DT) Programs
- 140.649 Effective Dates of Reimbursement for Developmental Training (DT) Programs
- 140.650 Certification of Developmental Training (DT) Programs
- 140.651 Decertification of Day Programs
- 140.652 Terms of Assurances and Contracts
- 140.680 Effective Date Of Payment Rate
- 140.700 Discharge of Long Term Care Residents
- 140.830 Appeals of Rate Determinations
- 140.835 Determination of Cap on Payments for Long Term Care (Repealed)

SUBPART F: FEDERAL CLAIMING FOR STATE AND  
LOCAL GOVERNMENTAL ENTITIES

## Section

- 140.850 Reimbursement of Administrative Expenditures
- 140.855 Administrative Claim Review and Reconsideration Procedure
- 140.860 County Owned or Operated Nursing Facilities
- 140.865 Sponsor Qualifications (Repealed)
- 140.870 Sponsor Responsibilities (Repealed)
- 140.875 Department Responsibilities (Repealed)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

140.880	Provider Qualifications (Repealed)
140.885	Provider Responsibilities (Repealed)
140.890	Payment Methodology (Repealed)
140.895	Contract Monitoring (Repealed)
140.896	Reimbursement For Program Costs (Active Treatment) For Clients in Long Term Care Facilities For the Developmentally Disabled (Recodified)
140.900	Reimbursement For Nursing Costs For Geriatric Residents in Group Care Facilities (Recodified)
140.901	Functional Areas of Needs (Recodified)
140.902	Service Needs (Recodified)
140.903	Definitions (Recodified)
140.904	Times and Staff Levels (Repealed)
140.905	Statewide Rates (Repealed)
140.906	Reconsiderations (Recodified)
140.907	Midnight Census Report (Recodified)
140.908	Times and Staff Levels (Recodified)
140.909	Statewide Rates (Recodified)
140.910	Referrals (Recodified)
140.911	Basic Rehabilitation Aide Training Program (Recodified)
140.912	Interim Nursing Rates (Recodified)

## SUBPART G: MATERNAL AND CHILD HEALTH PROGRAM

Section	
140.920	General Description
140.922	Covered Services
140.924	Maternal and Child Health Provider Participation Requirements
140.926	Client Eligibility (Repealed)
140.928	Client Enrollment and Program Components (Repealed)
140.930	Reimbursement
140.932	Payment Authorization for Referrals (Repealed)

## SUBPART H: ILLINOIS COMPETITIVE ACCESS AND REIMBURSEMENT EQUITY (ICARE) PROGRAM

Section	
140.940	Illinois Competitive Access and Reimbursement Equity (ICARE) Program (Recodified)
140.942	Definition of Terms (Recodified)
140.944	Notification of Negotiations (Recodified)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

140.946	Hospital Participation in ICARE Program Negotiations (Recodified)
140.948	Negotiation Procedures (Recodified)
140.950	Factors Considered in Awarding ICARE Contracts (Recodified)
140.952	Closing an ICARE Area (Recodified)
140.954	Administrative Review (Recodified)
140.956	Payments to Contracting Hospitals (Recodified)
140.958	Admitting and Clinical Privileges (Recodified)
140.960	Inpatient Hospital Care or Services by Non-Contracting Hospitals Eligible for Payment (Recodified)
140.962	Payment to Hospitals for Inpatient Services or Care not Provided under the ICARE Program (Recodified)
140.964	Contract Monitoring (Recodified)
140.966	Transfer of Recipients (Recodified)
140.968	Validity of Contracts (Recodified)
140.970	Termination of ICARE Contracts (Recodified)
140.972	Hospital Services Procurement Advisory Board (Recodified)
140.980	Elimination Of Aid To The Medically Indigent (AMI) Program (Emergency Expired)
140.982	Elimination Of Hospital Services For Persons Age Eighteen (18) And Older And Persons Married And Living With Spouse, Regardless Of Age (Emergency Expired)
140.TABLE A	Medicheck Recommended Screening Procedures (Repealed)
140.TABLE B	Geographic Areas
140.TABLE C	Capital Cost Areas
140.TABLE D	Schedule of Dental Procedures
140.TABLE E	Time Limits for Processing of Prior Approval Requests
140.TABLE F	Podiatry Service Schedule
140.TABLE G	Travel Distance Standards
140.TABLE H	Areas of Major Life Activity
140.TABLE I	Staff Time and Allocation for Training Programs (Recodified)
140.TABLE J	HSA Grouping (Repealed)
140.TABLE K	Services Qualifying for 10% Add-On (Repealed)
140.TABLE L	Services Qualifying for 10% Add-On to Surgical Incentive Add-On (Repealed)
140.TABLE M	Enhanced Rates for Maternal and Child Health Provider Services

AUTHORITY: Implementing and authorized by Articles III, IV, V, VI and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V, VI and 12-13].

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

SOURCE: Adopted at 3 Ill. Reg. 24, p. 166, effective June 10, 1979; rule repealed and new rule adopted at 6 Ill. Reg. 8374, effective July 6, 1982; emergency amendment at 6 Ill. Reg. 8508, effective July 6, 1982, for a maximum of 150 days; amended at 7 Ill. Reg. 681, effective December 30, 1982; amended at 7 Ill. Reg. 7956, effective July 1, 1983; amended at 7 Ill. Reg. 8308, effective July 1, 1983; amended at 7 Ill. Reg. 8271, effective July 5, 1983; emergency amendment at 7 Ill. Reg. 8354, effective July 5, 1983, for a maximum of 150 days; amended at 7 Ill. Reg. 8540, effective July 15, 1983; amended at 7 Ill. Reg. 9382, effective July 22, 1983; amended at 7 Ill. Reg. 12868, effective September 20, 1983; peremptory amendment at 7 Ill. Reg. 15047, effective October 31, 1983; amended at 7 Ill. Reg. 17358, effective December 21, 1983; amended at 8 Ill. Reg. 254, effective December 21, 1983; emergency amendment at 8 Ill. Reg. 580, effective January 1, 1984, for a maximum of 150 days; codified at 8 Ill. Reg. 2483; amended at 8 Ill. Reg. 3012, effective February 22, 1984; amended at 8 Ill. Reg. 5262, effective April 9, 1984; amended at 8 Ill. Reg. 6785, effective April 27, 1984; amended at 8 Ill. Reg. 6983, effective May 9, 1984; amended at 8 Ill. Reg. 7258, effective May 16, 1984; emergency amendment at 8 Ill. Reg. 7910, effective May 22, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 7910, effective June 1, 1984; amended at 8 Ill. Reg. 10032, effective June 18, 1984; emergency amendment at 8 Ill. Reg. 10062, effective June 20, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 13343, effective July 17, 1984; amended at 8 Ill. Reg. 13779, effective July 24, 1984; Sections 140.72 and 140.73 recodified to 89 Ill. Adm. Code 141 at 8 Ill. Reg. 16354; amended (by adding sections being codified with no substantive change) at 8 Ill. Reg. 17899; peremptory amendment at 8 Ill. Reg. 18151, effective September 18, 1984; amended at 8 Ill. Reg. 21629, effective October 19, 1984; peremptory amendment at 8 Ill. Reg. 21677, effective October 24, 1984; amended at 8 Ill. Reg. 22097, effective October 24, 1984; peremptory amendment at 8 Ill. Reg. 22155, effective October 29, 1984; amended at 8 Ill. Reg. 23218, effective November 20, 1984; emergency amendment at 8 Ill. Reg. 23721, effective November 21, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 25067, effective December 19, 1984; emergency amendment at 9 Ill. Reg. 407, effective January 1, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 2697, effective February 22, 1985; amended at 9 Ill. Reg. 6235, effective April 19, 1985; amended at 9 Ill. Reg. 8677, effective May 28, 1985; amended at 9 Ill. Reg. 9564, effective June 5, 1985; amended at 9 Ill. Reg. 10025, effective June 26, 1985; emergency amendment at 9 Ill. Reg. 11403, effective June 27, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 11357, effective June 28, 1985; amended at 9 Ill. Reg. 12000, effective July 24, 1985; amended at 9 Ill. Reg. 12306, effective August 5, 1985; amended at 9 Ill. Reg. 13998, effective September 3, 1985; amended at 9 Ill. Reg. 14684, effective September 13, 1985; amended at 9 Ill. Reg. 15503, effective October 4, 1985; amended at 9 Ill. Reg. 16312, effective October 11, 1985; amended at 9 Ill. Reg. 19138, effective December 2, 1985; amended at 9 Ill. Reg. 19737, effective December 9, 1985; amended at 10 Ill. Reg. 238, effective December 27, 1985; emergency amendment at 10 Ill. Reg. 798, effective January 1, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 672, effective January 6, 1986; amended at 10 Ill. Reg. 1206, effective January 13, 1986; amended at 10 Ill. Reg. 3041, effective January 24, 1986;

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

amended at 10 Ill. Reg. 6981, effective April 16, 1986; amended at 10 Ill. Reg. 7825, effective April 30, 1986; amended at 10 Ill. Reg. 8128, effective May 7, 1986; emergency amendment at 10 Ill. Reg. 8912, effective May 13, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 11440, effective June 20, 1986; amended at 10 Ill. Reg. 14714, effective August 27, 1986; amended at 10 Ill. Reg. 15211, effective September 12, 1986; emergency amendment at 10 Ill. Reg. 16729, effective September 18, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 18808, effective October 24, 1986; amended at 10 Ill. Reg. 19742, effective November 12, 1986; amended at 10 Ill. Reg. 21784, effective December 15, 1986; amended at 11 Ill. Reg. 698, effective December 19, 1986; amended at 11 Ill. Reg. 1418, effective December 31, 1986; amended at 11 Ill. Reg. 2323, effective January 16, 1987; amended at 11 Ill. Reg. 4002, effective February 25, 1987; Section 140.71 recodified to 89 Ill. Adm. Code 141 at 11 Ill. Reg. 4302; amended at 11 Ill. Reg. 4303, effective March 6, 1987; amended at 11 Ill. Reg. 7664, effective April 15, 1987; emergency amendment at 11 Ill. Reg. 9342, effective April 20, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 9169, effective April 28, 1987; amended at 11 Ill. Reg. 10903, effective June 1, 1987; amended at 11 Ill. Reg. 11528, effective June 22, 1987; amended at 11 Ill. Reg. 12011, effective June 30, 1987; amended at 11 Ill. Reg. 12290, effective July 6, 1987; amended at 11 Ill. Reg. 14048, effective August 14, 1987; amended at 11 Ill. Reg. 14771, effective August 25, 1987; amended at 11 Ill. Reg. 16758, effective September 28, 1987; amended at 11 Ill. Reg. 17295, effective September 30, 1987; amended at 11 Ill. Reg. 18696, effective October 27, 1987; amended at 11 Ill. Reg. 20909, effective December 14, 1987; amended at 12 Ill. Reg. 916, effective January 1, 1988; emergency amendment at 12 Ill. Reg. 1960, effective January 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 5427, effective March 15, 1988; amended at 12 Ill. Reg. 6246, effective March 16, 1988; amended at 12 Ill. Reg. 6728, effective March 22, 1988; Sections 140.900 thru 140.912 and 140. Table H and 140. Table I recodified to 89 Ill. Adm. Code 147.5 thru 147.205 and 147. Table A and 147. Table B at 12 Ill. Reg. 6956; amended at 12 Ill. Reg. 6927, effective April 5, 1988; Sections 140.940 thru 140.972 recodified to 89 Ill. Adm. Code 149.5 thru 149.325 at 12 Ill. Reg. 7401; amended at 12 Ill. Reg. 7695, effective April 21, 1988; amended at 12 Ill. Reg. 10497, effective June 3, 1988; amended at 12 Ill. Reg. 10717, effective June 14, 1988; emergency amendment at 12 Ill. Reg. 11868, effective July 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 12509, effective July 15, 1988; amended at 12 Ill. Reg. 14271, effective August 29, 1988; emergency amendment at 12 Ill. Reg. 16921, effective September 28, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 16738, effective October 5, 1988; amended at 12 Ill. Reg. 17879, effective October 24, 1988; amended at 12 Ill. Reg. 18198, effective November 4, 1988; amended at 12 Ill. Reg. 19396, effective November 6, 1988; amended at 12 Ill. Reg. 19734, effective November 15, 1988; amended at 13 Ill. Reg. 125, effective January 1, 1989; amended at 13 Ill. Reg. 2475, effective February 14, 1989; amended at 13 Ill. Reg. 3069, effective February 28, 1989; amended at 13 Ill. Reg. 3351, effective March 6, 1989; amended at 13 Ill. Reg. 3917, effective March 17, 1989; amended at 13 Ill. Reg. 5115, effective April 3, 1989; amended at 13 Ill. Reg. 5718, effective April 10, 1989; amended at 13 Ill. Reg. 7025, effective

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

April 24, 1989; Sections 140.850 thru 140.896 recodified to 89 Ill. Adm. Code 146.5 thru 146.225 at 13 Ill. Reg. 7040; amended at 13 Ill. Reg. 7786, effective May 20, 1989; Sections 140.94 thru 140.398 recodified to 89 Ill. Adm. Code 148.10 thru 148.390 at 13 Ill. Reg. 9572; emergency amendment at 13 Ill. Reg. 10977, effective July 1, 1989, for a maximum of 150 days; emergency expired November 28, 1989; amended at 13 Ill. Reg. 11516, effective July 3, 1989; amended at 13 Ill. Reg. 12119, effective July 7, 1989; Section 140.110 recodified to 89 Ill. Adm. Code 148.120 at 13 Ill. Reg. 12118; amended at 13 Ill. Reg. 12562, effective July 17, 1989; amended at 13 Ill. Reg. 14391, effective August 31, 1989; emergency amendment at 13 Ill. Reg. 15473, effective September 12, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 16992, effective October 16, 1989; amended at 14 Ill. Reg. 190, effective December 21, 1989; amended at 14 Ill. Reg. 2564, effective February 9, 1990; emergency amendment at 14 Ill. Reg. 3241, effective February 14, 1990, for a maximum of 150 days; emergency expired July 14, 1990; amended at 14 Ill. Reg. 4543, effective March 12, 1990; emergency amendment at 14 Ill. Reg. 4577, effective March 6, 1990, for a maximum of 150 days; emergency expired August 3, 1990; emergency amendment at 14 Ill. Reg. 5575, effective April 1, 1990, for a maximum of 150 days; emergency expired August 29, 1990; emergency amendment at 14 Ill. Reg. 5865, effective April 3, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 7141, effective April 27, 1990; emergency amendment at 14 Ill. Reg. 7249, effective April 27, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10062, effective June 12, 1990; amended at 14 Ill. Reg. 10409, effective June 19, 1990; emergency amendment at 14 Ill. Reg. 12082, effective July 5, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 13262, effective August 6, 1990; emergency amendment at 14 Ill. Reg. 14184, effective August 16, 1990, for a maximum of 150 days; emergency amendment at 14 Ill. Reg. 14570, effective August 22, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 14826, effective August 31, 1990; amended at 14 Ill. Reg. 15366, effective September 12, 1990; amended at 14 Ill. Reg. 15981, effective September 21, 1990; amended at 14 Ill. Reg. 17279, effective October 12, 1990; amended at 14 Ill. Reg. 18057, effective October 22, 1990; amended at 14 Ill. Reg. 18508, effective October 30, 1990; amended at 14 Ill. Reg. 18813, effective November 6, 1990; Notice of Corrections to Adopted Amendment at 15 Ill. Reg. 1174; amended at 14 Ill. Reg. 20478, effective December 7, 1990; amended at 14 Ill. Reg. 20729, effective December 12, 1990; amended at 15 Ill. Reg. 298, effective December 28, 1990; emergency amendment at 15 Ill. Reg. 592, effective January 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 1051, effective January 18, 1991; amended at 15 Ill. Reg. 6220, effective April 18, 1991; amended at 15 Ill. Reg. 6534, effective April 30, 1991; amended at 15 Ill. Reg. 8264, effective May 23, 1991; amended at 15 Ill. Reg. 8972, effective June 17, 1991; amended at 15 Ill. Reg. 10114, effective June 21, 1991; amended at 15 Ill. Reg. 10468, effective July 1, 1991; amended at 15 Ill. Reg. 11176, effective August 1, 1991; emergency amendment at 15 Ill. Reg. 11515, effective July 25, 1991, for a maximum of 150 days; emergency expired December 22, 1991; emergency amendment at 15 Ill. Reg. 12919, effective August 15, 1991, for a maximum of 150 days; emergency expired January 12, 1992; emergency amendment at 15 Ill. Reg. 16366, effective October 22, 1991, for a maximum of 150

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

days; amended at 15 Ill. Reg. 17318, effective November 18, 1991; amended at 15 Ill. Reg. 17733, effective November 22, 1991; emergency amendment at 16 Ill. Reg. 300, effective December 20, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 174, effective December 24, 1991; amended at 16 Ill. Reg. 1877, effective January 24, 1992; amended at 16 Ill. Reg. 3552, effective February 28, 1992; amended at 16 Ill. Reg. 4006, effective March 6, 1992; amended at 16 Ill. Reg. 6408, effective March 20, 1992; expedited correction at 16 Ill. Reg. 11348, effective March 20, 1992; amended at 16 Ill. Reg. 6849, effective April 7, 1992; amended at 16 Ill. Reg. 7017, effective April 17, 1992; amended at 16 Ill. Reg. 10050, effective June 5, 1992; amended at 16 Ill. Reg. 11174, effective June 26, 1992; emergency amendment at 16 Ill. Reg. 11947, effective July 10, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 12186, effective July 24, 1992; emergency amendment at 16 Ill. Reg. 13337, effective August 14, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 15109, effective September 21, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 15561, effective September 30, 1992; amended at 16 Ill. Reg. 17302, effective November 2, 1992; emergency amendment at 16 Ill. Reg. 18097, effective November 17, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 19146, effective December 1, 1992; expedited correction at 17 Ill. Reg. 7078, effective December 1, 1992; amended at 16 Ill. Reg. 19879, effective December 7, 1992; amended at 17 Ill. Reg. 837, effective January 11, 1993; amended at 17 Ill. Reg. 1112, effective January 15, 1993; amended at 17 Ill. Reg. 2290, effective February 15, 1993; amended at 17 Ill. Reg. 2951, effective February 17, 1993; amended at 17 Ill. Reg. 3421, effective February 19, 1993; amended at 17 Ill. Reg. 6196, effective April 5, 1993; amended at 17 Ill. Reg. 6839, effective April 21, 1993; amended at 17 Ill. Reg. 7004, effective May 17, 1993; emergency amendment at 17 Ill. Reg. 11201, effective July 1, 1993, for a maximum of 150 days; emergency amendment at 17 Ill. Reg. 15162, effective September 2, 1993, for a maximum of 150 days; emergency amendment suspended at 17 Ill. Reg. 18902, effective October 12, 1993; emergency amendment at 17 Ill. Reg. 18152, effective October 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 18571, effective October 8, 1993; emergency amendment at 17 Ill. Reg. 18611, effective October 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 20999, effective November 24, 1993; emergency amendment repealed at 17 Ill. Reg. 22583, effective December 20, 1993; amended at 18 Ill. Reg. 3620, effective February 28, 1994; amended at 18 Ill. Reg. 4250, effective March 4, 1994; amended at 18 Ill. Reg. 5951, effective April 1, 1994; emergency amendment at 18 Ill. Reg. 10922, effective July 1, 1994, for a maximum of 150 days; emergency amendment suspended at 18 Ill. Reg. 17286, effective November 15, 1994; emergency amendment repealed at 19 Ill. Reg. 5839, effective April 4, 1995; amended at 18 Ill. Reg. 11244, effective July 1, 1994; amended at 18 Ill. Reg. 14126, effective August 29, 1994; amended at 18 Ill. Reg. 16675, effective November 1, 1994; amended at 18 Ill. Reg. 18059, effective December 19, 1994; amended at 19 Ill. Reg. 1082, effective January 20, 1995; amended at 19 Ill. Reg. 2933, effective March 1, 1995; emergency amendment at 19 Ill. Reg. 3529, effective March 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 5663, effective April 1, 1995; amended at 19 Ill. Reg. 7919, effective June 5, 1995; emergency amendment at 19 Ill. Reg. 8455,

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

effective June 9, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 9297, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 10252, effective July 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 13019, effective September 5, 1995; amended at 19 Ill. Reg. 14440, effective September 29, 1995; emergency amendment at 19 Ill. Reg. 14833, effective October 6, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15441, effective October 26, 1995; amended at 19 Ill. Reg. 15692, effective November 6, 1995; amended at 19 Ill. Reg. 16677, effective November 28, 1995; amended at 20 Ill. Reg. 1210, effective December 29, 1995; amended at 20 Ill. Reg. 4345, effective March 4, 1996; amended at 20 Ill. Reg. 5858, effective April 5, 1996; amended at 20 Ill. Reg. 6929, effective May 6, 1996; amended at 20 Ill. Reg. 7922, effective May 31, 1996; amended at 20 Ill. Reg. 9081, effective June 28, 1996; emergency amendment at 20 Ill. Reg. 9312, effective July 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 11332, effective August 1, 1996; amended at 20 Ill. Reg. 14845, effective October 31, 1996; emergency amendment at 21 Ill. Reg. 705, effective December 31, 1996, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 3734, effective March 5, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 4777, effective April 2, 1997; amended at 21 Ill. Reg. 6899, effective May 23, 1997; amended at 21 Ill. Reg. 9763, effective July 15, 1997; amended at 21 Ill. Reg. 11569, effective August 1, 1997; emergency amendment at 21 Ill. Reg. 13857, effective October 1, 1997, for a maximum of 150 days; amended at 22 Ill. Reg. 1416, effective December 29, 1997; amended at 22 Ill. Reg. 4412, effective February 27, 1998; amended at 22 Ill. Reg. 7024, effective April 1, 1998; amended at 22 Ill. Reg. 10606, effective June 1, 1998; emergency amendment at 22 Ill. Reg. 13117, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16302, effective August 28, 1998; amended at 22 Ill. Reg. 18979, effective September 30, 1998; amended at 22 Ill. Reg. 19898, effective October 30, 1998; emergency amendment at 22 Ill. Reg. 22108, effective December 1, 1998, for a maximum of 150 days; emergency expired April 29, 1999; amended at 23 Ill. Reg. 5796, effective April 30, 1999; amended at 23 Ill. Reg. 7122, effective June 1, 1999; emergency amendment at 23 Ill. Reg. 8236, effective July 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 9874, effective August 3, 1999; amended at 23 Ill. Reg. 12697, effective October 1, 1999; amended at 23 Ill. Reg. 13646, effective November 1, 1999; amended at 23 Ill. Reg. 14567, effective December 1, 1999; amended at 24 Ill. Reg. 661, effective January 3, 2000; amended at 24 Ill. Reg. 10277, effective July 1, 2000; emergency amendment at 24 Ill. Reg. 10436, effective July 1, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 15086, effective October 1, 2000; amended at 24 Ill. Reg. 18320, effective December 1, 2000; emergency amendment at 24 Ill. Reg. 19344, effective December 15, 2000, for a maximum of 150 days; amended at 25 Ill. Reg. 3897, effective March 1, 2001; amended at 25 Ill. Reg. 6665, effective May 11, 2001; amended at 25 Ill. Reg. 8793, effective July 1, 2001; emergency amendment at 25 Ill. Reg. 8850, effective July 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 11880, effective September 1, 2001; amended at 25 Ill. Reg. 12820, effective October 8, 2001; amended at 25 Ill. Reg. 14957, effective November 1, 2001; emergency amendment at 25 Ill. Reg. 16127, effective November

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

28, 2001, for a maximum of 150 days; emergency amendment at 25 Ill. Reg. 16292, effective December 3, 2001, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 514, effective January 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 663, effective January 7, 2002; amended at 26 Ill. Reg. 4781, effective March 15, 2002; emergency amendment at 26 Ill. Reg. 5984, effective April 15, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 7285, effective April 29, 2002; emergency amendment at 26 Ill. Reg. 8594, effective June 1, 2002, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 11259, effective July 1, 2002, for a maximum of 150 days; emergency amendment repealed at 26 Ill. Reg. 16593, effective October 22, 2002; emergency amendment at 26 Ill. Reg. 12461, effective July 29, 2002, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 12772, effective August 12, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 13641, effective September 3, 2002; amended at 26 Ill. Reg. 14789, effective September 26, 2002; emergency amendment at 26 Ill. Reg. 15076, effective October 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 16303, effective October 25, 2002; amended at 26 Ill. Reg. 17751, effective November 27, 2002; amended at 27 Ill. Reg. 768, effective January 3, 2003; amended at 27 Ill. Reg. 3041, effective February 10, 2003; amended at 27 Ill. Reg. 4364, effective February 24, 2003; amended at 27 Ill. Reg. 7823, effective May 1, 2003; amended at 27 Ill. Reg. 9157, effective June 2, 2003; emergency amendment at 27 Ill. Reg. 10813, effective July 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 13784, effective August 1, 2003; amended at 27 Ill. Reg. 14799, effective September 5, 2003; emergency amendment at 27 Ill. Reg. 15584, effective September 20, 2003, for a maximum of 150 days; emergency amendment at 27 Ill. Reg. 16161, effective October 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 18629, effective November 26, 2003; amended at 28 Ill. Reg. 2744, effective February 1, 2004.

## SUBPART B: MEDICAL PROVIDER PARTICIPATION

**Section 140.71 Reimbursement for Medical Services Through the Use of a C-13 Invoice Voucher Advance Payment and Expedited Payments**

- a) C-13 Invoice Voucher Advance Payments
  - 1) The C-13 invoice voucher, when used as an advanced payment, is an exception to the regular reimbursement process. It may be issued only under extraordinary circumstances to qualified providers of medical assistance services. C-13 advance payments will be made only to a hospital organized under the University of Illinois Hospital Act, subject to approval by the Director, or to qualified providers who meet the following requirements:
    - A) are enrolled with the Department of Public Aid;

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- B) have experienced an emergency which necessitates C-13 advance payments. Emergency in this instance is defined as a circumstance under which withholding of the advance payment would impose severe and irreparable harm to the clients served. Circumstances which may create such emergencies include, but are not limited to, the following:
- i) agency system errors (either automated system or clerical) which have precluded payments, or which have caused erroneous payments such that the provider's ability to provide further services to clients is severely impaired; or
  - ii) cash flow problems encountered by a provider or group of providers which are unrelated to ~~agency~~Agency technical system problems. These situations include problems which are exclusively those of the providers or problems related to State cash flow which result in delayed payments and extensive financial problems to a provider, adversely impacting on the ability to promptly serve the clients;
- C) serve a significant number of clients under the Medical Assistance Program. Significant in this instance means:
- i) for long term care facilities, 80 percent or more of their residents must be eligible for public assistance;
  - ii) for long term care facilities enrolled in the Exceptional Care Program, four or more residents receiving exceptional care;
  - iii) for hospitals, the hospital must qualify as a disproportionate share hospital as described in 89 Ill. Adm. Code 148.120 or receive Medicaid Percentage Adjustment payments as described in 89 Ill. Adm. Code 148.122;
  - iv) for practitioners and other medical providers, 50 percent or more of their patient revenue must be generated through Medicaid reimbursement;

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- v) for sole source pharmacies in a community which are not within a 25-mile radius of another pharmacy, the provisions of this Section may be waived;
  - vi) for government-owned facilities, this subsection (a)(1)(C) may be waived if the cash flow criteria under subsection (a)(1)(B)(ii) is met; and
  - vii) for providers who have filed for Chapter 11 bankruptcy, this subsection (a)(1)(C) may be waived if the cash flow criteria under subsection (a)(1)(B)(ii) are met;
- D) sign an agreement with the Department which specifies the terms of advance payment and subsequent repayment. The agreement will contain the following provisions:
- i) specific reason(s) for advanced payments;
  - ii) specific amount agreed to be advanced;
  - iii) specific date to begin recoupment; and
  - iv) method of recoupment (percentage of payable amount of each Medicaid Management Information System voucher, specific amount per month, a warrant intercept, or a combination of the three recovery methods).
- 2) Determination of amount of payment to be issued shall be based on anticipated future payments as determined by the Department.
- 3) Approval Process
- A) In order to obtain C-13 advance payments, providers must submit their request in writing (telefax requests are acceptable) to the appropriate Bureau Chief within the Division of Medical Programs. The request must include:
- i) an explanation of the circumstances creating the need for the advance payments;

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- ii) supportive documentation to substantiate the emergency nature of the request and risk of irreparable harm to the clients; and
    - iii) specification of the amount of the advance required.
  - B) An agreement will be issued to the provider for all approved requests. The agreement must be signed by the administrator, owner, chief executive officer or other authorized representative and be received by the Department prior to release of the warrant.
  - C) C-13 advance payments shall be authorized for the provider following approval by the Medicaid Administrator or designee. Once all requirements of this subsection (a)(3) are met, the Administrator will authorize payment within seven days.
- 4) Recoupment
  - A) Health care entities other than individual practitioners shall be required to sign an agreement stating that, should the entity be sold, the new owners will be made aware of the liability and will assume responsibility for repaying the debt to the Department according to the original agreement.
  - B) All providers shall sign an agreement specifying the terms of recoupment. An agreed percentage of the total payment to the provider for services rendered shall be deducted from future payments until the debt is repaid. For providers who are properly certified, licensed or otherwise qualified under appropriate State and federal requirements, the recoupment period shall not exceed six months from the month in which payment is authorized. For those providers enrolled but not in good standing (e.g., decertification termination hearing or other adverse action is pending), recoupment will be made from the next available payments owed the provider.
  - C) In the event that the provider fails to comply with the recoupment terms of the agreement, the remaining balance of any advance payment shall be immediately recouped from claims being processed by the Department. If such claims are insufficient for

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

complete recovery, the remaining balance will become immediately due and payable by check to the Illinois Department of Public Aid. Failure by the provider to remit such check will result in the Department pursuing other collection methods.

## 5) Prior Agreements

The terms of any agreement signed between the provider and the Department prior to the adoption of this rule will remain in effect, notwithstanding the provisions of this Section .

## b) Expedited Claims Payments

1) Expedited claims payments are issued through the regular MMIS payment process and represent an acceleration of the regular payment schedule. They may be issued only under extraordinary circumstances to qualified providers of medical assistance services. Reimbursement through the expedited process will be made only to a hospital organized under the University of Illinois Hospital Act, subject to approval by the Director, or to qualified providers who meet the following requirements:

- A) are enrolled with the Department of Public Aid;
- B) have experienced an emergency which necessitates expedited payments. Emergency in this instance is defined as a circumstance under which withholding of the expedited payment would impose severe and irreparable harm to the clients served. Circumstances which may create such emergencies include, but are not limited to, the following:
  - i) agency system errors (either automated system or clerical) which have precluded payments, or which have caused erroneous payments such that the provider's ability to provide further services to the clients is severely impaired;
  - ii) cash flow problems encountered by a provider or group of providers which are unrelated to Department technical system problems. These situations include problems which are exclusively those of the providers (i.e., provider billing system problems) or problems related to State cash flow

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

which result in delayed payments and extensive financial problems to a provider adversely impacting on the ability to serve the clients;

- C) serve a significant number of clients under the Medical Assistance Program. Significant in this instance means:
- i) for long term care facilities, 80 percent or more of their residents must be eligible for public assistance;
  - ii) for long term care facilities enrolled in the Exceptional Care Program, four or more residents receiving exceptional care;
  - iii) for hospitals, the hospitals must qualify as a disproportionate share hospital as described in 89 Ill. Adm. Code 148.120 or receive Medicaid Percentage Adjustment payments as described in 89 Ill. Adm. Code 148.122;
  - iv) for hospitals that qualify as disproportionate share hospitals as described in 89 Ill. Adm. Code 148.120 or receive Medicaid Percentage Adjustment payments as described in 89 Ill. Adm. Code 148.122 and receive Rehabilitation Hospital Adjustment payments (see 89 Ill. Adm. Code 148.295(b)) or Direct Hospital Adjustment payments (see 89 Ill. Adm. Code 148.295(c)(1)), a request must be made in writing that demonstrates proof of cash flow problems;
  - v) for practitioners and other medical providers, 50 percent or more of their patient revenue must be generated through Medicaid reimbursement;
  - vi) for sole source pharmacies in a community ~~that~~which are not within a 25-mile radius of another pharmacy, the provisions of this Section may be waived;
  - vii) for government-owned facilities, this subsection (b)(1)(C) may be waived if the cash flow criteria under subsection (a)(1)(B)(ii) are met; and

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- viii) for providers who have filed for Chapter 11 bankruptcy, subsection (b)(1)(C) may be waived if the cash flow criteria under subsection (b)(1)(B)(ii) are met.
- 2) Reimbursement will be based upon the amount of claims determined payable and be made for a period specified by the Department.
  - 3) Approval Process
    - A) In order to qualify for expedited payments, providers must submit their request in writing (telefax requests are acceptable) to the appropriate Bureau Chief within the Division of Medical Programs. The request must include:
      - i) an explanation of the need for the expedited payments; and
      - ii) supportive documentation to substantiate the emergency nature of the request.
    - B) Expedited payments shall be authorized for the provider following approval by the Medicaid Administrator or designee.
    - C) The Department will periodically review the need for any continued expedited payments.
  - 4) Prior Agreements  
The terms of any agreement signed between the provider and the Department prior to the adoption of this rule will remain in effect, notwithstanding the provisions of this Section .

(Source: Amended at 28 Ill. Reg. 2744, effective February 1, 2004)

## SUBPART D: PAYMENT FOR NON-INSTITUTIONAL SERVICES

**Section 140.492 Payment for Medical Transportation**

Notwithstanding the provisions set forth in subsections (a) through (h) of this Section, beginning for the period of July 1, 2002, through June 30, 2003, the reimbursement rates paid for medical transportation services shall be the lesser of the provider's usual and customary charge to

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

the general public or 94 percent of the fiscal year 2002 rate otherwise determined by the Department under this Section. Payment for medical transportation services shall be made in accordance with the methodologies outlined in this Section. Base rate reimbursement is determined by the county in which the vehicle is, or the vehicles are, based. In no case shall rates exceed the Medicare allowable, where applicable, or the rates charged to the general public.

- a) Medigars shall be paid a base rate, which includes the first ten miles (20 miles round trip), a mileage rate and a fixed amount for an employee or non-employee attendant. Loaded miles, i.e., those miles for which the provider is actually transporting an individual, after ten miles (20 miles round trip) shall be reimbursed.
- b) Service cars shall be paid a base rate, which includes the first ten miles (20 miles round trip), a mileage rate and a fixed amount for a non-employee attendant. Loaded miles, i.e., those miles for which the provider is actually transporting an individual, after ten miles (20 miles round trip) shall be reimbursed.
- c) Private autos shall be paid for loaded miles at a mileage rate.
- d) Payment for transportation services provided by common carrier, such as commercial airplanes, buses and trains, shall be at the usual community rate.
- e) Taxicabs in an area regulated by a municipality or township shall be reimbursed at the community rate and a fixed amount for a non-employee attendant.
- f) Taxicabs in non-regulated areas shall be reimbursed at a rate as determined by the Department and a fixed amount for a non-employee attendant. The Department rate shall be reviewed on an annual basis each July.
- g) The Department shall pay for medically necessary ambulance services provided in accordance with Section 140.490 at a base, mileage rate (loaded miles) and a rate for oxygen, as appropriate. Payment shall also be made for Advanced Life Support (ALS) at an all inclusive rate which includes the base rate, supplies, and all other services, excluding mileage. However, for ALS services provided on or after July 1, 1993, separate reimbursement shall be made for oxygen when used and appropriately billed. Loaded miles for ALS trips shall be reimbursed at the per mile rate. Rates shall be reviewed beginning November 1, 1986, and each November thereafter, according to the methodology set forth in subsections (g)(1) through (4) of this Section. Revised rates pursuant to this methodology shall be effective with services provided on or after July 1 of the succeeding year.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 1) Payment shall be made at a basic rate which is provider specific. The basic rate shall be the lesser of the provider's usual and customary charge to the general public, as reflected on the provider's claim form, or 80 percent of the 50<sup>th</sup> percentile of the Medicare prevailing charge for Basic Life Support for the designated Medicare Locality, except that any basic rate previously approved by the Department that exceeds these parameters shall remain in force. The rate of annual increase shall not exceed five percent.
- 2) Payment for loaded miles shall be at a rate per mile. If a natural disaster, weather or other conditions necessitate the use of a route other than the most direct route, reimbursement will be based on the actual distance traveled. The rate per mile shall be 50 percent of the 50<sup>th</sup> percentile of the Medicare prevailing mileage charge for Medicare Locality 16. The annual rate of increase shall not exceed five percent.
- 3) Payment for oxygen shall be made at a flat rate statewide. The rate shall be 50 percent of the 50<sup>th</sup> percentile of the Medicare prevailing charge for Medicare Locality 16. The annual rate of increase shall not exceed five percent.
- 4) Payment for Advanced Life Support services shall be at the lesser of the provider's usual charge, or a maximum allowable rate statewide. The maximum rate shall be 80 percent of the difference between the Medicare 50<sup>th</sup> percentile prevailing charge for Basic Life Support services and Advanced Life Support services for Medicare Locality 16. The annual rate of increase shall not exceed five percent.
- h) Payment for medical transportation services provided by individuals, including those currently receiving public assistance, legally responsible relatives or household members, will be made at a loaded mileage rate.
- i) The Department may adjust reimbursement for medical transportation services in a county when such adjustment is necessary to ensure the availability of transportation to medical services.

(Source: Amended at 28 Ill. Reg. 2744, effective February 1, 2004)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Hospital Services
- 2) Code Citation: 89 Ill. Adm. Code 148
- 3) 

<u>Section Numbers:</u>	<u>Adopted Action:</u>
148.120	Amendment
148.122	New Section
148.160	Amendment
148.170	Amendment
148.190	Amendment
148.290	Amendment
148.295	Amendment
148.310	Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendments: February 1, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? Yes
- 8) A copy of the adopted amendments, including any materials incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register: June 27, 2003 (27 Ill. Reg. 9549) – Sections 148.160, 148.170, 148.190 and 148.290  
  
August 29, 2003 (27 Ill. Reg. 14090) – Sections 148.120, 148.122, 148.290, 148.295 and 148.310
- 10) Has JCAR issued a Statement of Objection to these amendments? No
- 11) Differences Between Proposal and Final Version: For *Sections 148.160, 148.170, 148.190 and 148.290* (27 Ill. Reg. 9549), no substantive changes have been made in the proposed amendments. However, it should be noted that for Section 148.160, a separate rulemaking was proposed on July 18, 2003 (27 Ill. Reg. 10640) and adopted on November 26, 2003 (published December 12, 2003 at 27 Ill. Reg. 18843). The text of the November 26<sup>th</sup> adoption is reflected in this adoption, effective February 1, 2004, for Section 148.160.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

**Sections 148.120, 148.122, 148.290, 148.295 and 148.310** (27 Ill. Reg. 14090):

**Section 148.120**

In subsection (i), the cross-reference "148.295(c)(2)(H)" has been changed to "148.295(c)(2)(J)".

**Section 148.122**

In subsection (e), the cross-reference "subsection (d)" has been changed to "subsection (d)(1)".

In subsection (f), the cross reference "subsection (d)" has been changed to "subsection (d)(2)".

**Section 148.290**

In subsection (d)(2)(C), an incorporation by reference has been added after "hospital cost index" which reads, "(Health-Care Cost Review, published by Global Insight, 24 Hartwell Avenue, Lexington, MA. (2003). This incorporation by reference includes no later amendments or editions.)".

**Section 148.295**

In subsection (c)(2)(B)(ix), "\$110.00" has been changed to "\$182.25".

In subsection (c)(2)(B)(xi), "\$93.00" has been changed to "\$98.00".

In subsection (c)(2)(D)(iii), "\$403.00" has been changed to "\$573.00".

No other substantive changes have been made in the proposed amendments. However, 2 proposed rulemakings were combined to make this one adopted rulemaking. (See #9 above.)

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will these amendments replace any emergency amendments currently in effect?

No - (27 Ill. Reg. 9549) – Sections 148.160, 148.170, 148.190 and 148.290

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

Yes - (27 Ill. Reg. 14090) – Sections 148.120, 148.122, 148.290, 148.295 and 148.310

- 14) Are there any other amendments pending on this Part? Yes

<u>Sections</u>	<u>Proposed Action</u>	<u>Illinois Register Citation</u>
148.30	Amendment	February 6, 2004 (28 Ill. Reg. 1998)
148.82	Amendment	January 23, 2004 (28 Ill. Reg. 1350)
148.126	Amendment	January 30, 2004 (28 Ill. Reg. 1649)
148.210	Amendment	February 6, 2004 (28 Ill. Reg. 1998)

- 15) Summary and Purpose of Amendments: **Sections 148.160, 148.170, 148.190 and 148.290** (27 Ill. Reg. 9549) - These amendments pertain to copayments for inpatient services under the Medical Assistance Program. The primary changes increase the patient age for copayment assessment from 18 to 19 years and allow copayment assessment for adults under the State Children and Family Assistance Program. The amendments bring copayment provisions for hospital and noninstitutional provider services into alignment.

**148.120, 148.122, 148.290, 148.295 and 148.310** (27 Ill. Reg. 14090) - The amendments provide additional fiscal year 2004 budget implementation changes for hospital services. In order to ensure continuing compliance with federal upper payment limitations, the Department is implementing a redefinition of hospital adjustment programs and the establishment of a new Medicaid Percentage Adjustment payment. Under Critical Hospital Adjustments (CHAP), certain criteria have been expanded to allow additional high volume Medicaid hospitals and hospitals providing specialty services to qualify for payments. This reallocation of funding for hospitals services will maintain compliance with federal payment limitations under Medicaid, allow the flexibility necessary to maximize federal matching payments for the State, and ensure the continuation of necessary medical services for public assistance recipients.

- 16) Information and questions regarding these adopted amendments shall be directed to:

Joanne Scattoloni  
Office of the General Counsel, Rules Section  
Illinois Department of Public Aid  
201 South Grand Avenue East, Third Floor  
Springfield, Illinois 62763-0002  
(217) 524-0081

The full text of the adopted amendments begins on the next page:

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF PUBLIC AID  
SUBCHAPTER d: MEDICAL PROGRAMS

PART 148  
HOSPITAL SERVICES

SUBPART A: GENERAL PROVISIONS

Section	
148.10	Hospital Services
148.20	Participation
148.25	Definitions and Applicability
148.30	General Requirements
148.40	Special Requirements
148.50	Covered Hospital Services
148.60	Services Not Covered as Hospital Services
148.70	Limitation On Hospital Services

SUBPART B: REIMBURSEMENT AND RELATED PROVISIONS

Section	
148.80	Organ Transplants Services Covered Under Medicaid (Repealed)
148.82	Organ Transplant Services
148.90	Heart Transplants (Repealed)
148.100	Liver Transplants (Repealed)
148.105	Psychiatric Adjustment Payments
148.110	Bone Marrow Transplants (Repealed)
148.115	Rural Adjustment Payments
148.120	Disproportionate Share Hospital (DSH) Adjustments
<u>148.122</u>	<u>Medicaid Percentage Adjustments</u>
148.126	Safety Net Adjustment Payments
148.130	Outlier Adjustments for Exceptionally Costly Stays
148.140	Hospital Outpatient and Clinic Services
148.150	Public Law 103-66 Requirements
148.160	Payment Methodology for County-Owned Hospitals in an Illinois County with a Population of Over Three Million
148.170	Payment Methodology for Hospitals Organized Under the University of Illinois Hospital Act
148.175	Supplemental Disproportionate Share Payment Methodology for Hospitals

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 148.180 Organized Under the Town Hospital Act  
Payment for Pre-operative Days, Patient Specific Orders, and Services Which Can Be Performed in an Outpatient Setting
- 148.190 Copayments
- 148.200 Alternate Reimbursement Systems
- 148.210 Filing Cost Reports
- 148.220 Pre September 1, 1991, Admissions
- 148.230 Admissions Occurring on or after September 1, 1991
- 148.240 Utilization Review and Furnishing of Inpatient Hospital Services Directly or Under Arrangements
- 148.250 Determination of Alternate Payment Rates to Certain Exempt Hospitals
- 148.260 Calculation and Definitions of Inpatient Per Diem Rates
- 148.270 Determination of Alternate Cost Per Diem Rates For All Hospitals; Payment Rates for Certain Exempt Hospital Units; and Payment Rates for Certain Other Hospitals
- 148.280 Reimbursement Methodologies for Children's Hospitals and Hospitals Reimbursed Under Special Arrangements
- 148.285 Excellence in Academic Medicine Payments
- 148.290 Adjustments and Reductions to Total Payments
- 148.295 Critical Hospital Adjustment Payments (CHAP)
- 148.296 Tertiary Care Adjustment Payments
- 148.297 Pediatric Outpatient Adjustment Payments
- 148.298 Pediatric Inpatient Adjustment Payments
- 148.300 Payment
- 148.310 Review Procedure
- 148.320 Alternatives
- 148.330 Exemptions
- 148.340 Subacute Alcoholism and Substance Abuse Treatment Services
- 148.350 Definitions (Repealed)
- 148.360 Types of Subacute Alcoholism and Substance Abuse Treatment Services (Repealed)
- 148.368 Volume Adjustment (Repealed)
- 148.370 Payment for Subacute Alcoholism and Substance Abuse Treatment Services
- 148.380 Rate Appeals for Subacute Alcoholism and Substance Abuse Treatment Services (Repealed)
- 148.390 Hearings
- 148.400 Special Hospital Reporting Requirements

## SUBPART C: SEXUAL ASSAULT EMERGENCY TREATMENT PROGRAM

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

## Section

148.500 Definitions  
148.510 Reimbursement

## SUBPART D: STATE CHRONIC RENAL DISEASE PROGRAM

## Section

148.600 Definitions  
148.610 Scope of the Program  
148.620 Assistance Level and Reimbursement  
148.630 Criteria and Information Required to Establish Eligibility  
148.640 Covered Services

148.TABLE A Renal Participation Fee Worksheet  
148.TABLE B Bureau of Labor Statistics Equivalence  
148.TABLE C List of Metropolitan Counties by SMSA Definition

AUTHORITY: Implementing and authorized by Articles III, IV, V and VI and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V, VI and 12-13].

SOURCE: Sections 148.10 thru 148.390 recodified from 89 Ill. Adm. Code 140.94 thru 140.398 at 13 Ill. Reg. 9572; Section 148.120 recodified from 89 Ill. Adm. Code 140.110 at 13 Ill. Reg. 12118; amended at 14 Ill. Reg. 2553, effective February 9, 1990; emergency amendment at 14 Ill. Reg. 11392, effective July 1, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 15358, effective September 13, 1990; amended at 14 Ill. Reg. 16998, effective October 4, 1990; amended at 14 Ill. Reg. 18293, effective October 30, 1990; amended at 14 Ill. Reg. 18499, effective November 8, 1990; emergency amendment at 15 Ill. Reg. 10502, effective July 1, 1991, for a maximum of 150 days; emergency expired October 29, 1991; emergency amendment at 15 Ill. Reg. 12005, effective August 9, 1991, for a maximum of 150 days; emergency expired January 6, 1992; emergency amendment at 15 Ill. Reg. 16166, effective November 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 18684, effective December 23, 1991; amended at 16 Ill. Reg. 6255, effective March 27, 1992; emergency amendment at 16 Ill. Reg. 11335, effective June 30, 1992, for a maximum of 150 days; emergency expired November 27, 1992; emergency amendment at 16 Ill. Reg. 11942, effective July 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14778, effective October 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 19873, effective December 7, 1992; amended at 17 Ill. Reg. 131, effective December 21, 1992; amended at 17 Ill. Reg. 3296, effective March 1, 1993; amended at 17 Ill. Reg. 6649, effective April 21, 1993; amended at 17 Ill. Reg. 14643, effective August 30, 1993; emergency amendment at 17 Ill. Reg. 17323, effective October 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 3450, effective February 28, 1994; emergency

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

amendment at 18 Ill. Reg. 12853, effective August 2, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 14117, effective September 1, 1994; amended at 18 Ill. Reg. 17648, effective November 29, 1994; amended at 19 Ill. Reg. 1067, effective January 20, 1995; emergency amendment at 19 Ill. Reg. 3510, effective March 1, 1995, for a maximum of 150 days; emergency expired July 29, 1995; emergency amendment at 19 Ill. Reg. 6709, effective May 12, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 10060, effective June 29, 1995; emergency amendment at 19 Ill. Reg. 10752, effective July 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 13009, effective September 5, 1995; amended at 19 Ill. Reg. 16630, effective November 28, 1995; amended at 20 Ill. Reg. 872, effective December 29, 1995; amended at 20 Ill. Reg. 7912, effective May 31, 1996; emergency amendment at 20 Ill. Reg. 9281, effective July 1, 1996, for a maximum of 150 days; emergency amendment at 20 Ill. Reg. 12510, effective September 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 15722, effective November 27, 1996; amended at 21 Ill. Reg. 607, effective January 2, 1997; amended at 21 Ill. Reg. 8386, effective June 23, 1997; emergency amendment at 21 Ill. Reg. 9552, effective July 1, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 9822, effective July 2, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 10147, effective August 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 13349, effective September 23, 1997; emergency amendment at 21 Ill. Reg. 13675, effective September 27, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 16161, effective November 26, 1997; amended at 22 Ill. Reg. 1408, effective December 29, 1997; amended at 22 Ill. Reg. 3083, effective January 26, 1998; amended at 22 Ill. Reg. 11514, effective June 22, 1998; emergency amendment at 22 Ill. Reg. 13070, effective July 1, 1998, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 15027, effective August 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 16273, effective August 28, 1998; amended at 22 Ill. Reg. 21490, effective November 25, 1998; amended at 23 Ill. Reg. 5784, effective April 30, 1999; amended at 23 Ill. Reg. 7115, effective June 1, 1999; amended at 23 Ill. Reg. 7908, effective June 30, 1999; emergency amendment at 23 Ill. Reg. 8213, effective July 1, 1999, for a maximum of 150 days; emergency amendment at 23 Ill. Reg. 12772, effective October 1, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13621, effective November 1, 1999; amended at 24 Ill. Reg. 2400, effective February 1, 2000; amended at 24 Ill. Reg. 3845, effective February 25, 2000; emergency amendment at 24 Ill. Reg. 10386, effective July 1, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 11846, effective August 1, 2000; amended at 24 Ill. Reg. 16067, effective October 16, 2000; amended at 24 Ill. Reg. 17146, effective November 1, 2000; amended at 24 Ill. Reg. 18293, effective December 1, 2000; amended at 25 Ill. Reg. 5359, effective April 1, 2001; emergency amendment at 25 Ill. Reg. 5432, effective April 1, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 6959, effective June 1, 2001; emergency amendment at 25 Ill. Reg. 9974, effective July 23, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 10513, effective August 2, 2001; emergency amendment at 25 Ill. Reg. 12870, effective October 1, 2001, for a maximum of 150 days; emergency expired February 27, 2002; amended at 25 Ill. Reg. 16087, effective December 1, 2001; emergency amendment at 26 Ill.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

Reg. 536, effective December 31, 2001, for a maximum of 150 days; emergency amendment at 26 Ill. Reg. 680, effective January 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 4825, effective March 15, 2002; emergency amendment at 26 Ill. Reg. 4953, effective March 18, 2002, for a maximum of 150 days; emergency repealed at 26 Ill. Reg. 7786, effective July 1, 2002; emergency amendment at 26 Ill. Reg. 7340, effective April 30, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 8395, effective May 28, 2002; emergency amendment at 26 Ill. Reg. 11040, effective July 1, 2002, for a maximum of 150 days; emergency amendment repealed at 26 Ill. Reg. 16612, effective October 22, 2002; amended at 26 Ill. Reg. 12322, effective July 26, 2002; amended at 26 Ill. Reg. 13661, effective September 3, 2002; amended at 26 Ill. Reg. 14808, effective September 26, 2002; emergency amendment at 26 Ill. Reg. 14887, effective October 1, 2002, for a maximum of 150 days; amended at 26 Ill. Reg. 17775, effective November 27, 2002; emergency amendment at 27 Ill. Reg. 580, effective January 1, 2003, for a maximum of 150 days; emergency amendment at 27 Ill. Reg. 866, effective January 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 4386, effective February 24, 2003; emergency amendment at 27 Ill. Reg. 9178, effective April 28, 2003, for a maximum of 150 days; emergency amendment repealed at 27 Ill. Reg. 12121, effective July 10, 2003; amended at 27 Ill. Reg. 9178, effective May 28, 2003; emergency amendment at 27 Ill. Reg. 11041, effective July 1, 2003, for a maximum of 150 days; emergency amendment at 27 Ill. Reg. 16185, effective October 1, 2003, for a maximum of 150 days; emergency amendment at 27 Ill. Reg. 16268, effective October 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 18843, effective November 26, 2003; emergency amendment at 28 Ill. Reg. 1418, effective January 8, 2004, for a maximum of 150 days; emergency amendment at 28 Ill. Reg. 1766, effective January 10, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. 2770, effective February 1, 2004.

## SUBPART B: REIMBURSEMENT AND RELATED PROVISIONS

**Section 148.120 Disproportionate Share Hospital (DSH) Adjustments**

Disproportionate Share Hospital (DSH) adjustments for inpatient services provided prior to October 1, ~~2003-1993~~, shall be determined and paid in accordance with the statutes and administrative rules governing the time period when the services were rendered. The Department shall make an annual determination of those hospitals qualified for adjustments under this Section effective October 1, ~~2003-1993~~, and each October 1, thereafter unless otherwise noted.

- a) Qualified Disproportionate Share Hospitals (DSH). For inpatient services provided on or after October 1, ~~2003-1993~~, the Department shall make adjustment payments to hospitals which are deemed as disproportionate share by the Department. A hospital may qualify for a DSH adjustment in one of the following ways:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 1) The hospital's Medicaid inpatient utilization rate (MIUR), as defined in subsection ~~(k)(4) (k)(5)~~ of this Section, is at least one ~~half~~ standard deviation above the mean Medicaid utilization rate, as defined in subsection (k)(3) of this Section.
  - 2) The hospital's low income utilization rate exceeds 25 per centum. For this alternative, payments for all patient services (not just inpatient) for Medicaid, Family and Children Assistance (formerly known as General Assistance) and/or any local or State government-funded care, must be counted as a percentage of all net patient service revenue. To this percentage, the percentage of total inpatient charges attributable to inpatient charges for charity care (less payments for Family and Children Assistance inpatient hospital services, and/or any local or State government-funded care) must be added. ~~3) Illinois hospitals that, on July 1, 1991, had a Medicaid inpatient utilization rate, as defined in subsection (k)(5) of this Section, that was at least the mean Medicaid inpatient utilization rate, as defined in subsection (k)(3) of this Section, and which were located in a planning area with one-third or fewer excess beds as determined by the Illinois Health Facilities Planning Board (77 Ill. Adm. Code 1100), and that, as of June 30, 1992, were located in a federally designated Health Manpower Shortage Area (42 CFR 5, 1989). 4) Illinois hospitals that: A) Have a Medicaid inpatient utilization rate, as defined in subsection (k)(5) of this Section, which is at least the mean Medicaid inpatient utilization rate, as defined in subsection (k)(3) of this Section, and B) Have a Medicaid obstetrical inpatient utilization rate, as defined in subsection (k)(6) of this Section, that is at least one standard deviation above the mean Medicaid obstetrical inpatient utilization rate, as defined in subsection (k)(4) of this Section. 5) Any children's hospital, as defined in 89 Ill. Adm. Code 149.50(e)(3).~~
- b) In addition, to be deemed a DSH hospital, a hospital must provide the Department, in writing, with the names of at least two obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to individuals entitled to such services under a State Medicaid plan. In the case of a hospital located in a rural area (that is, an area outside of a Metropolitan Statistical Area, as defined by the Executive Office of Management and Budget), the term "obstetrician" includes any physician with staff privileges at the hospital to perform nonemergency obstetric procedures. This requirement does not apply to a hospital in which the inpatients are predominantly individuals under 18 years

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

of age; or does not offer nonemergency obstetric services as of December 22, 1987. Hospitals that do not offer nonemergency obstetrics to the general public, with the exception of those hospitals described in 89 Ill. Adm. Code 149.50(c)(1) through (c)(4), must submit a statement to that effect.

- c) In making the determination described in subsection subsections-(a)(1) and ~~(a)(4)(A)~~ of this Section, the Department shall utilize:
- 1) Hospital Cost Reports
    - A) The hospital's final audited cost report for the hospital's base fiscal year. Medicaid inpatient utilization rates, as defined in subsection ~~(k)(4) (k)(5)~~ of this Section, which have been derived from final audited cost reports, are not subject to the Review Procedure described in Section 148.310, with the exception of errors in calculation.
    - B) In the absence of a final audited cost report for the hospital's base fiscal year, the Department shall utilize the hospital's unaudited cost report for the hospital's base fiscal year. Due to the unaudited nature of this information, hospitals shall have the opportunity to submit a corrected cost report for the determination described in subsection subsections-(a)(1) and ~~(a)(4)(A)~~ of this Section. Submittal of a corrected cost report in support of subsection subsections-(a)(1) and ~~(a)(4)(A)~~ of this Section must be received or post marked no later than the first day of July preceding the DSH determination year for which the hospital is requesting consideration of such corrected cost report for the determination of DSH qualification. Corrected cost reports which are not received in compliance with these time limitations will not be considered for the determination of the hospital's MIUR Medicaid inpatient utilization rate as described in subsection ~~(k)(4) (k)(5)~~ of this Section.
    - C) In the event of extensions to the Medicare cost report filing process, those hospitals that do not have an audited or unaudited base year Medicaid cost report on file with the Department by the 30th of April preceding the DSH determination are required to complete and submit to the Department a Hospital Day Statistics Collection (HDSC) form. On the form, hospitals must provide

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

total Medicaid days and total hospital days for the hospital's base fiscal year. The HDSC form must be submitted to the Department by the April 30th preceding the DSH determination.

- i) If the Medicare deadline for submitting base fiscal year cost reports falls within the month of June preceding the DSH determination, hospitals, regardless of their base fiscal year end date, will have until the first day of August preceding the DSH determination to submit changes to their Medicaid cost reports for inclusion in the final DSH calculations. In this case, the HDSC form will not be used as a data source for the final rate year DSH determination.
  - ii) If the Medicare deadline for submitting base fiscal year cost reports is extended beyond the month of June preceding the DSH determination, the HDSC form will be used in the final DSH determination for all hospitals that do not have an audited or unaudited Medicaid cost report on file with the Department. Hospitals will have until the first day of July to submit any adjustments to the information provided on the HDSC form sent to the Department on April 30.
- D) Hospitals' Medicaid inpatient utilization rates, as defined in subsection ~~(k)(4) (k)(5)~~ of this Section, which have been derived from unaudited cost reports or the HDSC form, are not subject to the Review Procedure described in Section 148.310, with the exception of errors in calculation. Pursuant to subsections (c)(1)(B) and (c)(1)(C)(ii) of this Section, hospitals shall have the opportunity to submit corrected information prior to the Department's final DSH determination.
- E) In the event a subsequent final audited cost report reflects an MIUR-a Medicaid inpatient utilization rate, as described in subsection ~~(k)(4) (k)(5)~~ of this Section, which is lower than the Medicaid inpatient utilization rate derived from the unaudited cost report or the HDSC form utilized for the DSH determination, the Department shall recalculate the MIUR Medicaid inpatient utilization rate based upon the final audited cost report, and recoup any overpayments made if the percentage change in the DSH

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

payment rate is greater than five percent.

2) Days Not Available from Cost Report

Certain types of inpatient days of care provided to Title XIX recipients are not available from the cost report, i.e., Medicare/Medicaid crossover claims, out-of-state Title XIX Medicaid utilization levels, Medicaid Health Maintenance Organization (HMO) days, hospital residing long term care days, and Medicaid days for alcohol and substance abuse rehabilitative care under category of service 35. To obtain Medicaid utilization levels in these instances, the Department shall utilize:

A) Medicare/Medicaid Crossover Claims.

- i) For DSH determination years on or after October 1, 1996, the Department will utilize the Department's paid claims data adjudicated through the last day of June preceding the DSH determination year for each hospital's base fiscal year. Provider logs as described in the following subsection (c)(3)(A)(ii) will not be used in the determination process for DSH determination years on or after October 1, 1996.
- ii) For DSH determination years prior to October 1, 1996, hospitals may submit additional information to document Medicare/Medicaid crossover days that were not billed to the Department due to a determination that the Department had no liability for deductible or coinsurance amounts. That information must be submitted in log form. The log must include a patient account number or medical record number, patient name, Medicaid recipient identification number, Medicare identification number, date of admission, date of discharge, the number of covered days, and the total number of Medicare/Medicaid crossover days. That log must include all Medicare/Medicaid crossover days billed to the Department and all Medicare/Medicaid crossover days which were not billed to the Department for services provided during the hospital's base fiscal year. If a hospital does not submit a log of Medicare/Medicaid crossover days that meets the above requirements, the Department will utilize the Department's paid claims data

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

adjudicated through the last day of June preceding the DSH determination year for the hospital's applicable base fiscal year.

- B) Out-of-state Title XIX Utilization Levels. Hospital statements and verification reports from other states will be required to verify out-of-state Medicaid recipient utilization levels. The information submitted must include only those days of care provided to out-of-state Medicaid recipients during the hospital's base fiscal year.
  - C) HMO days. The Department will utilize the Department's HMO claims data available to the Department as of the last day of June preceding the DSH determination year, or specific claim information from each HMO, for each hospital's base fiscal year to determine the number of inpatient days provided to recipients enrolled in an HMO.
  - D) Hospital Residing Long Term Care Days. The Department will utilize the Department's paid claims data adjudicated through the last day of June preceding the DSH determination year for each hospital's base fiscal year to determine the number of hospital residing long term care days provided to recipients.
  - E) Alcohol and Substance Abuse Days. The Department will utilize its paid claims data under category of service 35 available to the Department as of the last day of June preceding the DSH determination year for each hospital's base fiscal year to determine the number of inpatient days provided for alcohol and substance abuse rehabilitative care.
- d) Hospitals may apply for DSH status under subsection (a)(2) of this Section by submitting an audited certified financial statement, for the hospital's base fiscal year, to the Department of Human Services [or the Department of Public Aid](#). The statements must contain the following breakdown of information prior to submittal to the Department for consideration:
- 1) Total hospital net revenue for all patient services, both inpatient and outpatient, for the hospital's base fiscal year.
  - 2) Total payments received directly from State and local governments for all

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

patient services, both inpatient and outpatient, for the hospital's base fiscal year.

- 3) Total gross inpatient hospital charges for charity care (this must not include contractual allowances, bad debt or discounts, except contractual allowances and discounts for Family and Children Assistance, formerly known as General Assistance), for the hospital's base fiscal year.
  - 4) Total amount of the hospital's gross charges for inpatient hospital services for the hospital's base fiscal year.
- e) With the exception of cost-reporting children's hospitals in contiguous states that provide 100 or more inpatient days of care to Illinois program participants, only those cost-reporting hospitals located in states contiguous to Illinois that qualify for DSH in the state in which they are located based upon the Federal definition of a DSH hospital, as defined in Section 1923(b)(1) of the Social Security Act, may qualify for DSH hospital adjustments under this Section. For purposes of determining the ~~MIUR Medicaid inpatient utilization rate~~, as described in subsection ~~(k)(4) (k)(5)~~ of this Section and as required in Section 1923(b)(1) of the Social Security Act, out-of-state hospitals will be measured in relationship to one standard deviation above the mean Medicaid inpatient utilization rate in their state. Out-of-state hospitals that do not qualify by the ~~MIUR Medicaid inpatient utilization rate~~ from their state may submit an audited certified financial statement as described in subsection (d) of this Section. Payments to out-of-state hospitals will be allocated using the same method as described in subsection (g) of this Section.
- f) Time Limitation Requirements for Additional Information.
- 1) Except as provided in subsection (c)(1)(C), the information required in subsections (a), (c), (d) and (e) of this Section must be received or post marked no later than the first day of July preceding the DSH determination year for which the hospital is requesting consideration of such information for the determination of DSH qualification. Information required in subsections (a), (c), (d) and (e) of this Section which is not received or post marked in compliance with these limitations will not be considered for the determination of those hospitals qualified for DSH adjustments.
  - 2) The information required in subsection (b) of this Section must be ~~submitted received or post marked within 30 calendar days~~ after receipt of

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

notification from the Department ~~that the information must be submitted.~~ Information required in this Section which is not received in compliance with these limitations will not be considered for the determination of those hospitals qualified for DSH adjustments.

- g) Inpatient Payment Adjustments to DSH Hospitals. The adjustment payments required by subsection (a) of this Section shall be calculated annually as follows:
- 1) Five Million Dollar Fund Adjustment for hospitals defined in Section 148.25(b)(1).
    - A) Hospitals qualifying as DSH hospitals under subsection (a)(1) ~~or of this Section that have a Medicaid inpatient utilization rate, as described in subsection (k)(5) of this Section, which is at least one standard deviation above the mean Medicaid inpatient utilization rate, as described in subsection (k)(3) of this Section, and hospitals qualifying as DSH hospitals under subsection~~ (a)(2) of this Section will receive an add-on payment to their inpatient rate.
    - B) The distribution method for the add-on payment described in subsection (g)(1)~~(A)~~ of this Section is based upon a fund of \$5 million. All hospitals qualifying under subsection (g)(1)(A) of this Section will receive a \$5 per day add-on to their current rate. The total cost of this adjustment is calculated by multiplying each hospital's most recent completed fiscal year Medicaid inpatient utilization data (adjusted based upon historical utilization and projected increases in utilization) by \$5. The total dollar amount of this calculation is then subtracted from the \$5 million fund.
    - C) The remaining fund balance is then distributed to the hospitals that qualify under subsection (a)(1) of this Section ~~that have a Medicaid inpatient utilization rate, as described in subsection (k)(5) of this Section, which is at least one standard deviation above the mean Medicaid inpatient utilization rate,~~ in proportion to the percentage by which the hospital's MIUR Medicaid inpatient utilization rate exceeds one standard deviation above the State's mean Medicaid inpatient utilization rate, as described in subsection (k)(3) of this Section. This is done by finding the ratio of each hospital's percent Medicaid utilization to the State's mean plus one standard deviation percent Medicaid value. These ratios are then summed

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

and each hospital's proportion of the total is calculated. These proportional values are then multiplied by each hospital's most recent completed fiscal year Medicaid inpatient utilization data (adjusted based upon historical utilization and projected increases in utilization). These weighted values are summed and each ~~hospital's~~ hospitals proportion of the summed weighted value is calculated. Each individual hospital's proportional value is then multiplied against the \$5 million pool of money available after the \$5 per day base add-on has been subtracted.

- D) The total dollar amount calculated for each qualifying hospital under subsection (g)(1)(C) of this Section, plus the initial \$5 per day add-on amount calculated for each qualifying hospital under subsection (g)(1)(B) of this Section, is then divided by the Medicaid inpatient utilization data (adjusted based upon historical utilization and projected increases in utilization) to arrive at a per day add-on value. Hospitals qualifying under subsection (a)(2) of this Section, will receive the minimum adjustment of \$5 per inpatient day. The adjustments calculated under this subsection (g)(1)(~~D~~) are subject to the limitations described in subsection (j) of this Section. The adjustments calculated under subsection (g) of this Section shall be paid on a per diem basis and shall be applied to each covered day of care provided. ~~2) Medicaid Percentage Adjustment for hospitals defined in Section 148.25(b)(1), excluding hospitals defined in Section 148.25(b)(1)(A). A) In addition to the adjustment methodology described in subsection (g)(1) of this Section, all DSH hospitals described in subsections (a)(1), (2), (3), (4), and (5) of this Section shall receive a payment adjustment which shall be calculated annually as outlined in subsection (g)(2)(B). B) The payment adjustment shall be calculated based upon the hospital's Medicaid inpatient utilization rate, as defined in subsection (k)(5) of this Section, and subject to subsections (h) and (i) of this Section, as follows: i) Hospitals with a Medicaid inpatient utilization rate below the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$25; ii) Hospitals with a Medicaid inpatient utilization rate that is equal to or greater than the mean Medicaid inpatient utilization rate but less than one standard deviation above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$25 plus \$1 for each one percent that the hospital's Medicaid inpatient~~

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

~~utilization rate exceeds the mean Medicaid inpatient utilization rate; iii) Hospitals with a Medicaid inpatient utilization rate that is equal to or greater than one standard deviation above the mean Medicaid inpatient utilization rate but less than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$40 plus \$7 for each one percent that the hospital's Medicaid inpatient utilization rate exceeds one standard deviation above the mean Medicaid inpatient utilization rate; and iv) Hospitals with a Medicaid inpatient utilization rate that is equal to or greater than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$90 plus \$2 for each one percent that the hospital's Medicaid inpatient utilization rate exceeds 1.5 standard deviations above the mean Medicaid inpatient utilization rate. C) For a hospital organized under the University of Illinois Hospital Act, as described in Section 148.25(b)(1)(B), the amount calculated pursuant to subsection (g)(2)(B) of this Section shall be increased by \$60 per day. D) The Medicaid percentage adjustment payment, calculated in accordance with this subsection (g)(2), to a hospital, other than a hospital and/or hospitals organized under the University of Illinois Hospital Act, as described in Section 148.25(b)(1)(B), shall not exceed \$155 per day for a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3), and shall not exceed \$215 per day for all other hospitals. E) The amount calculated pursuant to subsections (g)(2)(B) through (g)(2)(D) of this Section shall be adjusted on October 1, 1993, and annually thereafter by a percentage equal to the lesser of: i) The increase in the national hospital market basket price proxies (DRI) hospital cost index for the most recent 12 month period for which data are available; or ii) The percentage increase in the statewide average hospital payment rate, as described in subsection (k)(8) of this Section, over the previous year's statewide average hospital payment rate. F) The amount calculated pursuant to subsection (g)(1) of this Section for hospitals described in Section 148.25(b)(1)(A) shall be no less than the DSH rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services is calculated by dividing the total~~

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

~~allowable Medicaid costs by the total allowable Medicaid days. G) The amount calculated pursuant to subsections (g)(1) and (g)(2)(B) through (g)(2)(E) of this Section, as adjusted pursuant to subsections (h) and (i) of this Section, shall be the inpatient payment adjustment in dollars for the applicable DSH determination year, subject to the limitations described in subsections (g)(2)(D) and (j) of this Section, and the adjustment described in subsection (g)(2)(F) of this Section. The adjustments calculated under subsections (g)(1) and (g)(2)(B) through (g)(2)(F) of this Section shall be paid on a per diem basis and shall be applied to each covered day of care provided.~~

- ~~2)3)~~ Department of Human Services (DHS) State-Operated Facility Adjustment for hospitals defined in Section 148.25(b)(6). Department of Human Services State-operated facilities qualifying under subsection (a)(2) of this Section shall receive an adjustment for inpatient services provided on or after March 1, 1995. Effective October 1, 2000, the adjustment payment shall be calculated as follows:
- A) The amount of the adjustment is based on a State DSH Pool. The State DSH Pool amount shall be the lesser of the federal DSH allotment for mental health facilities as determined in section 1923(h) of the Social Security Act, minus the estimated DSH payments to such facilities that are not operated by the State; or the result of subtracting the estimated DSH payment adjustments made under subsections (g)(1), ~~(h) and (i) through (g)(2)~~ of this Section and Section 148.170(f)(2) from the aggregate DSH payment allotment as provided for in section 1923(f) of the Social Security Act.
  - B) The State DSH Pool amount is then allocated to hospitals defined in Section 148.25(b)(6) that qualify for DSH adjustments by multiplying the State DSH Pool amount by each hospital's ratio of uncompensated care costs, from the most recent final cost report, to the sum of all qualifying hospitals' uncompensated care costs.
  - C) The adjustment calculated in subsection ~~(g)(2)(B) (g)(3)(B)~~ of this Section shall meet the limitation described in subsection (j)(4) of this Section.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

D) The adjustment calculated pursuant to subsection ~~(g)(2)(B)~~ ~~(g)(3)(B)~~ of this Section, for each hospital defined in Section 148.25(b)(6) that qualifies for DSH adjustments, is then divided by four to arrive at a quarterly adjustment. This amount is subject to the limitations described in subsection (j) of this Section. The adjustment described in this subsection ~~(g)(2)(D)~~ ~~(g)(3)(D)~~ shall be paid on a quarterly basis.

~~3)4)~~ Assistance for Certain Public Hospitals

A) ~~The Effective May 1, 2002, the~~ Department may make an annual payment adjustment to qualifying hospitals in the DSH determination year. A qualifying hospital is a public hospital as defined in section 701(d) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (Public Law 106-554).

B) Hospitals qualifying shall receive an annual payment adjustment that is equal to:

i) A rate amount equal to the amount specified in the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, section 701(d)(3)(B) for the DSH determination year;

ii) Divided first by Illinois' Federal Medical Assistance Percentage; and

iii) Divided secondly by the sum of the qualified hospitals' total Medicaid inpatient days, as defined in subsection ~~(k)(4)~~ ~~(k)(9)~~ of this Section; and

iv) Multiplied by each qualified hospital's Medicaid inpatient days as defined in subsection ~~(k)(4)~~ ~~(k)(9)~~ of this Section.

C) ~~The payment adjustment under this subsection (g)(4) shall be made at least quarterly except for DSH rate year 2002 when the annual payment adjustment calculated under this subsection (g)(4), for each qualified hospital, will be divided by two and paid on a quarterly basis. For DSH rate years after DSH rate year 2002, The~~

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

~~the~~ annual payment adjustment calculated under this subsection, for each qualified hospital, will be divided by four and paid on a quarterly basis.

- D) Payment adjustments under this subsection ~~(g)(3) (g)(4)~~ shall be made without regard to subsections (j)(3) and (4) of this Section, 42 CFR 447.272, or any standards promulgated by the Department of Health and Human Services pursuant to section 701(e) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000.
- E) In order to qualify for assistance payments under this subsection ~~(g)(3)-(g)(4)~~, with regard to this payment adjustment, there must be in force an executed intergovernmental agreement between the authorized governmental body of the qualifying hospital and the Department.
- h) ~~Hospitals Organized Under the University of Illinois Hospital Act. For a hospital and/or hospitals organized under the University of Illinois Hospital Act, as defined in Sections 148.25(b)(1)(B), the payment adjustments calculated under Section 148.122 shall be considered disproportionate share adjustments. Inpatient Adjustor for Children's Hospitals. For a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3), the payment adjustment calculated under subsection (g)(2) of this Section shall be multiplied by 2.0.~~
- i) ~~For county owned hospitals defined in Section 148.25(b)(1)(A), a portion of the payments made in accordance with Sections 148.160(f)(3) and 148.295(c)(2)(J) may be considered disproportionate share adjustments. Inpatient Adjustor for Hospitals Organized under the University of Illinois Hospital Act. For a hospital and/or hospitals organized under the University of Illinois Hospital Act, as defined in Section 148.25(b)(1)(B), the payment adjustment calculated under subsection (g)(2) of this Section shall be multiplied by 1.50.~~
- j) DSH Adjustment Limitations.
- 1) Hospitals that qualify for DSH adjustments under this Section shall not be eligible for the total DSH adjustment if, during the DSH determination year, the hospital discontinues provision of nonemergency obstetrical care. The provisions of this subsection (j)(1) shall not apply to those hospitals described in 89 Ill. Adm. Code 149.50(c)(1) through (c)(4) or those

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

hospitals that have not offered nonemergency obstetric services as of December 22, 1987). In this instance, the adjustments calculated under ~~subsection (g)(1) and (g)(2)~~ shall cease to be effective on the date that the hospital discontinued the provision of such nonemergency obstetrical care.

- 2) Inpatient Payment Adjustments based upon DSH Determination Reviews. Appeals based upon a hospital's ineligibility for DSH payment adjustments, or their payment adjustment amounts, in accordance with Section 148.310(b), which result in a change in a hospital's eligibility for DSH payment adjustments or a change in a hospital's payment adjustment amounts, shall not affect the DSH status of any other hospital or the payment adjustment amount of any other hospital that has received notification from the Department of its eligibility for DSH payment adjustments based upon the requirements of this Section.
- 3) DSH Payment Adjustment. In accordance with Public Law 102-234, if the aggregate DSH payment adjustments calculated under this Section do not meet the State's final DSH Allotment as determined by the Health Care Financing Administration (HCFA), DSH payment adjustments calculated under this Section shall be adjusted to meet the State DSH Allotment. This adjustment shall first be applied to DSH payments made under subsection ~~(g)(2) (g)(3)~~ of this Section. ~~If further adjustments are necessary, then DSH payments made under subsection (g)(2) of this Section shall be adjusted, with the DSH payments made under subsection (g)(1) of this Section being adjusted last.~~
- 4) Omnibus Budget Reconciliation Act of 1993 (OBRA '93) Adjustments. In accordance with Public Law 103-66, adjustments to individual hospitals' disproportionate share payments shall be made if the sum of estimated Medicaid payments (inpatient, outpatient, and disproportionate share) to a hospital exceed the costs of providing services to Medicaid clients and persons without insurance. Federal upper payment limit requirements (42 CFR 447.272) shall be considered when calculating the OBRA '93 adjustments. The adjustments shall reduce disproportionate share spending until the costs and spending (described in this subsection (j)(4)) are equal or until the disproportionate share payments are reduced to zero. In this calculation, persons without insurance costs do not include contractual allowances. Hospitals qualifying for DSH payment adjustments must submit the information required in Section 148.150.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 5) Medicaid Inpatient Utilization Rate Limit. Hospitals that qualify for DSH payment adjustments under this Section shall not be eligible for DSH payment adjustments if the hospital's ~~MIUR-Medicaid inpatient utilization rate~~, as defined in subsection ~~(k)(4)(k)(5)~~ of this Section, is less than one percent.
- k) Inpatient Payment Adjustment Definitions. The definitions of terms used with reference to calculation of the inpatient payment adjustments are as follows:
- 1) "Base fiscal year" means, for example, the hospital's fiscal year ending in ~~2001 1991~~ for the October 1, ~~2003 1993~~ DSH determination year, the hospital's fiscal year ending in ~~2002 1992~~ for the October 1, ~~2004 1994~~ DSH determination year, etc.
  - 2) "DSH determination year" means the 12 month period beginning on October 1 of the year and ending September 30 of the following year.
  - 3) "Mean Medicaid inpatient utilization rate" means a fraction, the numerator of which is the total number of inpatient days provided in a given 12-month period by all Medicaid-participating Illinois hospitals to patients who, for such days, were eligible for Medicaid under Title XIX of the Federal Social Security Act (42 USC 1396a et seq.), and the denominator of which is the total number of inpatient days provided by those same hospitals. Title XIX specifically excludes days of care provided to Family and Children Assistance (formerly known as General Assistance) but does include the types of days described in subsections (c)(1) and (c)(2) of this Section. In this subsection (k)(3), the term "inpatient day" includes each day in which an individual (including a newborn) is an inpatient in the hospital whether or not the individual is in a specialized ward and whether or not the individual remains in the hospital for lack of suitable placement elsewhere. ~~4)"Mean Medicaid obstetrical inpatient utilization rate" means a fraction, the numerator of which is the total Medicaid (Title XIX) obstetrical inpatient days, as defined in subsection (k)(7) of this Section, provided by all Medicaid-participating Illinois hospitals providing obstetrical services to patients who, for such days, were eligible for Medicaid under Title XIX of the federal Social Security Act (42 USC 1396a et seq.), and the denominator of which is the total Medicaid (Title XIX) inpatient days, as defined in subsection (k)(9) of this Section, for all such hospitals. That information shall be derived from claims for~~

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

~~applicable services provided in the Medicaid obstetrical inpatient utilization rate base year which were subsequently adjudicated by the Department through the last day of June preceding the DSH determination year and contained within the Department's paid claims data base.~~

~~4)5)~~ "Medicaid inpatient utilization rate" means a fraction, the numerator of which is the number of a hospital's inpatient days provided in a given 12 month period to patients who, for such days, were eligible for Medicaid under Title XIX of the Federal Social Security Act (42 USC 1396a et seq.) and the denominator of which is the total number of the hospital's inpatient days in that same period. Title XIX specifically excludes days of care provided to Family and Children Assistance (formerly known as General Assistance) but does include the types of days described in subsections (c)(1) and (c)(2) of this Section. In this subsection ~~(k)(4)~~ ~~(k)(5)~~, the term "inpatient day" includes each day in which an individual (including a newborn) is an inpatient in the hospital whether or not the individual is in a specialized ward and whether or not the individual remains in the hospital for lack of suitable placement elsewhere.

~~6)"Medicaid obstetrical inpatient utilization rate" means a fraction, the numerator of which is the Medicaid (Title XIX) obstetrical inpatient days, as defined in subsection (k)(7) of this Section, provided by a Medicaid-participating Illinois hospital providing obstetrical services to patients who, for such days, were eligible for Medicaid under Title XIX of the Federal Social Security Act (42 USC 1396a et seq.), and the denominator of which is the total Medicaid (Title XIX) inpatient days, as defined in subsection (k)(9) of this Section provided by such hospital. This information shall be derived from claims for applicable services provided in the Medicaid obstetrical inpatient utilization rate base year which were subsequently adjudicated by the Department through the last day of June preceding the DSH determination year and contained within the Department's paid claims data base. 7)"Medicaid (Title XIX) obstetrical inpatient days" means hospital inpatient days which were subsequently adjudicated by the Department through the last day of June preceding the DSH determination year and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, with a Diagnosis Related Group (DRG) of 370 through 375, and specifically excludes Medicare/Medicaid crossover claims. 8)"Statewide average hospital payment rate" means the hospital's alternative reimbursement rate, as defined in Section 148.270(a). 9)"Total Medicaid (Title XIX) inpatient days", as referred to in subsections (k)(4)~~

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

~~and (k)(6) of this Section, means hospital inpatient days, excluding days for normal newborns, which were subsequently adjudicated by the Department through the last day of June preceding the DSH determination year and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, and specifically excludes Medicare/Medicaid crossover claims. 10)"Medicaid obstetrical inpatient utilization rate base year" means, for example, fiscal year 1992 for the October 1, 1993, DSH determination year; fiscal year 1993 for the October 1, 1994, DSH determination year; etc.~~

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.122 Medicaid Percentage Adjustments**

The Department shall make an annual determination of those hospitals qualified for adjustments under this Section effective October 1, 2003, and each October 1 thereafter unless otherwise noted.

- a) Qualified Medicaid Percentage Hospitals. For inpatient services provided on or after October 1, 2003, the Department shall make adjustment payments to hospitals that are deemed as a Medicaid percentage hospital by the Department. A hospital may qualify for a Medicaid Percentage Adjustment in one of the following ways:
- 1) The hospital's Medicaid inpatient utilization rate (MIUR), as defined in Section 148.120(k)(4), is at least one-half standard deviation above the mean Medicaid utilization rate, as defined in Section 148.120(k)(3).
  - 2) The hospital's low income utilization rate exceeds 25 per centum. For this alternative, payments for all patient services (not just inpatient) for Medicaid, Family and Children Assistance (formerly known as General Assistance) and/or any local or State government-funded care, must be counted as a percentage of all net patient service revenue. To this percentage, the percentage of total inpatient charges attributable to inpatient charges for charity care (less payments for Family and Children Assistance inpatient hospital services, and/or any local or State government-funded care) must be added.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 3) Illinois hospitals that, on July 1, 1991, had an MIUR, as defined in Section 148.120(k)(4), that was at least the mean Medicaid inpatient utilization rate, as defined in Section 148.120(k)(3), and that were located in a planning area with one-third or fewer excess beds as determined by the Illinois Health Facilities Planning Board (77 Ill. Adm. Code 1100), and that, as of June 30, 1992, were located in a federally designated Health Manpower Shortage Area (42 CFR 5 (1989)).
- 4) Illinois hospitals that:
  - A) Have an MIUR, as defined in Section 148.120(k)(4), that is at least the mean Medicaid inpatient utilization rate, as defined in Section 148.120(k)(3); and
  - B) Have a Medicaid obstetrical inpatient utilization rate, as defined in subsection (h)(3) of this Section, that is at least one standard deviation above the mean Medicaid obstetrical inpatient utilization rate, as defined in subsection (h)(2) of this Section.
- 5) Any children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3).
- 6) Out of state hospitals meeting the criteria in Section 148.120(e).
- b) In making the determination described in subsections (a)(1) and (a)(4)(A) of this Section, the Department shall utilize the data described in Section 148.120(c) and received in compliance with Section 148.120(f).
- c) Hospitals may apply to become a qualified Medicaid Percentage Adjustment hospital under subsection (a)(2) of this Section by submitting audited certified financial statements as described in Section 148.120(d) and received in compliance with Section 148.120(f).
- d) Medicaid Percentage Adjustments. The adjustment payments required by subsection (a) of this Section for qualified hospitals shall be calculated annually as follows for hospitals defined in Section 148.25(b)(1), excluding hospitals defined in Section 148.25(b)(1)(A).
  - 1) The payment adjustment shall be calculated based upon the hospital's MIUR, as defined in Section 148.120(k)(4), and subject to subsections (e) and (f) of this Section, as follows:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- A) Hospitals with an MIUR below the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$25;
- B) Hospitals with an MIUR that is equal to or greater than the mean Medicaid inpatient utilization rate but less than one standard deviation above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$25 plus \$1 for each one percent that the hospital's MIUR exceeds the mean Medicaid inpatient utilization rate;
- C) Hospitals with an MIUR that is equal to or greater than one standard deviation above the mean Medicaid inpatient utilization rate but less than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$40 plus \$7 for each one percent that the hospital's MIUR exceeds one standard deviation above the mean Medicaid inpatient utilization rate; and
- D) Hospitals with an MIUR that is equal to or greater than 1.5 standard deviations above the mean Medicaid inpatient utilization rate shall receive a payment adjustment of \$90 plus \$2 for each one percent that the hospital's MIUR exceeds 1.5 standard deviations above the mean Medicaid inpatient utilization rate.
- 2) For a hospital organized under the University of Illinois Hospital Act, as described in Section 148.25(b)(1)(B), the amount calculated pursuant to subsection (d)(1) of this Section shall be increased by \$60 per day.
- 3) The Medicaid Percentage Adjustment payment, calculated in accordance with this subsection (d), to a hospital, other than a hospital and/or hospitals organized under the University of Illinois Hospital Act, as described in Section 148.25(b)(1)(B), shall not exceed \$155 per day for a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3), and shall not exceed \$215 per day for all other hospitals.
- 4) The amount calculated pursuant to subsections (d)(1) through (d)(3) of this Section shall be adjusted by the aggregate annual increase in the national hospital market basket price proxies (DRI) hospital cost index from DSH determination year 1993, as defined in Section 148.120(k)(2), through

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

DSH determination year 2003, and annually thereafter, by a percentage equal to the lesser of:

- A) The increase in the national hospital market basket price proxies (DRI) hospital cost index for the most recent 12 month period for which data are available; or
  - B) The percentage increase in the Statewide average hospital payment rate, as described in subsection (h)(5) of this Section, over the previous year's Statewide average hospital payment rate.
- 5) The amount calculated pursuant to subsections (d)(1) through (d)(4) of this Section, as adjusted pursuant to subsections (e) and (f) of this Section, shall be the inpatient payment adjustment in dollars for the applicable Medicaid percentage determination year. The adjustments calculated under subsections (d)(1) through (d)(4) of this Section shall be paid on a per diem basis and shall be applied to each covered day of care provided.
- e) Inpatient Adjustor for Children's Hospitals. For a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3), the payment adjustment calculated under subsection (d)(1) of this Section shall be multiplied by 2.0.
  - f) Inpatient Adjustor for Hospitals Organized under the University of Illinois Hospital Act. For a hospital or hospitals organized under the University of Illinois Hospital Act, as defined in Section 148.25(b)(1)(B), the payment adjustment calculated under subsection (d)(2) of this Section shall be multiplied by 1.50.
  - g) Medicaid Percentage Adjustment Limitations.
    - 1) In addition, to be deemed a Medicaid Percentage Adjustment hospital, a hospital must provide to the Department, in writing, the names of at least two obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to individuals entitled to such services under a State Medicaid plan. In the case of a hospital located in a rural area (that is, an area outside of a Metropolitan Statistical Area, as defined by the federal Executive Office of Management and Budget), the term "obstetrician" includes any physician with staff privileges at the hospital to perform nonemergency obstetric procedures. This requirement does not apply to a hospital in which the inpatients are predominantly individuals

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- under 18 years of age, or does not offer nonemergency obstetric services as of December 22, 1987. Hospitals that do not offer nonemergency obstetrics to the general public, with the exception of those hospitals described in 89 Ill. Adm. Code 149.50(c)(1) through (c)(4), must submit a statement to that effect.
- 2) Hospitals that qualify for Medicaid Percentage Adjustments under this Section shall not be eligible for the total Medicaid Percentage Adjustment if, during the Medicaid Percentage Adjustment determination year, the hospital discontinues provision of nonemergency obstetrical care. The provisions of this subsection (g)(2) shall not apply to those hospitals described in 89 Ill. Adm. Code 149.50(c)(1) through (c)(4) or those hospitals that have not offered nonemergency obstetrical services as of December 22, 1987. In this instance, the adjustments calculated under subsection (d) shall cease to be effective on the date that the hospital discontinued the provision of such nonemergency obstetrical care.
- 3) Appeals based upon a hospital's ineligibility for Medicaid Percentage payment adjustments, or their payment adjustment amounts, in accordance with Section 148.310(b), which result in a change in a hospital's eligibility for Medicaid Percentage payment adjustments or a change in a hospital's payment adjustment amounts, shall not affect the Medicaid Percentage status of any other hospital or the payment adjustment amount of any other hospital that has received notification from the Department of its eligibility for Medicaid Percentage payment adjustments based upon the requirements of this Section.
- 4) Medicaid Inpatient Utilization Rate Limit. Hospitals that qualify for Medicaid percentage payment adjustments under this Section shall not be eligible for Medicaid percentage payment adjustments if the hospital's MIUR, as defined in Section 148.120(k)(4), is less than one percent.
- h) Inpatient Payment Adjustment Definitions. The definitions of terms used with reference to calculation of Inpatient Payment Adjustments are as follows:
- 1) "Medicaid Percentage determination year" means the 12 month period beginning on October 1 of the year and ending September 30 of the following year.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 2) "Mean Medicaid obstetrical inpatient utilization rate" means a fraction, the numerator of which is the total Medicaid (Title XIX) obstetrical inpatient days, as defined in subsection (h)(4) of this Section, provided by all Medicaid-participating Illinois hospitals providing obstetrical services to patients who, for such days, were eligible for Medicaid under Title XIX of the Federal Social Security Act (42 USC 1396a), and the denominator of which is the total Medicaid inpatient days, as defined in subsection (h)(6) of this Section, for all such hospitals. That information shall be derived from claims for applicable services provided in the Medicaid obstetrical inpatient utilization rate base year that were subsequently adjudicated by the Department through the last day of June preceding the DSH determination year and contained within the Department's paid claims data base.
- 3) "Medicaid obstetrical inpatient utilization rate" means a fraction, the numerator of which is the Medicaid (Title XIX) obstetrical inpatient days, as defined in subsection (h)(4) of this Section, provided by a Medicaid-participating Illinois hospital providing obstetrical services to patients who, for such days, were eligible for Medicaid under Title XIX of the federal Social Security Act (42 USC 1396a), and the denominator of which is the total Medicaid (Title XIX) inpatient days, as defined in subsection (h)(6) of this Section, provided by such hospital. This information shall be derived from claims for applicable services provided in the Medicaid obstetrical inpatient utilization rate base year that were subsequently adjudicated by the Department through the last day of June preceding the Medicaid Percentage determination year and contained within the Department's paid claims data base.
- 4) "Medicaid (Title XIX) obstetrical inpatient days" means hospital inpatient days that were subsequently adjudicated by the Department through the last day of June preceding the Medicaid Percentage Adjustment determination year and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, with a Diagnosis Related Grouping (DRG) of 370 through 375, and specifically excludes Medicare/Medicaid crossover claims.
- 5) "Statewide average hospital payment rate" means the hospital's alternative reimbursement rate, as defined in Section 148.270(a).

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 6) "Total Medicaid (Title XIX) inpatient days", as referred to in subsections (h)(2) and (h)(3) of this Section, means hospital inpatient days, excluding days for normal newborns, that were subsequently adjudicated by the Department through the last day of June preceding the Medicaid Percentage determination year and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, and specifically excludes Medicare/Medicaid crossover claims.
- 7) "Medicaid obstetrical inpatient utilization rate base year" means, for example, fiscal year 2002 for the October 1, 2003, Medicaid Percentage Adjustment determination year; fiscal year 2003 for the October 1, 2004, Medicaid Percentage Adjustment determination year; etc.

(Source: Added at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.160 Payment Methodology for County-Owned Hospitals in an Illinois County with a Population of Over Three Million**

- a) Reimbursement Methodology  
In accordance with 89 Ill. Adm. Code 149.50(c)(8), county-owned hospitals in an Illinois county with a population greater than three million are excluded from the DRG PPS and are reimbursed in accordance with this Section.
- b) Base Year Costs
- 1) The hospitals' base year operating costs shall be contained in the hospitals' audited cost reports (see 42 CFR 447.260 and 447.265 (1982)) for hospitals fiscal years ending between 20 and 31 months prior to the fiscal year for which rates are being set.
  - 2) The hospitals' base year capital related costs shall be derived from the same audited cost reports used for operating costs in subsection (b)(1) of this Section.
  - 3) The hospitals' base year direct medical education costs shall be derived from the same audited cost reports used for operating costs in subsection (b)(1) of this Section.
  - 4) The base year cost per diem shall be the sum of the operating cost per

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

diem, capital related cost per diem and medical education cost per diem defined in subsections (b)(1) through (b)(3) [of this Section](#).

- 5) New hospitals, for which a base year cost report is not on file, will be reimbursed the per diem rate calculated in subsection (b)(4) of this Section and inflated in subsection (d)(1) of this Section.
- c) **Restructuring Adjustments**  
Adjustments to the base year cost per diem, as described in subsection (b)(4) of this Section, will be made to reflect restructuring since filing the base year cost reports. The restructuring must have been mandated to meet state, federal or local health and safety standards. The allowable Medicare/Medicaid costs (see 42 CFR Part 405, Subpart D, 1982) must be incurred as a result of mandated restructuring and identified from the most recent audited cost reports available before or during the rate year. The restructuring costs must be significant, i.e., on a per unit basis; they must constitute one percent or more of the total allowable Medicare/Medicaid unit costs for the same time period. The Department will use the most recent available audited cost reports to determine restructuring costs. If audited cost reports become available during the rate year, the reimbursement rate will be recalculated at that time to reflect restructuring cost adjustments. For audited reports received at the Illinois Department of Public Aid, Office of Health Finance, between the first and fifteenth of the month, the effective date of the recalculated rate will be the first day of the following month. For audited reports received at the Office of Health Finance, between the sixteenth and last day of the month, the effective date will be the first day of the second month following the month the reports are received. Allowable restructuring costs are adjusted to account for inflation from the midpoint of the restructuring cost reporting year to the midpoint of the base year according to the index and methodology of Data Resources, Inc. (DRI), national hospital market basket price proxies and added to the base year cost per diem, as described in subsection (b)(4), which is subject to the inflation adjustment described in subsection (d) of this Section.
- d) **Inflation Adjustment For Base Year Cost Report Inflator**
- 1) The base year cost per diem, as defined in subsection (b)(4) of this Section, shall be inflated from the midpoint of the hospitals' base year to the midpoint of the time period for which rates are being set (rate period) according to the historical rate of annual cost increases. The historical rate of annual cost increases shall be calculated by dividing the operating cost per diem as defined in subsection (b)(1) of this Section by the previous

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

year's operating cost per diem.

- 2) Effective October 1, 1992, the final reimbursement rate shall be no less than the reimbursement rate in effect on June 1, 1992; except that this minimum shall be adjusted each July 1 thereafter, through July 1, 2002, by the annual percentage change in the per diem cost of inpatient hospital services as reported in the most recent annual Medicaid cost reports.
  - 3) Effective July 1, 2003, the rate for hospital inpatient services shall be the rate calculated in accordance with subsections (d)(1) and (2) of this Section that was in effect on January 1, 2003. This minimum may be adjusted by the Department to ensure compliance with aggregate and hospital specific federal payment limitations.
- e) **Review Procedure**  
The review procedure shall be in accordance with Section 148.310.
- f) **Applicable Inpatient Adjustments**
- 1) The criteria and methodology for making applicable adjustments to DSH hospitals, which are exempt from the DRG PPS, as described in subsection (a) of this Section, shall be in accordance with Section 148.120.
  - 2) The criteria and methodology for making applicable Medicaid Percentage Adjustments to hospitals which are exempt from the DRG PPS as described in subsection (a) of this Section ~~are~~ described in this Section.
    - A) The payment adjustment shall be \$150 plus \$2 for each one percent that the hospital's Medicaid inpatient utilization rate, as described in Section 148.120(k)(5), exceeds 1.5 standard deviations above the mean Medicaid inpatient utilization rate, as defined in Section 148.120(k)(3), multiplied by 3.75. This payment adjustment is based on a rate year 1993 base rate and shall be trended forward to the current rate year for inflationary increases.
    - B) The amount calculated pursuant to subsection (f)(2)(A) of this Section shall be adjusted on October 1, 1995, and annually thereafter, by a percentage equal to the lesser of:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- i) The increase in the national hospital market basket price proxies (DRI) hospital cost index for the most recent 12 month period for which data are available; or
    - ii) The percentage increase in the statewide average hospital payment rate, as described in Section 148.120(k)(8) over the previous year's statewide average hospital payment rate.
  - C) The amount calculated pursuant to subsections (f)(2)(A) through (f)(2)(B) of this Section shall be no less than the rate calculated in accordance with Section 148.120(g)(2) in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year, through July 1, 2002, by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services is calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.
  - D) Effective July 1, 2003, the Medicaid Percentage Adjustment rate for hospital inpatient services shall be the rate that was in effect on January 1, 2003. This minimum may be adjusted by the Department to ensure compliance with aggregate and hospital specific federal payment limitations.
  - E) The amount calculated pursuant to subsection (f)(2) of this Section shall be the Medicaid percentage adjustment which shall be paid on a per diem basis and shall be applied to each covered day of care provided.
- 3) County Provider Adjustment.
- A) Effective July 1, 1995, hospitals reimbursed under this Section shall be eligible to receive a county provider adjustment. The methodology used to determine the add-on payment amount is as follows:
    - i) Beginning with July 1, 1995, hospitals under this Section shall receive \$15,500 per Medicaid inpatient admission in the base period.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- ii) The payments calculated under this Section may be adjusted by the Department to ensure compliance with aggregate and hospital specific federal payment limitations. A portion of the payments calculated under this Section may be classified as disproportionate share adjustment payments.
  - iii) The payments made under this subsection shall be made on a quarterly basis.
- B) County Provider Adjustment Definitions.
- i) "Base Period" means State fiscal year 1994.
  - ii) "Medicaid Inpatient Admission" means hospital inpatient admissions provided in the base period, which were subsequently adjudicated by the Department through the last day of June, 1995, for recipients of medical assistance under Title XIX of the Social Security Act, excluding admissions for normal newborns and Medicare/Medicaid crossover days.
- 4) Hospitals reimbursed under this Section shall receive supplemental inpatient payments. Effective with admissions on or after July 1, 1995, supplemental inpatient payments for hospitals reimbursed under this Section shall be calculated by multiplying the sum of the base year cost per diem, as described in subsection (b)(4) of this Section, as adjusted for restructuring, as described in subsection (c) of this Section, and as adjusted for inflation, as described in subsection (d) of this Section, and the sum of the calculated disproportionate share and Medicaid percentage per diem payments as described in Section 148.120 and subsection (f)(2) of this Section, by the hospitals' percentage of charges which are not reimbursed by a third party payer for the period of August 1, 1991 through July 31, 1992. Effective July 1, 1995, the supplemental inpatient payments calculated under this subsection shall be no less than the supplemental inpatient rates in effect on June 1, 1992, except that this minimum shall be adjusted as of July 1, 1992, and on the first day of July of each year thereafter, through July 1, 2002, by the annual percentage change in the per diem cost of inpatient hospital services as reported in the

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services is calculated by dividing the total allowable Medicaid cost by the total allowable Medicaid days. Effective July 1, 2003, the supplemental inpatient payment rate for hospital inpatient services shall be the rate that was in effect on January 1, 2003. This minimum may be adjusted by the Department to ensure compliance with aggregate and hospital specific federal payment limitations. The supplemental inpatient payment adjustment shall be paid on a per diem basis and shall be applied to each covered day of care provided.

- g) **Outlier Adjustments**  
Outlier adjustments to payment amounts for medically necessary inpatient hospital services involving exceptionally high costs for certain individuals shall be made in accordance with Section 148.130.
- h) **Trauma Center Adjustments.** Trauma center adjustments shall be made in accordance with Section 148.290(c).
- i) **Reductions to Total Payments**
  - 1) **Copayments.** Copayments are assessed ~~under all medical programs administered by the Department except the Family and Children Assistance Program, formerly known as the General Assistance Program, and shall be assessed~~ in accordance with Section 148.190.
  - 2) **Third Party Payments.** The requirements of Section 148.290(f)(2) shall apply.
- j) **Prepayment and Utilization Review**  
Prepayment and utilization review requirements shall be in accordance with Section 148.240.
- k) **Cost Reporting Requirements**  
Cost reporting requirements shall be in accordance with Section 148.210.

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.170 Payment Methodology for Hospitals Organized Under the University of Illinois Hospital Act**

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- a) In accordance with 89 Ill. Adm. Code 149.50(c)(8), a hospital organized under the University of Illinois Hospital Act shall be excluded from the DRG PPS and shall be reimbursed in accordance with this Section.
- b) Base Year Costs
- 1) Each hospital's base year cost per diem shall be derived from an audited cost report (see 42 CFR 447.260 and 447.265 (1982)) for hospitals' fiscal year 1992.
  - 2) For new hospitals for which a base year cost report is not on file, the Department will use a more recent filed cost report or, if no cost report is on file, the hospital's estimate of costs, adjusted as necessary according to experience with hospitals of similar size, location and service intensity. The Department will recalculate any reimbursement rate based on a rate estimated as soon as a cost report becomes available. The recalculated rate will be effective for the entire fiscal year and the Department will retroactively adjust payments if reported costs are not consistent with the estimate on which the payments are based.
- c) Restructuring Adjustment
- Adjustments to base year costs will be made to reflect restructuring since filing the base year cost report. The restructuring must have been mandated to meet state, federal or local health and safety standards. The allowable Medicare/Medicaid costs (see 42 CFR ~~Part~~ 405, Subpart D, 1982) must be incurred as a result of mandated restructuring and identified from the most recent audited cost report available before or during the rate year. The restructuring costs must be significant, i.e., on a per unit basis; they must constitute one percent or more of the total allowable Medicare/Medicaid unit costs for the same time period. The Department will use the most recent available audited cost report to determine restructuring costs. If an audited cost report becomes available during the rate year, the reimbursement rate will be recalculated at that time to reflect restructuring cost adjustments. For audited reports received at the Illinois Department of Public Aid, Office of Health Finance, between the first and fifteenth of the month, the effective date of the recalculated rate will be the first day of the following month. For audited reports received at the Finance Section between the sixteenth and last day of the month, the effective date will be the first day of the second month following the month the report is received. Allowable restructuring costs are adjusted to account for inflation from the midpoint of the restructuring cost reporting year to the midpoint of the base year according to the

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

index and methodology of Data Resources, Inc. (DRI), national hospital market basket price proxies and added to the base year costs.

- d) **Inflation Adjustment For Base Year Cost Report Inflation**  
Base year costs, including any adjustments for mandated restructuring, will be updated from the midpoint of each hospital's base year to the midpoint of the fiscal year for which rates are being set according to the hospital's historical rate of annual cost increases.
- e) **Review Procedure**  
The review procedure shall be in accordance with Section 148.310.
- f) **Applicable adjustments for DSH Hospitals**
  - 1) The criteria and methodology for making applicable adjustments to DSH hospitals, which are exempt from the DRG PPS as described in subsection (a) of this Section, shall be in accordance with Section 148.120.
  - 2) Effective October 1, 1993, in addition to the DSH payment adjustments described in Section 148.120, hospitals reimbursed under this Section shall have supplemental DSH payments. Effective with admissions on or after October 1, 1993, supplemental DSH payments for hospitals reimbursed under this Section shall be calculated by multiplying the sum of the hospital's base year costs, as described in subsection (b) of this Section, as adjusted for restructuring, as described in subsection (c) of this Section, and as adjusted for inflation, as described in subsection (d) of this Section, and the calculated disproportionate share per diem payment adjustment, as described in Section 148.120, by the hospital's percentage of charges which are not reimbursed by a third party payer for the period of August 1, 1991, through July 31, 1992. The resulting product shall be multiplied by 4.50 and this amount shall be the supplemental DSH payment adjustment which shall be paid on a per diem basis and shall be applied to each covered day of care provided.
- g) **Outlier Adjustments**  
Outlier adjustments to payment amounts for medically necessary inpatient hospital services involving exceptionally high costs for certain individuals shall be made in accordance with Section 148.130.
- h) **Reductions to Total Payments**

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENTS

- 1) Copayments. Copayments are assessed ~~under all medical programs administered by the Department except the Children and Family Assistance Program, formerly known as the General Assistance Program, and shall be assessed~~ in accordance with Section 148.190.
- 2) Third Party Payments. The requirements of Section 148.290(f)(2) shall apply.
  - i) Prepayment and Utilization Review  
Prepayment and utilization review requirements shall be in accordance with Section 148.240.
  - j) Cost Reporting Requirements  
Cost reporting requirements shall be in accordance with Section 148.210.
  - k) Rate Period  
The rate period for hospitals reimbursed under this Section shall be the 12 month period beginning on October 1 of the year and ending September 30 of the following year, except for the period of July 1, 1995, through September 30, 1995.

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.190 Copayments**

- a) ~~With the exception of those classes of individuals identified in 89 Ill. Adm. Code 140.402(d), copayments will be assessed on inpatient services provided under all Medical Assistance Programs administered by the Department.~~ Copayments will be ~~assessed on inpatient hospital services~~ in the following amounts:
  - 1) Inpatient hospital services in hospitals with an alternate cost per diem rate (see Section 148.270(a)) of \$325 or more..... \$3 per day.
  - 2) Inpatient hospital services in hospitals with an alternate cost per diem rate (see Section 148.270(a)) of more than \$275 but less than \$325 ..... \$2 per day.
  - 3) Inpatient hospital services in hospitals with an

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENTS

alternate cost per diem rate (see Section 148.270(a))  
of \$275 or less..... No Copayment.

- b) ~~In each instance where a copayment is payable, the Department will reduce the amount payable to the affected provider by the amount of the required copayment. Copayments will be assessed under all medical programs administered by the Department except the Children and Family Assistance Program, formerly known as the General Assistance medical program. Copayments will not be assessed against individuals under the age of 18, pregnant women (including post-partum women who have given birth within the last six weeks), or group care recipients. Copayments will be deducted automatically by the Department upon payment for services provided.~~
- c) No provider may deny care or services on account of an individual's inability to pay a copayment; this requirement, however, shall not extinguish the liability for payment of the copayment by the individual to whom the care or services were furnished.

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.290 Adjustments and Reductions to Total Payments**

- a) **Applicable Adjustments for DSH**  
The criteria and methodology for making applicable DSH adjustments to hospitals shall be in accordance with Section 148.120.
- b) **Outlier Adjustments**  
Outlier adjustments to payment amounts for medically necessary inpatient hospital services involving exceptionally high costs for certain individuals shall be made in accordance with Section 148.130 for hospitals that are exempt from the DRG PPS (see 89 Ill. Adm. Code 149).
- c) **County Trauma Center Adjustment (TCA).** Illinois hospitals that, on the first day of July preceding the TCA rate period, are recognized as Level I or Level II trauma centers by the Illinois Department of Public Health, shall receive an adjustment that shall be calculated as follows:
  - 1) The available funds from the Trauma Center Fund for each quarter shall be divided by each eligible hospital's (as defined in subsection (c)(4) of this Section) Medicaid trauma admissions in the same quarter of the TCA

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

base period to determine the adjustment for the TCA rate period. The result of this calculation shall be the County TCA adjustment per Medicaid trauma admission for the applicable quarter.

- 2) The county trauma center adjustment payments shall not be treated as payments for hospital services under Title XIX of the Social Security Act for purposes of the calculation of the intergovernmental transfer provided for in Section 15-3(a) of the Public Aid Code.
- 3) The trauma center adjustments shall be paid to eligible hospitals on a quarterly basis.
- 4) Trauma Center Adjustment Limitations. Hospitals that qualify for trauma center adjustments under this subsection shall not be eligible for the total trauma center adjustment if, during the TCA rate period, the hospital is no longer recognized by the Illinois Department of Public Health, or the appropriate licensing agency, as a Level I or a Level II trauma center as required for the adjustment described in subsection (c) of this Section. In these instances, the adjustments calculated under this subsection shall be pro-rated, as applicable, based upon the date that such recognition ceased.
- 5) Trauma Center Adjustment Definitions. The definitions of terms used with reference to calculation of the trauma center adjustments required by subsection (c) of this Section are as follows:
  - A) "Available funds" means funds which have been deposited into the Trauma Center Fund, which have been distributed to the Department by the State Treasurer, and which have been appropriated by the Illinois General Assembly.
  - B) "Medicaid trauma admission" means those claims billed as admissions, excluding admissions for normal newborns, which were subsequently adjudicated by the Department through the last day of June preceding the TCA rate period and contained within the Department's paid claims data base, with an ICD-9-CM principal diagnosis code of: 800.0 through 800.99, 801.0 through 801.99, 802.0 through 802.99, 803.0 through 803.99, 804.0 through 804.99, 805.0 through 805.98, 806.0 through 806.99, 807.0 through 807.69, 808.0 through 808.9, 809.0 through 809.1, 828.0 through 828.1, 839.0 through 839.3, 839.7 through 839.9,

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

850.0 through 850.9, 851.0 through 851.99, 852.0 through 852.59, 853.0 through 853.19, 854.0 through 854.19, 860.0 through 860.5, 861.0 through 861.32, 862.8, 863.0 through 863.99, 864.0 through 864.19, 865.0 through 865.19, 866.0 through 866.13, 867.0 through 867.9, 868.0 through 868.19, 869.0 through 869.1, 887.0 through 887.7, 896.0 through 896.3, 897.0 through 897.7, 900.0 through 900.9, 902.0 through 904.9, 925, 926.8, 929.0 through 929.99, 958.4, 958.5, 990 through 994.99. For those hospitals recognized as Level I trauma centers solely for pediatric trauma cases, Medicaid trauma admissions are only calculated for the claims billed as admissions, excluding admissions for normal newborns, which were subsequently adjudicated by the Department through the last day of June preceding the TCA rate period and contained within the Department's paid claims data base, with ICD-9-CM diagnoses within the above ranges for children under 18 years of age.

- C) "TCA base period" means State Fiscal Year 1991, for TCA payments calculated for the October 1, 1992 TCA rate period, State Fiscal Year 1992 for TCA payments calculated for the October 1, 1993, TCA rate period, etc.
  - D) "TCA rate period" means, beginning October 1, 1992, the 12 month period beginning on October 1 of the year and ending September 30 of the following year.
  - E) "Trauma Center Fund" means the fund created for the purpose of distributing a portion of monies received by county circuit clerks for certain violations of laws or ordinances regulating the movement of traffic to Level I and Level II trauma centers located in the State of Illinois. The Trauma Center Fund shall also consist of all federal matching funds received by the Department as a result of expenditures made by the Department as required by subsection (c)(4) of this Section.
- d) Medicaid High Volume Adjustments (MHVA)
- 1) For inpatient admissions occurring on or after October 1, ~~2003~~ 1993, the Department shall make Medicaid High Volume Adjustments (MHVA) to hospitals that meet the following criteria:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- A) Be eligible to receive the adjustment payments described in Section ~~148.122~~ ~~148.120~~ in the MHVA rate period; and
- B) Not be a county-owned hospital, as described in Section 148.25(b)(1)(A), or a hospital organized under the University of Illinois Hospital Act, as described in Section 148.25(b)(1)(B) in the MHVA rate period; ~~and C) Not be a facility operated by the Department of Human Services, as described in Section 148.25(b)(6).~~
- 2) Calculation of Medicaid High Volume Adjustments
- A) Hospitals meeting the criteria specified in subsection (d)(1) of this Section shall receive a MHVA payment adjustment of \$60.
- B) For children's hospitals, as defined in Section ~~148.120~~ ~~148.122~~(a)(5), the payment adjustment calculated under subsection (d)(2)(A) of this Section shall be multiplied by 2.0.
- C) The amount calculated pursuant to subsections (d)(2)(A) and (d)(2)(B) of this Section shall be adjusted by the aggregate annual increase in the national hospital market price proxies (DRI) hospital cost index (Health-Care Cost Review, published by Global Insight, 24 Hartwell Avenue, Lexington MA (2003). This incorporation by reference includes no later amendments or editions.) from the MHVA rate period 1993, as defined in Section 148.290(d)(4)(B), through the MHVA rate period 2003, and annually thereafter, by a percentage equal to the lesser of: ~~on~~ ~~October 1, 1993, and annually thereafter, by a percentage equal to the lesser of:~~
- i) The increase in the national hospital market basket price proxies (DRI) hospital cost index for the most recent 12 month period for which data are available; or
- ii) The percentage increase in the statewide average hospital payment rate, as described in subsection (d)(4)(C) of this Section, over the previous year's statewide average hospital payment rate.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- D) The adjustments calculated under subsections (d)(2)(A) through (d)(2)(C) of this Section shall be paid on a per diem basis and shall be applied to each covered day of care provided.
- 3) **Medicaid High Volume Adjustment Limitations.** Hospitals that qualify for MHVA adjustments under subsections (d)(2)(A) through (d)(2)(C) of this Section shall not be eligible for such MHVA adjustments if they are no longer recognized or designated by the Department as a Medicaid Percentage Adjustment DSH hospital, as required by subsection (d)(1) of this Section. In this instance, the annual adjustment described in subsections (d)(2)(A) through (d)(2)(C) of this Section shall be pro-rated, as applicable, based upon the date that the hospital was deemed ineligible for Medicaid percentage adjustment payments-DSH payments adjustments, under Section 148.122-148.120, by the Department.
- 4) **Medicaid High Volume Adjustment Definitions.** The definitions of terms used with reference to calculation of the MHVA adjustments required by subsection (d) of this Section are as follows:
- A) "MHVA base fiscal year" means, for example, the hospital's fiscal year ending in 1991 for the October 1, 1993, MHVA determination year, the hospital's fiscal year ending in 1992 for the October 1, 1994, MHVA determination year, etc.
- B) "MHVA rate period" means, beginning October 1, 1993, the 12 month period beginning on October 1 of the year and ending September 30 of the following year.
- C) "Statewide Average Hospital Payment Rate" means the hospital's alternative reimbursement rate, as defined in Section 148.270(a).
- e) **Inpatient Payment Adjustments based upon Reviews.** Appeals based upon a hospital's ineligibility for the inpatient payment adjustments described in this Section, or their payment adjustment amounts, in accordance with Section 148.310, which result in a change in a hospital's eligibility for inpatient payment adjustments or a change in a hospital's payment adjustment amounts, shall not affect the inpatient payment adjustments of any other hospital or the payment adjustment amount of any other hospital that has received notification from the

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

Department of their eligibility for inpatient payment adjustments based upon the requirements of this Section.

- f) Reductions to Total Payments
- 1) Copayments. Copayments are assessed ~~under all medical programs administered by the Department except the Children and Family Assistance Program, formerly known as the General Assistance medical program, and shall be assessed~~ in accordance with Section 148.190.
  - 2) Third Party Payments. Hospitals shall determine that services are not covered, in whole or in part, under any program or under any other private group indemnification or insurance program, health maintenance organization, workers compensation or the tort liability of any third party. To the extent that such coverage is available, the Department's payment obligation shall be reduced.

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.295 Critical Hospital Adjustment Payments (CHAP)**

Critical Hospital Adjustment Payments (CHAP) shall be made to all eligible hospitals excluding county-owned hospitals, as described in Section 148.25(b)(1)(A), unless otherwise noted in this Section, and hospitals organized under the University of Illinois Hospital Act, as described in Section 148.25(b)(1)(B), for inpatient admissions occurring on or after July 1, 1998, in accordance with this Section.

- a) Trauma Center Adjustments (TCA)  
The Department shall make a TCA to Illinois hospitals recognized, as of the first day of July in the CHAP rate period, as a Level I or Level II trauma center by the Illinois Department of Public Health (IDPH) in accordance with the provisions of subsections (a)(1) through (a)(3) of this Section.
- 1) Level I Trauma Center Adjustment.
    - A) Criteria. Illinois hospitals that, on the first day of July in the CHAP rate period, are recognized as a Level I trauma center by the Illinois Department of Public Health shall receive the Level I trauma center adjustment.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- B) Adjustment. Illinois hospitals meeting the criteria specified in subsection (a)(1)(A) of this Section shall receive an adjustment as follows:
- i) Hospitals with Medicaid trauma admissions equal to or greater than the mean Medicaid trauma admissions, for all hospitals qualifying under subsection (a)(1)(A) of this Section, shall receive an adjustment of \$21,365.00 per Medicaid trauma admission in the CHAP base period.
  - ii) Hospitals with Medicaid trauma admissions less than the mean Medicaid trauma admissions, for all hospitals qualifying under subsection (a)(1)(A) of this Section, shall receive an adjustment of \$14,165.00 per Medicaid trauma admission in the CHAP base period.
- 2) Level II Rural Trauma Center Adjustment. Illinois rural hospitals, as defined in Section 148.25(g)(3), that, on the first day of July in the CHAP rate period, are recognized as a Level II trauma center by the Illinois Department of Public Health shall receive an adjustment of \$11,565.00 per Medicaid trauma admission in the CHAP base period.
- 3) Level II Urban Trauma Center Adjustment. Illinois urban hospitals, as described in Section 148.25(g)(4), that, on the first day of July in the CHAP rate period, are recognized as Level II trauma centers by the Illinois Department of Public Health shall receive an adjustment of \$11,565.00 per Medicaid trauma admission in the CHAP base period, provided that such hospital meets the criteria described below:
- A) The hospital is located in a county with no Level I trauma center; and
  - B) The hospital is located in a Health Professional Shortage Area (HPSA) (42 CFR 5), as of the first day of July in the CHAP rate period, and has a Medicaid trauma admission percentage at or above the mean of the individual facility values determined in subsection (a)(3) of this Section; or the hospital is not located in an HPSA and has a Medicaid trauma admission percentage that is at least the mean plus one standard deviation of the individual facility values determined in subsection (a)(3) of this Section.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- b) **Rehabilitation Hospital Adjustment (RHA)**  
Illinois hospitals that, on the first day of July in the CHAP rate period, qualify as rehabilitation hospitals, as defined in 89 Ill. Adm. Code 149.50(c)(2), and that are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), shall receive a rehabilitation hospital adjustment in the CHAP rate period that consists of the following three components:
- 1) **Treatment Component.** All hospitals defined in subsection (b) of this Section shall receive \$4,215.00 per Medicaid Level I rehabilitation admission in the CHAP base period.
  - 2) **Facility Component.** All hospitals defined in subsection (b) of this Section shall receive a facility component that shall be based upon the number of Medicaid Level I rehabilitation admissions in the CHAP base period as follows:
    - A) Hospitals with fewer than 60 Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$229,360.00 in the CHAP rate period.
    - B) Hospitals with 60 or more Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$527,528.00 in the CHAP rate period.
  - 3) **Health Professional Shortage Area Adjustment Component.** Hospitals defined in subsection (b) of this Section, that are located in an HPSA on July 1, 1999, shall receive \$276.00 per Medicaid Level I rehabilitation inpatient day in the CHAP base period.
- c) **Direct Hospital Adjustment (DHA) Criteria**
- 1) **Qualifying Criteria**  
Hospitals may qualify for the DHA under this subsection (c) under the following categories:
    - A) Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals and long term stay hospitals, all other hospitals located in Health Service Area (HSA) 6 that either:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- i) were eligible for Direct Hospital Adjustments under the CHAP program as of July 1, 1999, and had a Medicaid inpatient utilization rate (MIUR) equal to or greater than the statewide mean in Illinois on July 1, 1999;
  - ii) were eligible under the Supplemental Critical Hospital Adjustment Payment (SCHAP) program as of July 1, 1999, and had an MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999; or
  - iii) were county owned hospitals as defined in 89 Ill. Adm. Code 148.25(b)(1)(A), and had an MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999.
- B) Illinois hospitals located outside of HSA 6 that had an MIUR greater than 60 percent on July 1, 1999, and an average length of stay less than ten days. The following hospitals are excluded from qualifying under this subsection (c)(1)(B): children's hospitals; psychiatric hospitals; rehabilitation hospitals; and long term stay hospitals.
- C) Children's hospitals, as defined under 89 Ill. Adm. Code 149.50(c)(3), on July 1, 1999.
- D) Illinois teaching hospitals, with more than 40 graduate medical education programs on July 1, 1999, not qualifying in ~~subsections~~ (c)(1)(A), (B), or (C) of this Section.
- E) Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals, long term stay hospitals and hospitals qualifying in subsection (c)(1)(A), (B), (C) or (D) of this Section, all other hospitals located in Illinois that had an MIUR equal to or greater than the mean plus one-half standard deviation on July 1, 1999, and provided more than 15,000 Total days.
- F) Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals, long term stay hospitals and hospitals otherwise qualifying in

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

subsection (c)(1)(A), (B), (C), (D), or (E) of this Section, all other hospitals that had an MIUR greater than 40 percent on July 1, 1999, and provided more than 7,500 Total days and provided obstetrical care as of July 1, 2001.

G) Illinois teaching hospitals with 25 or more graduate medical education programs on July 1, 1999, that are affiliated with a Regional Alzheimer's Disease Assistance Center as designated by the Alzheimer's Disease Assistance Act [410 ILCS 405/4], that had an MIUR less than 25 percent on July 1, 1999, and provided 75 or more Alzheimer days for patients diagnosed as having the disease.

H) Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals, long term stay hospitals and hospitals otherwise qualifying in subsection (c)(1)(A) through (c)(1)(G) of this Section, all other hospitals that had an MIUR greater than 50 percent on July 1, 1999.

## 2) DHA Rates

A) For hospitals qualifying under subsection (c)(1)(A) of this Section, the DHA rates are as follows:

- i) Hospitals that have a Combined MIUR that is equal to or greater than the Statewide mean Combined MIUR, but less than one standard deviation above the Statewide mean Combined MIUR, will receive \$69.00 per day for hospitals that do not provide obstetrical care and \$105.00 per day for hospitals that do provide obstetrical care.
- ii) Hospitals that have a Combined MIUR that is equal to or greater than one standard deviation above the Statewide mean Combined MIUR, but less than one and one-half standard deviation above the Statewide mean Combined MIUR, will receive \$105.00 per day for hospitals that do not provide obstetrical care and \$142.00 per day for hospitals that do provide obstetrical care.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- iii) Hospitals that have a Combined MIUR that is equal to or greater than one and one-half standard deviation above the Statewide mean Combined MIUR, but less than two standard deviations above the Statewide mean Combined MIUR, will receive \$124.00 per day for hospitals that do not provide obstetrical care and \$160.00 per day for hospitals that do provide obstetrical care.
  - iv) Hospitals that have a Combined MIUR that is equal to or greater than two standard deviations above the Statewide mean Combined MIUR will receive \$142.00 per day for hospitals that do not provide obstetrical care and \$179.00 per day for hospitals that do provide obstetrical care.
- B) Hospitals qualifying under subsection (c)(1)(A) of this Section<sup>5</sup> will also receive the following rates:
- i) County owned hospitals as defined in Section 148.25 with more than 30,000 Total days will have their rate increased by \$455.00 per day.
  - ii) Hospitals that are not county owned with more than 30,000 Total days will have their rate increased by \$330.00 per day.
  - iii) Hospitals with more than 80,000 Total days will have their rate increased by an additional \$423.00 per day.
  - iv) Hospitals with more than 4,500 Obstetrical days will have their rate increased by \$101.00 per day.
  - v) Hospitals with more than 5,500 Obstetrical days will have their rate increased by an additional \$194.00 per day.
  - vi) Hospitals with an MIUR greater than 74 percent will have their rate increased by \$147.00 per day.
  - vii) Hospitals with an average length of stay less than 3.9 days will have their rate increased by \$41.00 per day.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- viii) Hospitals with an MIUR greater than the statewide mean plus one standard deviation that are designated a Perinatal Level 2 Center and have one or more obstetrical graduate medical education programs as of July 1, 1999, will have their rate increased by \$227.00 per day.
  - ix) Hospitals receiving payments under subsection (c)(2)(A)(ii) of this Section that have an average length of stay less than four days will have their rate increased by ~~\$110.00~~ \$182.25 per day.
  - x) Hospitals receiving payments under subsection (c)(2)(A)(ii) of this Section that have an MIUR greater than 60 percent will have their rate increased by \$202.00 per day.
  - xi) Hospitals receiving payments under subsection (c)(2)(A)(iv) of this Section that have an MIUR greater than 70 percent and have more than 20,000 days will have their rate increased by ~~\$11.00~~ \$98.00 per day.
- C) Hospitals qualifying under subsection (c)(1)(B) of this Section will receive the following rates:
- i) Qualifying hospitals will receive a rate of ~~\$303.00~~ \$421.00 per day.
  - ii) Qualifying hospitals with more than 1,500 Obstetrical days will have their rate increased by ~~\$262.00~~ \$369.00 per day.
- D) Hospitals qualifying under subsection (c)(1)(C) of this Section will receive the following rates:
- i) Hospitals will receive a rate of \$28.00 per day.
  - ii) Hospitals located in Illinois and outside of HSA 6 that have an MIUR greater than 60 percent will have their rate increased by \$55.00 per day.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- iii) Hospitals located in Illinois and inside HSA 6 that have an MIUR greater than 80 percent will have their rate increased by ~~\$573.00~~~~\$403.00~~ per day.
  - iv) Hospitals that are not located in Illinois that have an MIUR greater than 45 percent will have their rate increased by \$32.00 per day for hospitals that have fewer than 4,000 Total days; or \$246.00 per day for hospitals that have more than 4,000 Total days but fewer than 8,000 Total days; or \$178.00 per day for hospitals that have more than 8,000 Total days.
  - v) Hospitals with more than 3,200 Total admissions will have their rate increased by \$248.00 per day.
- E) Hospitals qualifying under subsection (c)(1)(D) of this Section will receive the following rates:
- i) Hospitals will receive a rate of \$41.00 per day.
  - ii) Hospitals with an MIUR between 18 percent and 19.75 percent will have their rate increased by an additional \$14.00 per day.
  - iii) Hospitals with an MIUR equal to or greater than 19.75 percent will have their rate increased by an additional \$87.00 per day.
  - iv) Hospitals with a combined MIUR that is equal to or greater than 35 percent will have their rate increased by an additional \$41.00 per day.
- F) Hospitals qualifying under subsection (c)(1)(E) of this Section will receive \$188.00 per day.
- G) Hospitals qualifying under subsection (c)(1)(F) of this Section will receive a rate of \$55.00 per day.
- H) Hospitals that qualify under subsection (c)(1)(G) of this Section will receive the following rates:



## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- d) **Rural Critical Hospital Adjustment Payments (RCHAP)**  
RCHAP shall be made to rural hospitals, as described in 89 Ill. Adm. Code 140.80(j)(1), for certain inpatient admissions. The hospital qualifying under this subsection that has the highest number of Medicaid obstetrical care admissions during the CHAP base period shall receive \$367,179.00 per year. The Department shall also make an RCHAP to hospitals qualifying under this subsection at a rate that is the greater of:
- 1) the product of \$1,367.00 multiplied by the number of RCHAP Obstetrical Care Admissions in the CHAP base period, or
  - 2) the product of \$138.00 multiplied by the number of RCHAP General Care Admissions in the CHAP base period.
- e) **Total CHAP Adjustments**  
Each eligible hospital's critical hospital adjustment payment shall equal the sum of the amounts described in subsections (a), (b), (c) and (d) of this Section. The critical hospital adjustment payments shall be paid at least quarterly.
- f) **Critical Hospital Adjustment Limitations**  
Hospitals that qualify for trauma center adjustments under subsection (a) of this Section shall not be eligible for the total trauma center adjustment if, during the CHAP rate period, the hospital is no longer recognized by the Illinois Department of Public Health as a Level I trauma center as required for the adjustment described in subsection (a)(1) of this Section, or a Level II trauma center as required for the adjustment described in subsection (a)(2) or (a)(3) of this Section. In these instances, the adjustments calculated shall be pro-rated, as applicable, based upon the date that such recognition ceased.
- g) **Critical Hospital Adjustment Payment Definitions**  
The definitions of terms used with reference to calculation of the CHAP required by this Section are as follows:
- 1) "Alzheimer days" means total paid days contained in the Department's paid claims database with a ICD-9-CM diagnosis code of 331.0 for dates of service occurring in State fiscal year 2001 and adjudicated through June 30, 2002.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- ~~2)4)~~ "CHAP base period" means State Fiscal Year 1994 for CHAP calculated for the July 1, 1995, CHAP rate period; State Fiscal Year 1995 for CHAP calculated for the July 1, 1996, CHAP rate period; etc.
- ~~3)2)~~ "CHAP rate period" means, beginning July 1, 1995, the 12 month period beginning on July 1 of the year and ending June 30 of the following year.
- ~~4)3)~~ "Combined MIUR" means the sum of Medicaid Inpatient Utilization Rate (MIUR) as of July 1, 1999, and as defined in Section 148.120(k)(5), plus the Medicaid obstetrical inpatient utilization rate, as described in Section 148.120(k)(6), as of July 1, 1999.
- ~~5)4)~~ "Medicaid general care admission" means hospital inpatient admissions that were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, excluding admissions for normal newborns, Medicare/Medicaid crossover admissions, psychiatric and rehabilitation admissions.
- ~~6)5)~~ "Medicaid Level I rehabilitation admissions" means those claims billed as Level I admissions that were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, with an ICD-9-CM principal diagnosis code of: 054.3, 310.1 through 310.2, 320.1, 336.0 through 336.9, 344.0 through 344.2, 344.8 through 344.9, 348.1, 801.30, 803.10, 803.84, 806.0 through 806.19, 806.20 through 806.24, 806.26, 806.29 through 806.34, 806.36, 806.4 through 806.5, 851.06, 851.80, 853.05, 854.0 through 854.04, 854.06, 854.1 through 854.14, 854.16, 854.19, 905.0, 907.0, 907.2, 952.0 through 952.09, 952.10 through 952.16, 952.2, and V57.0 through V57.89, excluding admissions for normal newborns.
- ~~7)6)~~ "Medicaid Level I rehabilitation inpatient day" means the days associated with the claims defined in subsection (g)(5) of this Section.
- ~~8)7)~~ "Medicaid obstetrical care admission" means hospital inpatient admissions that were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

under Title XIX of Social Security Act, with Diagnosis Related Grouping (DRG) of 370 through 375; and specifically excludes Medicare/Medicaid crossover claims.

- ~~9)8)~~ "Medicaid trauma admission" means those claims billed as admissions that were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, with an ICD-9-CM principal diagnosis code of: 800.0 through 800.99, 801.0 through 801.99, 802.0 through 802.99, 803.0 through 803.99, 804.0 through 804.99, 805.0 through 805.98, 806.0 through 806.99, 807.0 through 807.69, 808.0 through 808.9, 809.0 through 809.1, 828.0 through 828.1, 839.0 through 839.3, 839.7 through 839.9, 850.0 through 850.9, 851.0 through 851.99, 852.0 through 852.59, 853.0 through 853.19, 854.0 through 854.19, 860.0 through 860.5, 861.0 through 861.32, 862.8, 863.0 through 863.99, 864.0 through 864.19, 865.0 through 865.19, 866.0 through 866.13, 867.0 through 867.9, 868.0 through 868.19, 869.0 through 869.1, 887.0 through 887.7, 896.0 through 896.3, 897.0 through 897.7, 900.0 through 900.9, 902.0 through 904.9, 925, 926.8, 929.0 through 929.99, 958.4, 958.5, 990 through 994.99.
- ~~10)9)~~ "Medicaid trauma admission percentage" means a fraction, the numerator of which is the hospital's Medicaid trauma admissions and the denominator of which is the total Medicaid trauma admissions in a given 12 month period for all Level II urban trauma centers.
- ~~11)10)~~ "RCHAP general care admissions" means Medicaid General Care Admissions, as defined in subsection (g)(4) of this Section, less RCHAP Obstetrical Care Admissions, occurring in the CHAP base period.
- ~~12)11)~~ "RCHAP obstetrical care admissions" means Medicaid Obstetrical Care Admissions, as defined in subsection (g)(7) of this Section, with a Diagnosis Related Grouping (DRG) of 370 through 375, occurring in the CHAP base period.
- ~~13)12)~~ "Total admissions" means total paid admissions contained in the Department's paid claims database, including obstetrical admissions multiplied by two and excluding Medicare crossover admissions, for dates of service occurring in State fiscal year 1998 and adjudicated through June 30, 1999.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

~~14)13)~~ "Total days" means total paid days contained in the Department's paid claims database, including obstetrical days multiplied by two and excluding Medicare crossover days, for dates of service occurring in State fiscal year 1998 and adjudicated through June 30, 1999.

~~15)14)~~ "Total obstetrical days" means hospital inpatient days for dates of service occurring in State fiscal year 1998 and adjudicated through June 30, 1999, with an ICD-9-CM principal diagnosis code of 640.0 through 648.9 with a 5th digit of 1 or 2; 650; 651.0 through 659.9 with a 5th digit of 1, 2, 3, or 4; 660.0 through 669.9 with a 5th digit of 1, 2, 3, or 4; 670.0 through 676.9 with a 5th digit of 1 or 2; V27 through V27.9; V30 through V39.9; or any ICD-9-CM principal diagnosis code that is accompanied with a surgery procedure code between 72 and 75.99; and specifically excludes Medicare/Medicaid crossover claims.

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

**Section 148.310 Review Procedure**

## a) Inpatient Rate Reviews

- 1) Hospitals shall be notified of their inpatient rate for the rate year and shall have an opportunity to request a review of any rate for errors in calculation made by the Department. Such a request must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its rates. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
- 2) Hospitals reimbursed in accordance with Sections 148.250 through 148.300 and 89 Ill. Adm. Code 149 with respect to per diem add-ons for capital may request that an adjustment be made to their base year costs to reflect significant changes in costs that have been mandated in order to meet State, federal or local health and safety standards, and that have occurred since the hospital's filing of the base year cost report. The allowable Medicare/Medicaid costs must be identified from the most recent audited cost report available. These costs must be significant, i.e., on a per unit basis, they must constitute one percent or more of the total allowable Medicaid/Medicare unit costs for the same time period.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

Appeals for base year cost adjustments must be submitted, in writing, to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its rates. Such request shall include a clear explanation of the cost change and documentation of the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

- b) Disproportionate Share (DSH) and Medicaid Percentage Adjustment (MPA) Determination Reviews
- 1) Hospitals shall be notified of their qualification for DSH and/or MPA payment adjustments and shall have an opportunity to request a review of the DSH and/or MPA payment add-on for errors in calculation made by the Department. Such a request must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its disproportionate share and/or Medicaid Percentage Adjustment qualification and add-on calculations. Such request shall include a clear explanation of the error and documentation of the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
  - 2) DSH and/or MPA determination reviews shall be limited to the following:
    - A) DSH and/or MPA Determination Criteria. The criteria for DSH determination shall be in accordance with Section 148.120. The criteria for MPA determination shall be in accordance with Section 148.122. Review shall be limited to verification that the Department utilized criteria in accordance with State regulations.
    - B) Medicaid Inpatient Utilization Rates.
      - i) Medicaid inpatient utilization rates shall be calculated pursuant to Section 1923 of the Social Security Act and as defined in Section 148.120(k)~~(4)(5)~~. Review shall be limited to verification that Medicaid inpatient utilization rates were calculated in accordance with federal and State regulations.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- ii) Hospitals' Medicaid inpatient utilization rates, as defined in Section 148.120(k)~~(4)(5)~~, which have been derived from unaudited cost reports or HDSC forms, are not subject to the Review Procedure with the exception of errors in calculation by the Department. Pursuant to Section 148.120(c)(1)(B) and (c)(1)(C)(i) and (ii), hospitals shall have the opportunity to submit corrected information prior to the Department's final DSH and/or MPA determination.
- C) Low Income Utilization Rates. Low Income utilization rates shall be calculated in accordance with Section 1923 of the Social Security Act, ~~and~~ Section 148.120(a)(2) and (d), and Section 148.122(a)(2) and (c). Review shall be limited to verification that low income utilization rates were calculated in accordance with federal and State regulations.
- D) Federally Designated Health Manpower Shortage Areas (HMSAs). Illinois hospitals located in federally designated HMSAs shall be identified in accordance with 42 CFR 5 (1989) and Section 148.122(a)(3) ~~Section 148.120(a)(3)~~ based upon the methodologies utilized by, and the most current information available to, the Department from the federal Department of Health and Human Services as of June 30, 1992. Review shall be limited to hospitals in locations that have failed to obtain designation as federally designated HMSAs only when such a request for review is accompanied by documentation from the Department of Health and Human Services substantiating that the hospital was located in a federally designated HMSA as of June 30, 1992.
- E) Excess Beds. Excess bed information shall be determined in accordance with Public Act 86-268 (Section 148.122(a)(3) ~~148.120(a)(3)~~ and 77 Ill. Adm. Code 1100) based upon the methodologies utilized by, and the most current information available to, the Illinois Health Facilities Planning Board as of July 1, 1991. Reviews shall be limited to requests accompanied by documentation from the Illinois Health Facilities Planning Board substantiating that the information supplied to and utilized by the Department was incorrect.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- F) Medicaid Obstetrical Inpatient Utilization Rates. Medicaid obstetrical inpatient utilization rates shall be calculated in accordance with Section ~~148.122(a)(4), (h)(2), (h)(3) and (h)(4)~~ ~~148.120(a)(4), (k)(4), (k)(6) and (k)(7)~~. Review shall be limited to verification that Medicaid obstetrical inpatient utilization rates were calculated in accordance with ~~State regulations Section 148.12~~.
- c) **Outlier Adjustment Reviews**  
The Department shall make outlier adjustments to payment amounts in accordance with 89 Ill. Adm. Code 149.105 or Section 148.130, whichever is applicable. Hospitals shall be notified of the specific information that shall be utilized in the determination of those services qualified for an outlier adjustment and shall have an opportunity to request a review of such specific information for errors in calculation made by the Department. Such a request must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of the specific information that shall be utilized in the determination of those services qualified for an outlier adjustment. Such request shall include a clear explanation of the error and documentation of the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
- d) **Cost Report Reviews**
- 1) Cost reports are required from:
    - A) All enrolled hospitals within the State of Illinois;
    - B) All out-of-state hospitals providing 100 inpatient days of service per hospital fiscal year, to persons covered by the Illinois Medical Assistance Program; and
    - C) All hospitals not located in Illinois that elect to be reimbursed under the methodology described in 89 Ill. Adm. Code 149 (the DRG PPS).
  - 2) The completed cost statement with a copy of the hospital's Medicare cost report and audited financial statement must be submitted annually within 90 days after the close of the hospital's fiscal year. A one-time 30-day

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

extension may be requested. Such a request for an extension shall be in writing and shall be received by the Department's Office of Health Finance prior to the end of the 90-day filing period. The Office of Health Finance shall audit the information shown on the Hospital Statement of Reimbursable Cost and Support Schedules. The audit shall be made in accordance with generally accepted auditing standards and shall include tests of the accounting and statistical records and applicable auditing procedures. Hospitals shall be notified of the results of the final audited cost report, which may contain adjustments and revisions that may have resulted from the audited Medicare Cost Report. Hospitals shall have the opportunity to request a review of the final audited cost report. Such a request must be received in writing by the Department within 45 days after the date of the Department's notice to the hospital of the results of the finalized audit. Such request shall include all items of documentation and analysis that support the request for review. No additional data shall be accepted after the 45 day period. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

- e) Trauma Center Adjustment Reviews
- 1) The Department shall make trauma care adjustments in accordance with Section 148.290(c). Hospitals shall have the right to appeal the trauma center adjustment calculations if it is believed that a technical error has been made in the calculation by the Department.
  - 2) Trauma level designation is obtained from the Illinois Department of Public Health as of the first day of July preceding the trauma center adjustment rate period. Review shall be limited to requests accompanied by documentation from the Illinois Department of Public Health, or the licensing agency in the state in which the hospital is located, substantiating that the information supplied to and utilized by the Department was incorrect.
  - 3) Appeals under this subsection (e) must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for trauma center adjustments and payment amounts. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

results of the review within 30 days after receipt of the hospital's request for review.

- f) **Medicaid High Volume Adjustment Reviews**  
The Department shall make Medicaid high volume adjustments in accordance with Section 148.290(d). Review shall be limited to verification that the Medicaid inpatient days were calculated in accordance with Section 148.120. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Medicaid high volume adjustments and payment amounts. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
  
- g) **Sole Community Hospital Designation Reviews**  
The Department shall make sole community hospital designations in accordance with 89 Ill. Adm. Code 149.125(b). Hospitals shall have the right to appeal the designation if the hospital believes that a technical error has been made in the determination. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notification of the designation. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the results of the review no later than 30 days after receipt of the hospital's request for review.
  
- h) **Geographic Designation Reviews**
  - 1) The Department shall make rural hospital designations in accordance with Section 148.25(g)(3). Hospitals shall have the right to appeal the designation if the hospital believes that a technical error has been made in the determination. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notification of the designation. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the results of the review no later than 30 days after receipt of the hospital's request for review.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 2) The Department shall make urban hospital designations in accordance with Section 148.25(g)(4). Hospitals shall have the right to appeal the designation if the hospital believes that a technical error has been made in the determination. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notification of the designation. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the results of the review no later than 30 days after receipt of the hospital's request for review.
- i) Critical Hospital Adjustment Payment (CHAP) Reviews
    - 1) The Department shall make CHAP in accordance with Section 148.295. Hospitals shall be notified in writing of the results of the CHAP determination and calculation, and shall have the right to appeal the CHAP calculation or their ineligibility for the CHAP if the hospital believes that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for CHAP and payment adjustment amounts, or a letter of notification that the hospital does not qualify for the CHAP. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
    - 2) CHAP determination reviews shall be limited to the following:
      - A) Federally Designated Health Professional Shortage Areas (HPSAs). Illinois hospitals located in federally designated HPSAs shall be identified in accordance with 42 CFR 5, and Section 148.295(a)(3)(B) and (b)(3) based upon the methodologies utilized by, and the most current information available to the Department from the federal Department of Health and Human Services as of the last day of June preceding the CHAP rate period. Review shall be limited to hospitals in locations that have failed to obtain designation as federally designated HPSAs only when such a request for review is accompanied by documentation from the Department of Health and Human Services substantiating that the

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

hospital was located in a federally designated HPSA as of the last day of June preceding the CHAP rate period.

- B) Trauma level designation. Trauma level designation is obtained from the Illinois Department of Public Health as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the Illinois Department of Public Health, substantiating that the information supplied to and utilized by the Department was incorrect.
  - C) Accreditation of Rehabilitation Facilities. Accreditation of rehabilitation facilities shall be obtained from the Commission on Accreditation of Rehabilitation Facilities as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the Commission, substantiating that the information supplied to and utilized by the Department was incorrect.
  - D) Medicaid Inpatient Utilization Rates. Medicaid inpatient utilization rates shall be calculated pursuant to Section 1923 of the Social Security Act and as defined in Section 148.120(k)(5). Review shall be limited to verification that Medicaid inpatient utilization rates were calculated in accordance with federal and State regulations.
  - E) Graduate Medical Education Programs. Graduate Medical Education program information shall be obtained from the most recently published report of the American Accreditation Council for Graduate Medical Education, the American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the above, substantiating that the information supplied to and utilized by the Department was incorrect.
- j) Tertiary Care Adjustment Payment Reviews. The Department shall make Tertiary Care Adjustment Payments in accordance with Section 148.296. Hospitals shall be notified in writing of the results of the Tertiary Care Adjustment Payments determination and calculation, and shall have the right to

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

appeal the Tertiary Care Adjustment Payments calculation or their ineligibility for Tertiary Care Adjustment Payments if the hospital believes that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Tertiary Care Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for Tertiary Care Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

- k) Pediatric Outpatient Adjustment Payments. The Department shall make Pediatric Outpatient Adjustment payments in accordance with Section 148.297. Hospitals shall be notified in writing of the results of the determination and calculation, and shall have the right to appeal the calculation or their ineligibility for payments under Section 148.297 if the hospital believes that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification under Section 148.297 and payment adjustment amounts, or a letter of notification that the hospital does not qualify for such payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
- l) Pediatric Inpatient Adjustment Payments. The Department shall make Pediatric Inpatient Adjustment payments in accordance with Section 148.298. Hospitals shall be notified in writing of the results of the determination and calculation, and shall have the right to appeal the calculation or their ineligibility for payments under Section 148.298 if the hospital believes that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification under Section 148.298 and payment adjustment amounts, or a letter of notification that the hospital does not qualify for such payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- m) Safety Net Adjustment Payment Reviews. The Department shall make Safety Net Adjustment Payments in accordance with Section 148.126. Hospitals shall be notified in writing of the results of the Safety Net Adjustment Payment determination and calculation, and shall have the right to appeal the Safety Net Adjustment Payment calculation or their ineligibility for Safety Net Adjustment Payments if the hospital believes that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Safety Net Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for Safety Net Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
- n) Psychiatric Adjustment Payment. The Department shall make Psychiatric Adjustment Payments in accordance with Section 148.105. Hospitals shall be notified in writing of the results of the Psychiatric Adjustment Payments determination and calculation, and shall have a right to appeal the Psychiatric Adjustment Payments calculation or their ineligibility for Psychiatric Adjustment Payments if the hospital believes that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Psychiatric Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for Psychiatric Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
- o) Rural Adjustment Payment. The Department shall make Rural Adjustment Payments in accordance with Section 148.115.
- 1) Hospitals shall be notified in writing of the results of the Rural Adjustment Payments determination and calculation, and shall have a right to appeal the Rural Adjustment Payments calculation or their ineligibility for Rural Adjustment Payments if the hospital believes that a technical error has been made in the calculation by the Department.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENTS

- 2) The designation of Critical Access Provider or Necessary Provider, which are qualifying criteria for Rural Adjustment Payments (see Section 148.115(a)), is obtained from the Illinois Department of Public Health (IDPH) as of the first day of July preceding the Rural Adjustment Payment rate period. Review shall be limited to requests accompanied by documentation from IDPH, substantiating that the information supplied to and utilized by the Department was incorrect.
- 3) The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Rural Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for Rural Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
  - p) For purposes of this Section, the term "post marked" means the date of processing by the United States Post Office or any independent carrier service.
  - q) The review procedures provided for in this Section may not be used to submit any new or corrected information that was required to be submitted by a specific date in order to qualify for a payment or payment adjustment. In addition, only information that was submitted expressly for the purpose of qualifying for the payment or payment adjustment under review shall be considered by the Department. Information that has been submitted to the Department for other purposes will not be considered during the review process.

(Source: Amended at 28 Ill. Reg. 2770, effective February 1, 2004)

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Diagnosis Related Grouping (DRG) Prospective Payment System (PPS)
- 2) Code Citation: 89 Ill. Adm. Code 149
- 3) Section Number: 149.150      Adopted Action: Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendment: February 1, 2004
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted amendment, including any materials incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notice of Proposal Published in Illinois Register: June 27, 2003 (27 Ill. Reg. 9569)
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences Between Proposal and Final Version: No substantive changes have been made to this rulemaking.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this amendment replace any emergency amendment currently in effect? No
- 14) Are there any other amendments pending on this Part? No
- 15) Summary and purpose of amendment: This amendment on inpatient hospital services reimbursed under DRG PPS pertains to copayments under the Medical Assistance Program. Related amendments affecting hospital services are being adopted at 89 Ill. Adm. Code 148. These changes will bring copayment provisions for hospital and noninstitutional provider services into alignment. The primary changes increase the patient age for copayment assessment from 18 to 19 years and allow copayment assessment for adults under the State Children and Family Assistance Program.

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENT

- 16) Information and questions regarding this adopted amendment shall be directed to:

Joanne Scattoloni  
Office of the General Counsel, Rules Section  
Illinois Department of Public Aid  
201 South Grand Avenue East, Third Floor  
Springfield, Illinois 62763-0002  
(217) 524-0081

The full text of the adopted amendment begins on the next page:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF PUBLIC AID  
SUBCHAPTER d: MEDICAL PROGRAMS

## PART 149

## DIAGNOSIS RELATED GROUPING (DRG) PROSPECTIVE PAYMENT SYSTEM (PPS)

## Section

- 149.5 Diagnosis Related Grouping (DRG) Prospective Payment System (PPS)
- 149.10 Applicability of Other Provisions
- 149.25 General Provisions
- 149.50 Hospital Services Subject to and Excluded from the DRG Prospective Payment System
- 149.75 Conditions for Payment Under the DRG Prospective Payment System
- 149.100 Basic Methodology for Determining DRG Prospective Payment Rates
- 149.105 Payment For Outlier Cases
- 149.125 Special Treatment of Certain Facilities
- 149.140 Methodology for Determining Primary Care Access Health Care Education Payments (Repealed)
- 149.150 Payments to Hospitals Under the DRG Prospective Payment System
- 149.175 Payments to Contracting Hospitals (Repealed)
- 149.200 Admitting and Clinical Privileges (Repealed)
- 149.205 Inpatient Hospital Care or Services by Non-Contracting Hospitals Eligible for Payment (Repealed)
- 149.225 Payment to Hospitals for Inpatient Services or Care not Provided under the ICARE Program (Repealed)
- 149.250 Contract Monitoring (Repealed)
- 149.275 Transfer of Recipients (Repealed)
- 149.300 Validity of Contracts (Repealed)
- 149.305 Termination of ICARE Contracts (Repealed)
- 149.325 Hospital Services Procurement Advisory Board (Repealed)

**AUTHORITY:** Implementing and authorized by Articles III, IV, V, VI, VII and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V, VI, VII and 12-13].

**SOURCE:** Recodified from 89 Ill. Adm. Code 140.940 through 140.972 at 12 Ill. Reg. 7401; amended at 12 Ill. Reg. 12095, effective July 15, 1988; amended at 13 Ill. Reg. 554, effective January 1, 1989; amended at 13 Ill. Reg. 15070, effective September 15, 1989; amended at 15 Ill. Reg. 1826, effective January 28, 1991; emergency amendment at 15 Ill. Reg. 16308, effective November 1, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 6195, effective March

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

27, 1992; emergency amendment at 16 Ill. Reg. 11937, effective July 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14733, effective October 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 19868, effective December 7, 1992; amended at 17 Ill. Reg. 3217, effective March 1, 1993; emergency amendment at 17 Ill. Reg. 17275, effective October 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 3378, effective February 25, 1994; amended at 19 Ill. Reg. 10674, effective July 1, 1995; amended at 21 Ill. Reg. 2238, effective February 3, 1997; emergency amendment at 22 Ill. Reg. 13064, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 19866, effective October 30, 1998; amended at 25 Ill. Reg. 8775, effective July 1, 2001; amended at 26 Ill. Reg. 13676, effective September 3, 2002; emergency amendment at 27 Ill. Reg. 11080, effective July 1, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 18872, effective November 26, 2003; amended at 28 Ill. Reg. 2836, effective February 1, 2004.

**Section 149.150 Payments to Hospitals Under the DRG Prospective Payment System**

- a) Total Medicaid Payment. Under the DRG PPS, the total payment for inpatient hospital services furnished to a Medicaid client by a hospital will equal the sum of the payments listed in subsections (b) through (c). In addition to the payments listed in subsections (b) through (c) of this Section, hospitals shall also receive disproportionate share adjustments in accordance with 89 Ill. Adm. Code 148.120, if applicable, uncompensated care adjustments in accordance with 89 Ill. Adm. Code 148.150, if applicable, and various specific inpatient payment adjustments in accordance with 89 Ill. Adm. Code 148.290, if applicable.
- b) Payments Determined on a Per Case Basis. A hospital will be paid on a per case basis (with the exception of kidney acquisition costs) the following amounts:
  - 1) the appropriate DRG PPS rate for each discharge as determined in accordance with Section 149.100(c).
  - 2) The appropriate outlier payment amounts determined under Section 149.105.
  - 3) Capital related costs as determined under subsection (c)(1)(A) of this Section below.
- c) Payments for Capital Costs. For the rate period described in 89 Ill. Adm. Code 148.25(g)(2)(A) these costs shall be paid on a per case basis. For the rate periods described in 89 Ill. Adm. Code 148.25(g)(2)(B), these costs shall be paid on a per diem basis. Payments for these costs shall be calculated as follows:

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

- 1) Capital Related Costs
  - A) For the rate period described in 89 Ill. Adm. Code 148.25(g)(2)(A):
    - i) The capital related cost per diem shall be calculated by taking the hospital's total capital related costs as reported on the hospital's latest audited Medicare cost report on file with the Department for the base period as defined in 89 Ill. Adm. Code 148.25(g)(1), divided by the hospital's total inpatient days, trended forward to the midpoint of the rate period using the national total hospital market basket price proxies (DRI).
    - ii) These two trended capital related cost per diems are then added together and divided by two to calculate the hospital's adjusted capital related cost per diem.
    - iii) The adjusted capital related cost per diem amount, as calculated in subsection (c)(1)(A)(ii) above, shall be rank ordered for all hospitals and capped at the 80th percentile.
    - iv) Each hospital shall receive a per case add-on for capital related costs which shall be equal to the amount calculated in subsection (c)(1)(A)(ii) or subsection (c)(1)(A)(iii) above, whichever is less, multiplied by the hospital's average length of stay for services reimbursed under the DRG PPS.
  - B) For the rate periods described in 89 Ill. Adm. Code 148.25(g)(2)(B):
    - i) Capital related cost per diem shall be calculated in accordance with subsections (c)(1)(A)(i) through (c)(1)(A)(iii) ~~of this Section~~ above.
    - ii) Each hospital shall receive a per diem add-on for capital related costs which shall be equal to the amount calculated in subsection (c)(1)(A)(ii) or subsection (c)(1)(A)(iii) of

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

this Section~~above~~, whichever is less.

- 2) A hospital wishing to appeal the calculation of its rates must notify the Department within 30 days after receipt of the rate change notification.
- d) Method of Payment
- 1) General Rule. Unless the provisions of subsection (d)(2) of this Section apply, hospitals are paid for each discharge based on the submission of a discharge bill. Payments for inpatient hospital services furnished by an excluded distinct part psychiatric or a rehabilitation unit of a hospital are made in accordance with 89 Ill. Adm. Code 148.270(b).
  - 2) Special Interim Payment for Unusually Long Lengths of Stay
    - A) First Interim Payment. A hospital may request an interim payment after a Medicaid client has been in the hospital at least 60 days. Payment for the interim bill is determined as if the bill were a final discharge bill and includes any outlier payment determined as of the last day for which services have been billed.
    - B) Additional Interim Payments. A hospital may request additional interim payments at intervals of at least 60 days after the date of the first interim bill submitted under subsection (d)(2)(A) of this Section. Payment for these additional interim bills, as well as the final bill, is determined as if the bill were the final bill with appropriate adjustments made to the payment amount to reflect any previous interim payment made under the provisions of subsection (d)(2).
  - 3) Outlier Payments. Except as provided in subsection (d)(2) of this Section, payment for outlier cases (described in Section 149.105) are not made on an interim basis. The outlier payments are made based on submitted bills and represent final payment.
- e) Reductions to Total Payments
- 1) Copayments. Copayments are assessed ~~under all medical programs administered by the Department and shall be assessed~~ in accordance with 89 Ill. Adm. Code 148.190.

## DEPARTMENT OF PUBLIC AID

## NOTICE OF ADOPTED AMENDMENT

- 2) Third Party Payments. Hospitals shall determine that services rendered are not covered, in whole or in part, under any other state or federal medical care program or under any other private group indemnification or insurance program, health maintenance organization, preferred provider organization, workers compensation or the tort liability of any third party. To the extent that such coverage is available, the Department's payment obligation shall be reduced.
  
- f) Effect of Change of Ownership on Payments Under the DRG Prospective Payment System. When a hospital's ownership changes, the following rule applies: Payment for the cost of inpatient hospital services for each patient, including outlier payments, as provided under subsection (b) of this Section above, will be made to the entity that is the legal owner on the date of discharge. Payments will not be prorated between the buyer and seller.
  - 1) The owner on the date of discharge is entitled to submit a bill for all inpatient hospital services furnished to a Medicaid client regardless of when the client's coverage began or ended during a stay, or of how long the stay lasted.
  
  - 2) Each bill submitted must include all information necessary for the Department to compute the payment amount, whether or not some of the information is attributable to a period during which a different party legally owned the hospital.

(Source: Amended at 28 Ill. Reg. 2836, effective February 1, 2004)

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

**NOTICES:** The scheduled date and time for the JCAR meeting are subject to change. Due to *Register* submittal deadlines, the Agenda below may be incomplete. Other items not contained in this published Agenda are likely to be considered by the Committee at the meeting and items from the list can be postponed to future meetings.

*If members of the public wish to express their views with respect to a rulemaking, they should submit written comments to the Office of the Joint Committee on Administrative Rules at the following address:*

*Joint Committee on Administrative Rules  
700 Stratton Office Building  
Springfield, Illinois 62706  
Email: [jcar@legis.state.il.us](mailto:jcar@legis.state.il.us)  
Phone: 217/785-2254*

**RULEMAKINGS CURRENTLY BEFORE JCAR****PROPOSED RULEMAKINGS**Board of Examiners

1. Certificate of Certified Public Accountant (23 Ill. Adm. Code 1400)
  - First Notice Published: 27 Ill. Reg. 7507 – 5/2/03
  - Expiration of Second Notice: 3/11/04

Building Commission

2. Alternative Dispute Resolution Procedure (2 Ill. Adm. Code 3203)
  - First Notice Published: 27 Ill. Reg. 17322 – 11/21/03
  - Expiration of Second Notice: 2/25/04

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

Children and Family Services

3. Licensing Standards for Child Care Institutions and Maternity Centers (89 Ill. Adm. Code 404)
  - First Notice Published: 27 Ill. Reg. 5592 – 4/4/03
  - Expiration of Second Notice: 3/14/04

Commerce Commission

4. Restricted Call Registry (14 Ill. Adm. Code 300)
  - First Notice Published: 27 Ill. Reg. 17142 – 11/14/03
  - Expiration of Second Notice: 3/13/04
5. Claims (Repealer) (92 Ill. Adm. Code 1226)
  - First Notice Published: 27 Ill. Reg. 9289 – 6/20/03
  - Expiration of Second Notice: 2/28/04
6. Annual Reports (Repealer) (92 Ill. Adm. Code 1303)
  - First Notice Published: 27 Ill. Reg. 9302 – 6/20/03
  - Expiration of Second Notice: 2/28/04
7. Establishment of Rates Based on Value (Released Value Rates) (Repealer) (92 Ill. Adm. Code 1385)
  - First Notice Published: 27 Ill. Reg. 9310 – 6/20/03
  - Expiration of Second Notice: 2/28/04
8. Tariff Bureaus (Repealer) (92 Ill. Adm. Code 1400)
  - First Notice Published: 27 Ill. Reg. 9314 – 6/20/03
  - Expiration of Second Notice: 2/28/04
9. Transportation of Household Goods in Intrastate Commerce (Repealer) (92 Ill. Adm. Code 1455)
  - First Notice Published: 27 Ill. Reg. 9320 – 6/20/03
  - Expiration of Second Notice: 2/28/04

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

10. Resolution of Household Goods Disputes (Repealer) (92 Ill. Adm. Code 1456)
  - First Notice Published: 27 Ill. Reg. 9336 – 6/20/03
  - Expiration of Second Notice: 2/28/04
11. Relocation Towing (92 Ill. Adm. Code 1710)
  - First Notice Published: 27 Ill. Reg. 8600 – 5/30/03
  - Expiration of Second Notice: 3/17/04

Education

12. Standards for Certification in Specific Teaching Fields (23 Ill. Adm. Code 27)
  - First Notice Published: 27 Ill. Reg. 17017 – 11/7/03
  - Expiration of Second Notice: 3/7/04
13. Pupil Transportation Reimbursement (23 Ill. Adm. Code 120)
  - First Notice Published: 27 Ill. Reg. 17039 – 11/7/03
  - Expiration of Second Notice: 3/7/04

Human Services

14. Child Care (89 Ill. Adm. Code 50)
  - First Notice Published: 27 Ill. Reg. 13919 – 8/22/03
  - Expiration of Second Notice: 3/12/04
15. General Administrative Provisions (89 Ill. Adm. Code 10)
  - First Notice Published: 27 Ill. Reg. 15221 – 10/3/03
  - Expiration of Second Notice: 2/19/04
16. Temporary Assistance for Needy Families (89 Ill. Adm. Code 112)
  - First Notice Published: 27 Ill. Reg. 15226 – 10/3/03
  - Expiration of Second Notice: 2/19/04
17. General Assistance (89 Ill. Adm. Code 114)

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

-First Notice Published: 27 Ill. Reg. 15253 – 10/3/03  
-Expiration of Second Notice: 2/19/04

18. Program Description (89 Ill. Adm. Code 676)
  - First Notice Published: 27 Ill. Reg. 17165 – 11/14/03
  - Expiration of Second Notice: 3/11/04
19. Customer Rights and Responsibilities (89 Ill. Adm. Code 677)
  - First Notice Published: 27 Ill. Reg. 17169 – 11/14/03
  - Expiration of Second Notice: 3/11/04
20. Provider Requirements, Type Services, and Rates of Payment (89 Ill. Adm. Code 686)
  - First Notice Published: 27 Ill. Reg. 17173 – 11/14/03
  - Expiration of Second Notice: 3/11/04

Insurance

21. Advertising and Sales Promotion of Life Insurance and Annuities (50 Ill. Adm. Code 909)
  - First Notice Published: 27 Ill. Reg. 15265 – 10/3/03
  - Expiration of Second Notice: 3/14/04
22. Automobile Anti-Theft Mechanisms (50 Ill. Adm. Code 932)
  - First Notice Published: 27 Ill. Reg. 3219 – 2/28/03
  - Expiration of Second Notice: 2/27/04
23. Advertising of Accident and Sickness Insurance (50 Ill. Adm. Code 2002)
  - First Notice Published: 27 Ill. Reg. 15269 – 10/3/03
  - Expiration of Second Notice: 3/14/04

Labor Relations Board

24. Representation Proceedings (80 Ill. Adm. Code 1210)
  - First Notice Published: 27 Ill. Reg. 15210 – 10/3/03

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

-Expiration of Second Notice: 2/29/04

Natural Resources

25. Sport Fishing Regulations for the Waters of Illinois (17 Ill. Adm. Code 810)
  - First Notice Published: 27 Ill. Reg. 18305 – 12/5/03
  - Expiration of Second Notice: 3/11/04
26. Commercial Fishing in Lake Michigan (17 Ill. Adm. Code 850)
  - First Notice Published: 27 Ill. Reg. 18395 – 12/5/03
  - Expiration of Second Notice: 3/11/04

Professional Regulation

27. Dietetic and Nutrition Services Practice Act (68 Ill. Adm. Code 1245)
  - First Notice Published: 27 Ill. Reg. 17905 – 12/1/03
  - Expiration of Second Notice: 3/10/04
28. Humane Euthanasia in Animal Shelters Act (68 Ill. Adm. Code 1248)
  - First Notice Published: 27 Ill. Reg. 15291 – 10/3/03
  - Expiration of Second Notice: 3/10/04
29. Funeral Directors and Embalmers Licensing Code (68 Ill. Adm. Code 1250)
  - First Notice Published: 27 Ill. Reg. 17935 – 12/1/03
  - Expiration of Second Notice: 3/10/04
30. Nursing and Advanced Practice Nursing Act – Advanced Practice Nurse (68 Ill. Adm. Code 1305)
  - First Notice Published: 27 Ill. Reg. 17363 – 11/21/03
  - Expiration of Second Notice: 2/27/04
31. Optometric Practice Act of 1987 (68 Ill. Adm. Code 1320)
  - First Notice Published: 27 Ill. Reg. 15317 – 10/3/03
  - Expiration of Second Notice: 3/10/04

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

Public Aid

32. Medical Assistance Programs (89 Ill. Adm. Code 120)
  - First Notice Published: 27 Ill. Reg. 17193 – 11/14/03
  - Expiration of Second Notice: 3/6/04
33. Medical Payment (89 Ill. Adm. Code 140)
  - First Notice Published: 27 Ill. Reg. 14384 – 9/12/03
  - Expiration of Second Notice: 2/29/04
34. Medical Payment (89 Ill. Adm. Code 140)
  - First Notice Published: 27 Ill. Reg. 16385 – 10/31/03
  - Expiration of Second Notice: 3/13/04
35. Child Support Enforcement (89 Ill. Adm. Code 160)
  - First Notice Published: 28 Ill. Reg. 15688 – 10/10/03
  - Expiration of Second Notice: 3/6/04

Public Health

36. Hospital Licensing Requirements (77 Ill. Adm. Code 250)
  - First Notice Published: 27 Ill. Reg. 15028 – 9/26/03
  - Expiration of Second Notice Period: 2/26/04

Racing Board

37. Medication (11 Ill. Adm. Code 603)
  - First Notice Published: 27 Ill. Reg. 15753 – 10/10/03
  - Expiration of Second Notice: 2/20/04
38. Race Track Operators and Their Duties (11 Ill. Adm. Code 1305)
  - First Notice Published: 27 Ill. Reg. 7218 – 4/18/03
  - Expiration of Second Notice: 3/12/04

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

39. License and Applications; Association Licenses (Repealer) (11 Ill. Adm. Code 1407)  
-First Notice Published: 27 Ill. Reg. 7222 – 4/18/03  
-Expiration of Second Notice: 3/12/04
40. Regulations for Meetings (11 Ill. Adm. Code 1424)  
-First Notice Published: 27 Ill. Reg. 7226 – 4/18/03  
-Expiration of Second Notice: 3/12/04

Revenue

41. Income Tax (86 Ill. Adm. Code 100)  
-First Notice Published: 27 Ill. Reg. 15050 – 9/26/03  
-Expiration of Second Notice: 2/29/04
42. Income Tax (86 Ill. Adm. Code 100)  
-First Notice Published: 27 Ill. Reg. 17970 – 12/1/03  
-Expiration of Second Notice: 3/5/04

**EMERGENCY RULEMAKINGS**Aging

43. Community Care Program (89 Ill. Adm. Code 240)  
-Notice Published: 28 Ill. Reg. 923 – 1/9/04

Attorney General

44. Tobacco Products Manufacturers' Escrow Enforcement Act of 2003 (14 Ill. Adm. Code 250)  
-Notice Published: 28 Ill. Reg. 939 – 1/9/04

Children and Family Services

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

45. Background Checks (89 Ill. Adm. Code 385)  
-Notice Published: 28 Ill. Reg. 1167 – 1/16/04

Commerce and Economic Opportunity

46. Illinois Film Production Services Tax Credit Program (14 Ill. Adm. Code 528)  
-Notice Published: 28 Ill. Reg. 957 – 1/9/04

Education

47. Certification (23 Ill. Adm. Code 25)  
-Notice Published: 28 Ill. Reg. 2451 – 2/6/04

Educational Labor Relations Board

48. General Procedures (80 Ill. Adm. Code 1100)  
-Notice Published: 28 Ill. Reg. 971 – 1/9/04
49. Representation Procedures (80 Ill. Adm. Code 1110)  
-Notice Published: 28 Ill. Reg. 975 – 1/9/04

Elections

50. Practice and Procedure (26 Ill. Adm. Code 125)  
-Notice Published: 28 Ill. Reg. 1408 – 1/23/04

Human Services

51. Individual's Access to Services (59 Ill. Adm. Code 109)  
-Notice Published: 28 Ill. Reg. 1006 – 1/9/04

Labor

52. Victims' Economic Security and Safety Act (56 Ill. Adm. Code 280)

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

-Notice Published: 28 Ill. Reg. 1017 – 1/9/04

53. Equal Pay in Employment (56 Ill. Adm. Code 320)  
-Notice Published: 28 Ill. Reg. 363 – 1/2/04

Natural Resources

54. White-Tailed Deer Hunting by Use of Handguns (17 Ill. Adm. Code 680)  
-Notice Published: 28 Ill. Reg. 1032 – 1/9/04

Professional Regulation

55. Professional Boxing Act (68 Ill. Adm. Code 1370)  
-Notice Published: 28 Ill. Reg. 1760 – 1/30/04

Public Aid

56. Hospital Services (89 Ill. Adm. Code 148)  
-Notice Published: 28 Ill. Reg. 1766 – 1/30/04
57. Hospital Services (89 Ill. Adm. Code 148)  
-Notice Published: 28 Ill. Reg. 1418 – 1/23/04

Secretary of State

58. Literacy Grant Program (23 Ill. Adm. Code 3040)  
-Notice Published: 28 Ill. Reg. 1434 – 1/23/04
59. Issuance of Licenses (92 Ill. Adm. Code 1030)  
-Notice Published: 28 Ill. Reg. 384 – 1/2/04
60. Commercial Driver Training Schools (92 Ill. Adm. Code 1060)  
-Notice Published: 28 Ill. Reg. 398 – 1/2/04

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## SCHEDULED MEETING:

STRATTON OFFICE BUILDING  
ROOM C-1  
SPRINGFIELD, ILLINOIS  
10:00 A.M.  
FEBRUARY 18, 2004

State Toll Highway Authority

61. State Toll Highway Rules (92 Ill. Adm. Code 2520)  
-Notice Published: 28 Ill. Reg. 1780 – 1/30/04

**PEREMPTORY RULEMAKING**Central Management Services

62. Pay Plan (80 Ill. Adm. Code 310)  
-Notice Published: 28 Ill. Reg. 1441 – 1/23/04

**EXPEDITED CORRECTION**Public Aid

63. Reimbursement for Nursing Costs for Geriatric Facilities (89 Ill. Adm. Code 147)

**AGENCY RESPONSES**Public Aid

64. Reimbursement for Nursing Costs for Geriatric Facilities (89 Ill. Adm. Code 147; 27 Ill. Reg. 8658)
65. Medical Payment (89 Ill. Adm. Code 140) (Emergency; 27 Ill. Reg. 15584)

State Universities Retirement System

66. Universities Retirement (80 Ill. Adm. Code 1600; 27 Ill. Reg. 8849)

JOINT COMMITTEE ON ADMINISTRATIVE RULES  
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the period of January 27, 2004 through February 2, 2004 and have been scheduled for review by the Committee at its February 18, 2004 meeting in Springfield. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start Of First Notice</u>	<u>JCAR Meeting</u>
3/10/04	<u>Department of Professional Regulation, Humane Euthanasia in Animal Shelters Act (68 Ill. Adm. Code 1248)</u>	10/3/03 27 Ill. Reg. 15291	2/18/04
3/10/04	<u>Department of Professional Regulation, Optometric Practice Act of 1987 (68 Ill. Adm. Code 1320)</u>	10/3/03 27 Ill. Reg. 15317	2/18/04
3/10/04	<u>Department of Professional Regulation, Funeral Directors and Embalmers Licensing Code (68 Ill. Adm. Code 1250)</u>	12/1/03 27 Ill. Reg. 17935	2/18/04
3/10/04	<u>Department of Professional Regulation, Dietetic and Nutrition Services Practice Act (68 Ill. Adm. Code 1245)</u>	12/1/03 27 Ill. Reg. 17905	2/18/04
3/11/04	<u>Department of Natural Resources, Sport Fishing Regulations for the Waters of Illinois (17 Ill. Adm. Code 810)</u>	12/5/03 27 Ill. Reg. 18305	2/18/04
3/11/04	<u>Department of Natural Resources, Commercial Fishing in Lake Michigan (17 Ill. Adm. Code 850)</u>	12/5/03 27 Ill. Reg. 18395	2/18/04
3/11/04	<u>Board of Examiners, Certificate of Certified Public Accountant (23 Ill. Adm. Code 1400)</u>	5/2/03 27 Ill. Reg. 7507	2/18/04

JOINT COMMITTEE ON ADMINISTRATIVE RULES  
ILLINOIS GENERAL ASSEMBLY

## SECOND NOTICES RECEIVED

3/11/04	<u>Department of Human Services</u> , Program Description (89 Ill. Adm. Code 676)	11/14/03 27 Ill. Reg. 17165	2/18/04
3/11/04	<u>Department of Human Services</u> , Customer Rights and Responsibilities (89 Ill. Adm. Code 677)	11/14/03 27 Ill. Reg. 17169	2/18/04
3/11/04	<u>Department of Human Services</u> , Provider Requirements, Type Services, and Rates of Payment (89 Ill. Adm. Code 686)	11/14/03 27 Ill. Reg. 17173	2/18/04
3/12/04	<u>Department of Human Services</u> , Child Care (89 Ill. Adm. Code 50)	8/22/03 27 Ill. Reg. 13919	2/18/04
3/12/04	<u>Illinois Racing Board</u> , Race Track Operators and Their Duties (11 Ill. Adm. Code 1305)	4/18/03 27 Ill. Reg. 7218	2/18/04
3/12/04	<u>Illinois Racing Board</u> , License and Applications; Association Licenses (Repealer) (11 Ill. Adm. Code 1407)	4/18/03 27 Ill. Reg. 7222	2/18/04
3/12/04	<u>Illinois Racing Board</u> , Regulations for Meetings (11 Ill. Adm. Code 1424)	4/18/03 27 Ill. Reg. 7226	2/18/04
3/13/04	<u>Illinois Commerce Commission</u> , Restricted Call Registry (14 Ill. Adm. Code 300)	11/14/03 27 Ill. Reg. 17142	2/18/04
3/13/04	<u>Department of Public Aid</u> , Medical Payment (89 Ill. Adm. Code 140)	10/31/03 27 Ill. Reg. 16385	2/18/04
3/14/04	<u>Department of Children and Family Services</u> , Licensing Standards for Child Care Institutions and Maternity Centers (89 Ill. Adm. Code 404)	4/4/03 27 Ill. Reg. 5592	2/18/04

JOINT COMMITTEE ON ADMINISTRATIVE RULES  
ILLINOIS GENERAL ASSEMBLY

## SECOND NOTICES RECEIVED

3/14/04	<u>Department of Insurance</u> , Advertising and Sales Promotion of Life Insurance and Annuities (50 Ill. Adm. Code 909)	10/3/03 27 Ill. Reg. 15265	2/18/04
3/14/04	<u>Department of Insurance</u> , Advertising of Accident and Sickness Insurance (50 Ill. Adm. Code 2002)	10/3/03 27 Ill. Reg. 15269	2/18/04

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## NOTICE OF PUBLICATION ERROR

## STATE UNIVERSITIES RETIREMENT SYSTEM

- 1) Heading of the Part: Universities Retirement
- 2) Code Citation: 80 Ill. Adm. Code 1600
- 3) Register citation of adopted rulemaking: 2/6/04; 28 Ill. Reg. 2856
- 4) Explanation: In last week's *Illinois Register*, SURS adopted the above-referenced rulemaking in a modified form in response to an objection issued by the Joint Committee on Administrative Rules. Unfortunately, the rulemaking as published did not reflect the modified text, although the rulemaking filed by the agency for adoption with the Secretary of State did. JCAR apologizes for any problem this inadvertent error may have caused and is republishing the notice page and text for this rulemaking following this notice.

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## NOTICE OF PUBLICATION ERROR

## STATE UNIVERSITIES RETIREMENT SYSTEM

- 1) Heading of the Part: Universities Retirement
- 2) Code Citation: 80 Ill. Adm. Code 1600
- 3) 

<u>Section Numbers:</u>	<u>Adopted Action:</u>
1600.10	Amendment
1600.60	New Section
1600.137	New Section
- 4) Statutory Authority: 40 ILCS 5/15-177
- 5) Effective Date of Amendments: January 23, 2004
- 6) Do these amendments contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? No
- 8) A copy of the adopted amendments, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Notices of Proposal Published in the Illinois Register: 5/30/2003; 27 Ill. Reg. 8849
- 10) Has JCAR issued a Statement of Objection to this amendment? Yes
  - A) Statement of Objection: 12/5/2003; 27 Ill. Reg. 18482
  - B) Agency Response: 1/30/04; 28 Ill. Reg. 1807
  - C) Date Agency Response Submitted for Approval to JCAR: 1/16/04
- 11) Differences between proposal and final version: In response to the objection, the final version of the rulemaking contains a one-year sick leave accrual schedule (subsection (d)) instead of the original two-year schedule. In addition, subsection (g) was added to the final version. Sections 1600.10 and 1600.137 are unchanged from the original rulemaking.

JOINT COMMITTEE ON ADMINISTRATIVE RULES

NOTICE OF PUBLICATION ERROR

STATE UNIVERSITIES RETIREMENT SYSTEM

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will these amendments replace any emergency amendments currently in effect? No
- 14) Are there any amendments pending on this Part? Yes

<u>Section Number</u>	<u>Proposed Action</u>	<u>Illinois Register Citation</u>
1600.120	Amendment	12/1/03, 27 Ill. Reg. 17986

- 15) Summary and Purpose of Amendments: The purpose of the amendment is to specify what pay is considered earnings in the calculation of the final rate of earnings, and the rulemaking defines “retirement pay” and “severance or separation pay”.
- 16) Information and questions regarding these adopted amendments shall be directed to:

Dan M. Slack, General Counsel  
 State Universities Retirement System  
 1901 Fox Drive  
 Champaign IL 61820  
 (217) 378-8877

The full text of the adopted amendments begins on the next page.

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## NOTICE OF PUBLICATION ERROR

## STATE UNIVERSITIES RETIREMENT SYSTEM

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES  
SUBTITLE D: RETIREMENT SYSTEMS  
CHAPTER II: STATE UNIVERSITIES RETIREMENT SYSTEMPART 1600  
UNIVERSITIES RETIREMENT

## SUBPART A: MISCELLANEOUS PROCEDURES

Section	
1600.10	Definitions
1600.20	Dependency of Beneficiaries
1600.30	Crediting Interest on Employee Contributions and Other Reserves
1600.40	Election to Make Contributions Covering Leave of Absence at Less Than 50% Pay
1600.50	Election to Pay Contributions Based Upon Employment Which Preceded Certification as a Participant
<u>1600.60</u>	<u>Sick Leave Accrual Schedule</u>
1600.70	Procedures to be followed in Medical Evaluation of Disability Claims
1600.80	Rules of Practice-Nature and Requirements of Formal Hearings
1600.90	Excess Benefit Arrangement
1600.100	Freedom of Information Act
1600.110	Open Meetings Act
1600.120	Twenty Percent Limitation on Final Rate of Earnings Increases
1600.130	Procurement
<u>1600.137</u>	<u>Overpayment Recovery</u>
1600.140	Making Preliminary Estimated Payments

## SUBPART B: QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDERS

Section	
1600.150	Definitions
1600.151	Requirements for a Valid Qualified Illinois Domestic Relations Order
1600.152	Curing Minor Deficiencies
1600.153	Filing a QILDRO with the System
1600.154	Modified QILDROs
1600.155	Benefits Affected by a QILDRO

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## NOTICE OF PUBLICATION ERROR

## STATE UNIVERSITIES RETIREMENT SYSTEM

- 1600.156 Effect of a Valid QILDRO
- 1600.157 QILDROs Against Persons Who Became Members Prior to July 1, 1999
- 1600.158 Alternate Payee's Address
- 1600.159 Electing Form of Payment
- 1600.160 Automatic Annual Increases
- 1600.161 Expiration of a QILDRO
- 1600.162 Reciprocal Systems QILDRO Policy Statement
- 1600.163 Providing Benefit Information for Divorce Purposes

1600.APPENDIX A Chart Outlining Hearing Procedures (Repealed)

AUTHORITY: Implementing and authorized by 40 ILCS 5/15-177.

SOURCE: Amended September 2, 1977; amended at 2 Ill. Reg. 31, p.53, effective July 30, 1978; amended at 7 Ill. Reg. 8139, effective June 29, 1983; codified at 8 Ill. Reg. 19683; amended at 11 Ill. Reg. 15656, effective September 9, 1987; amended at 13 Ill. Reg. 18939, effective November 21, 1989; amended at 14 Ill. Reg. 6789, effective April 20, 1990; emergency amendment at 21 Ill. Reg. 4864, effective March 26, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 6095, effective May 2, 1997; amended at 21 Ill. Reg. 11962, effective August 13, 1997; amended at 21 Ill. Reg. 12653, effective August 28, 1997; amended at 22 Ill. Reg. 4116, effective February 9, 1998; amended at 23 Ill. Reg. 13667, effective November 1, 1999; amended at 25 Ill. Reg. 10206, effective July 30, 2001; amended at 28 Ill. Reg. 2856, effective January 23, 2004.

### Section 1600.10 Definitions

Unless the context requires a different meaning, terms used in ~~this part these rules~~ shall be defined and interpreted in accordance with Article 15 of the Illinois Pension Code, [40 ILCS 5/15], Ill. Rev. Stat. 1981, ch. 108½, par. 15-101 et seq.

"Unmarried". The definition of unmarried as referred to in Section 15-145(c) shall include never married and divorced persons.

(Source: Amended at 28 Ill. Reg. 2856, effective January 23, 2004)

### Section 1600.60 Sick Leave Accrual Schedule

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## NOTICE OF PUBLICATION ERROR

## STATE UNIVERSITIES RETIREMENT SYSTEM

- a) Under Section 15-113.4 of the Illinois Pension Code [40 ILCS 5/15-113.4] SURS grants service credit for unused sick leave.
- b) A member who retires within 60 days immediately following his or her termination with an employer covered under the State Universities Retirement System or other reciprocal system is entitled to credit for service for that portion of unused and unpaid sick leave earned in the course of employment.
- c) The employer must certify the number of unused and unpaid sick days consistent with subsection (e) on the member's termination report provided to SURS, or other form acceptable to SURS.
- d) Service credit is granted for unused and unpaid sick leave verified by the employer in accordance with the following schedule:
  - 1) 0-29 full calendar days and 0-19 full work days = no service credit
  - 2) 30-90 full calendar days and 20-59 full work days = 0.25 years of service credit
  - 3) 91-180 full calendar days and 60-119 full work days = 0.50 years of service credit
  - 4) 181-270 full calendar days and 120-179 full work days = 0.75 years of service credit
  - 5) 271 or more full calendar days and 180 or more full work days = 1 year of service credit
- e) Only uncompensated, unused sick leave earned in accordance with an employer's sick leave accrual policy generally applicable to employees or a class of employees will be taken into account in calculating service credit under this Section. Any sick leave granted by an employer to facilitate the hiring, retirement, termination, or other special circumstances of an employee will not be taken into account in calculating service credit for retirement.
- f) If a participant transfers from one employer to another, the unused sick leave credited by the previous employer will be considered in determining service to be

## JOINT COMMITTEE ON ADMINISTRATIVE RULES

## NOTICE OF PUBLICATION ERROR

## STATE UNIVERSITIES RETIREMENT SYSTEM

credited under this Section, even if the participant terminated prior to the effective date of P.A. 86-272 (August 23, 1989), so long as the subsequent employer did not credit the participant with that sick leave from the previous employer.

- g) This rule is effective for all retirements after the effective date of this rule. However, a participant who entered into a written retirement agreement, for example pursuant to a collective bargaining agreement, prior to the effective date of this rule with a retirement date not exceeding four years from the effective date of this rule will not be limited to the schedule set forth in subsection (d), provided that:
- 1) the system is provided with documentation that, in the System's sole discretion, establishes that the retirement agreement was entered into prior to the effective date of this rule; and
  - 2) a copy of such written retirement agreement is filed with the System within 90 days of the effective date of this rule.

(Source: Added at 28 Ill. Reg. 2856, effective January 23, 2004)

**Section 1600.137 Overpayment Recovery**

Under Section 15-185 of the Illinois Pension Code [40 ILCS 5/15-185], the Board of Trustees of the System may deduct from any benefit payable to participants, annuitants, survivors, and beneficiaries amounts owed to the System due to or because of the participant's service.

The System may recover overpayments from any benefit payable due to the participant's service in the System, including annuity benefits, survivor benefits, separation refunds, disability benefits and death benefits. If anyone receiving a benefit due to the participant's service is overpaid, the overpayment may be recovered from any current or future benefits paid to the same person or other person receiving benefits due to the participant's service.

(Source: Added at 28 Ill. Reg. 2856, effective January 23, 2004)

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

a) Part: Lottery, 11 Ill. Adm. Code 1770

1) Rulemaking:

A) Description: Lottery is anticipating promulgating 2 new regulations, which are described below.

1. Section 10.2 of the Illinois Lottery Law [20 ILCS 1605/10.2] authorizes the Illinois Lottery to charge a license application fee of up to \$10.00 per year. Historically, however, the Lottery has charged only \$10.00 for an initial two-year lottery license, and has charged no fees in connection with subsequent license renewal applications. This practice is reflected in Section 1770.20 of the Lottery's general administrative rules.

The Lottery obtains criminal, credit and tax history background checks in connection with each owner or officer named on a new or renewal application for a Lottery license. The Lottery currently pays \$7.00 to \$12.00 for each criminal history background check conducted and \$2.00 to \$5.00 for each credit report obtained. Since the majority of Lottery license applications name more than one owner or officer, the State is incurring application processing costs that exceed the fee being collected, even without considering the staff costs incurred by the Department of Revenue and/or the Lottery Program to verify the tax status of each applicant, evaluate the applicant's sales potential, review the application for accuracy, and to build and maintain the applicant's record in its data base.

In light of the State's current financial situation, the Department of Revenue, Lottery Program believes it is appropriate to increase the fee charged for both initial Lottery license applications and renewal applications to the statutory maximum of \$10.00 per annum (\$20 per two-year license or renewal), and intends to amend 11 Ill. Adm. Code 1770.20 accordingly.

2. Section 13.1(g) of the Illinois Lottery Law (as added by Public Act 93-465 effective January 1, 2004) authorizes the Department to establish a reasonable fee to defray the administrative costs of processing prize assignments. After receiving a number of assignment requests and analyzing the costs of processing them,

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

the Department may initiate rulemaking to establish a fee as provided in statute.

- B) Statutory Authority: Section 7.1 of the Illinois Lottery Law [20 ILCS 1605/7.1].
- C) Scheduled meeting/hearing dates: No meetings or hearings are scheduled or anticipated.
- D) Date agency anticipates First Notice: The Lottery anticipates First Notice in February 2004 for the first regulation described above. The date for filing First Notice for the last regulation described above is unknown at this time.
- E) Effect on small business, small municipalities or not for profit corporations: For the first regulation described above, the contemplated amendment will increase, by \$10.00 per year (after the first year), the fees paid by small businesses, small municipalities and not for profit corporations to hold a Lottery license. We believe this fee increase will have a negligible financial impact on such entities. The latter regulation described above would have no impact on small municipalities or not for profit corporations. To the extent that a small business purchases all or a part of a Lottery winner's remaining prize, that business may incur a nominal processing fee in connection with the prize assignment.
- F) Agency contact person for information:
- Lisa A. Crites  
Illinois Dept. of Revenue  
Lottery Program  
101 W. Jefferson, MC 5-950  
Springfield, IL 62702  
Telephone: (217) 524-5253
- G) Related rulemakings and other pertinent information: There are no related rulemakings.

b) Part: Income Tax, 86 Ill. Adm. Code 100

1) Rulemaking:

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

- A) Description: New rules will be added to Part 100 concerning the tax credit for Tech Prep Youth Vocational Programs (IITA Section 209); the Dependent Care Assistance Credit (IITA Section 210); the Employee Child Care Tax Credit (IITA Section 210.5); the Affordable Housing Credit (IITA Section 214); the transportation employee credit (IITA Section 215) the reallocation of items under IITA Section 404; pass-through of investment credits from partnerships and Subchapter S corporations to their partners and shareholders; the earned income credit (IITA Section 212); net operating loss carryovers for individuals and other carryovers, filing of refund claims, offsets of refunds against other liabilities and other collection matters, statutes of limitations, and interest computations.

Part 100 will be amended by adding rules and amending existing rules governing the allocation and apportionment of income under Article 3 of the IITA.

Part 100 will be amended to update the provisions defining unitary business groups and computing the combined tax liability of unitary business groups.

Part 100 will be amended by adding rules providing guidance on the addition and subtraction modifications allowed in IITA Section 203, on the credit for residential property taxes paid in IITA Section 208, on the acceptance of substitute W-2s and on the issue of when a taxpayer is subject to tax in another state under IITA Section 303(f).

Part 100 will be amended to clarify the rules implementing the “innocent spouse” relief enacted in Public Act 91-541.

Part 100 will be amended to provide guidance for payment of estimated taxes during short taxable years, during years in which marital status changes, and for computation of penalties for late payment of estimated taxes.

Part 100 will be amended to clarify definitions of terms in IITA Section 1501(a).

Part 100 will be amended to provide guidance on the imposition of the penalty for filing a frivolous return under IITA Section 1006.

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

Finally, the Department will continue the updating and correction of Part 100.

- B) Statutory Authority: 35 ILCS 5/101 and 35 ILCS 5/1401
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: As noted above, there will be a number of rulemakings proposed with respect to Part 100 over the next six months. We anticipate filing rulemakings amending Part 100 on a regular basis during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: These rulemakings will affect any business that incurs an income tax filing obligation.
- F) Agency contact person for information:  

Paul S. Caselton  
Deputy General Counsel - Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-7055
- G) Related rulemakings and other pertinent information: None

c) Part: Property Tax Code, 86 Ill. Adm. Code 110

1) Rulemaking:

- A) Description: Part 110 will be amended to update rules as a result of legislative amendments enacted by Public Acts 90-323, 91-377, 91-393, 91-425, 91-732, 92-278, 92-333, 92-658, 92-859, 93-533, and 93-606.
- B) Statutory Authority: 35 ILCS 200/Arts. 5, 6, 8, 10, 11, 12, 14, 15, 16, 18, and 20

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing these rulemakings during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: These rulemakings will affect local assessing officials, taxing districts subject to the Property Tax Extension Limitation Law in counties that classify property for purposes of taxation in accordance with Section 4 of Article IX of the Illinois Constitution of 1970, and owners of exempt property and certain categories of property entitled to preferential assessments.
- F) Agency contact person for information:
- Karen Alice Kloppe  
Associate Counsel – Property Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None

d) Part: Real Estate Transfer Tax, 86 Ill. Adm. Code 120

1) Rulemaking:

- A) Description: Part 120 will be amended (1) to correct form references, (2) to delete language made obsolete and redundant by the adoption of rulemaking adding Section 120.5, (3) to clarify procedures for the purchase of revenue stamps by recorders of deeds and registrars of title from the Department, and (4) to provide additional policy interpretations on common audit problems for taxpayers in Sections 120.10 and 120.20.
- B) Statutory Authority: 35 ILCS 200/31-1 through 31-70

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing both rulemakings during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: These rulemakings will affect any person or business entity transferring title to real estate unless specifically exempted under Section 31-45 of the Property Tax Code.
- F) Agency contact person for information:
- Karen Alice Kloppe  
Associate Counsel – Property Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone (217) 782-2844
- G) Related rulemakings and other pertinent information: None

e) Part: Retailers' Occupation Tax, 86 Ill. Adm. Code 130

1) Rulemaking:

- A) Description: Amendments will be made to update the Retailers' Occupation Tax regulations to reflect new statutory developments, decisional law and Department policies. Rulemakings are also promulgated as part of the Department's continuing effort to codify policies contained in various letter rulings. Some of the highlights of these changes include:
1. Revision of Section 130.340 governing the rolling stock exemption, in response to recent and anticipated statutory changes (e.g., Public Act 93-23; numerous bills are currently pending that affect the rolling stock exemption, as well).
  2. Addition of a new Section governing administration of the Commercial Distribution Fee sales tax exemption, in response to

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

recent and anticipated statutory changes (e.g., Public Act 93-23; numerous bills are now pending that amend the Commercial Distribution Fee sales tax exemption).

3. Promulgation of a regulation that explains the tax liability of hotels for room rental charges made in connection with events during which food is provided by the hotels, such as conferences and weddings.
  4. Revision of Section 130.415 (transportation and delivery charges) to add examples and to clarify the requirement of a separate agreement between seller and purchaser, particularly in the case of Internet, mail order, telephone and television orders.
  5. Promulgation of regulation explaining the taxation of seminar materials.
  6. Promulgation of regulations implementing a pilot project for a Certified Audit Program pursuant to the provisions of Public Act 92-0456.
- B) Statutory Authority: 35 ILCS 120
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: As noted above, there will be a number of rulemakings proposed with respect to Part 130 over the next six months. We anticipate filing rulemakings amending Part 130 on a regular basis during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: Small businesses that sell tangible personal property at retail will be affected by these regulations. Transportation companies will also be affected by the rolling stock and CDF regulations.
- F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales & Excise Tax

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

- G) Related rulemakings and other pertinent information: None
- f) Part: Service Occupation Tax, 86 Ill. Adm. Code 140
- 1) Rulemaking:
- A) Description: Amendments will be made as part of a general update to clarify application of the Service Occupation Tax and to reflect recent decisional law, statutory changes and Department policy.
- B) Statutory Authority: 35 ILCS 115
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: As noted above, there will be a number of rulemakings proposed with respect to Part 140 over the next six months. We anticipate filing rulemakings amending Part 140 on a regular basis during the next six months of this year.
- E) Effect on small business, small municipalities or not-for-profit corporations: Servicemen transferring tangible personal property incident to service will be affected by these rules.
- F) Agency contact person for information:
- Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

g) Part: Use Tax, 86 Ill. Adm. Code 1501. Rulemaking:

- A) Description: Amendments will be made to update the Use Tax regulations to reflect new statutory developments, decisional law and Department policies. Examples include regulations providing guidance regarding the Department's policies regarding the types of activities and relationships that establish nexus for Use Tax collection.
- B) Statutory Authority: 35 ILCS 105
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 150 during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: These amendments will affect persons subject to the Use Tax.
- F) Agency contact person for information:
- Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None

h) Part: Service Use Tax, 86 Ill. Adm. Code 1601) Rulemaking:

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

- A) Description: Amendments will be made to update the Service Use Tax regulations to reflect new statutory developments, decisional law and Department policies.
- B) Statutory Authority: 35 ILCS 110
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 160 during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: These amendments will affect persons subject to the Service Use Tax.
- F) Agency contact person for information:
- Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None

i) Part: Board of Appeals, 86 Ill. Adm. Code 210

1) Rulemaking:

- A) Description: The rules in Part 210 will be amended to provide guidance on issues that have arisen under the existing rules and to incorporate changes in law and Department policy that have occurred since the rules were adopted.
- B) Statutory Authority: 20 ILCS 2505/2505-250 and 2505-795
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 210 on a regular basis during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: These rulemakings will affect any business that may incur a liability for penalty or interest under the Uniform Penalty and Interest Act.
- F) Agency contact person for information:

Paul S. Caselton  
Deputy General Counsel - Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-7055

- G) Related rulemakings and other pertinent information: None

j) Part: Informal Conference Board, 86 Ill. Adm. Code 215

1) Rulemaking:

- A) Description: Part 215 will be amended to update the guidelines for operation of the Department of Revenue's Informal Conference Board, and add a new rule which will limit a taxpayer's ability to request informal review within the Office of Administrative Hearings under Reg. Sec. 200.135 if the taxpayer has received an Informal Conference Board Decision which addresses the merits of the proposed audit adjustments.
- B) Statutory Authority: 20 ILCS 2505/2505-510
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing these rulemakings during the next six months of this year.

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

E) Effect on small business, small municipalities or not for profit corporations:  
These rulemakings will affect any taxpayer that has been audited by the Department of Revenue.

F) Agency contact person for information:

Louise Calvert  
Administrator, Informal Conference Board  
Illinois Department of Revenue  
100 W. Randolph St., 7-341  
Chicago, Illinois 60601  
Telephone: (312) 814-1722

G) Related rulemakings and other pertinent information: None

k) Part: Telecommunications Excise Tax, 86 Ill. Adm. Code 495

1) Rulemaking:

A) Description: Regulations will be updated to reflect new statutory provisions, decisional law and Department policy. Examples include:

1. Regulations that explain the manner in which DSL services are taxed.
2. Regulations that explain the taxation of telecommunications that are provided by cable and satellite television companies as part of internet access services.
3. Regulations which reflect the provisions of the Simplified Telecommunications Tax Act (92-526, 92-878, 92-602 and 93-286) and the Mobile Telecommunications Sourcing Conformity Act. (92-474).

B) Statutory Authority: 35 ILCS 630; Public Acts 92-526; 92-0602; 92-878 and 93-286.

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 495 during the next six months of this year.
- E) Effect on small business, small municipalities or not for profit corporations: Retailers of telecommunications and their telecommunications customers will be affected by these regulations.
- F) Agency contact person for information:
- Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None

l) Part: Uniform Penalty and Interest Act, 86 Ill. Adm. Code 7001) Rulemaking:

- A) Description: The rules in Part 700 will be amended to incorporate changes in the Uniform Penalty and Interest Act enacted by the 93d General Assembly.
- B) Statutory Authority: 20 ILCS 2505/2505-795
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 700 on a regular basis during the first six months of this year.

## DEPARTMENT OF REVENUE

## JANUARY, 2004 REGULATORY AGENDA

E) Effect on small business, small municipalities or not for profit corporations: These rulemakings will affect any business that may incur a liability for penalty or interest under the Uniform Penalty and Interest Act.

F) Agency contact person for information:

Paul S. Caselton  
Deputy General Counsel - Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794

Telephone: (217) 782-7055

G) Related rulemakings and other pertinent information: None

m) Part: Gas Use Tax, 86 Ill. Adm. Code 471 (New Part)

1) Rulemaking:

A) Description: Regulations will be promulgated which explain the manner in which the Gas Use Tax will be implemented and administered. The Gas Use Tax was enacted into law by Public 93-31.

B) Statutory Authority: Gas Use Tax Law, Public Act 93-31.

C) Scheduled meetings/hearing dates: No schedule has been established at this time.

D) Date agency anticipates First Notice: We anticipate filing this rulemaking during the next six months of this year.

E) Effect on small business, small municipalities or not for profit corporations: These regulations will impact persons who are "delivering suppliers" under the new law, as well as persons who use gas in Illinois that is obtained in a purchase of out-of-State gas.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales & Excise Tax

DEPARTMENT OF REVENUE

JANUARY, 2004 REGULATORY AGENDA

Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

- G) Related rulemakings and other pertinent information: There are no related rulemakings.

## DEPARTMENT OF REVENUE

## NOTICE OF PUBLIC INFORMATION

## 2003 FOURTH QUARTER SUNSHINE INDEX

1. Statute requiring agency to publish information concerning Private Letter Rulings in the Illinois Register:

Name of Act: Illinois Department of Revenue Sunshine Act

Citation: 20 ILCS 2515/1 et seq.

2. Summary of information:

Index of Department of Revenue income tax Private Letter Rulings and General Information Letters issued for the Fourth Quarter of 2003. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 2 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 2 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Alternative Apportionment	Penalties – Failure to Pay
Apportionment – Sales Factor	Public Law 86-262/Nexus
Base Income	Subtraction Modifications - Pensions
Estimated Tax	Withholding – Other Rulings
Military	

Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50 cents per page for each page over one. Copies of the ruling letters may be downloaded free of charge from the Department's World Wide Web site at [www.revenue.state.il.us](http://www.revenue.state.il.us).

## DEPARTMENT OF REVENUE

## NOTICE OF PUBLIC INFORMATION

The indexes of Income Tax letter rulings for 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001 and 2002 are available for \$3.00. A cumulative Income Tax Sunshine Index of 1981 through 1989 letter rulings may be purchased for \$4.00.

3. Name and address of person to contact concerning this information:

Linda Settle  
Illinois Department of Revenue  
Legal Services Office  
101 West Jefferson Street  
Springfield, Illinois 62794  
Telephone: (217) 782-7055

## ALTERNATIVE APPORTIONMENT

IT 03-0032-GIL      10/03/2003      Request to use separate accounting that does not state either how the statutory apportionment formula fails to fairly reflect business activities within Illinois or how separate accounting is reasonable cannot be granted.

## APPORTIONMENT – SALES FACTOR

IT 03-0034-GIL      11/03/2003      Dock sales are sourced to the state in which the buyer is located, even when the buyer itself picks up the tangible personal property.

## BASE INCOME

IT 03-0039-GIL      12/24/2003      Sick pay included in federal adjusted gross income is also included in base income.

## ESTIMATED TAX

## DEPARTMENT OF REVENUE

## NOTICE OF PUBLIC INFORMATION

IT 03-0008-PLR      11/13/2003      Overpayment reported on a return that is credited against the subsequent year's estimated tax liability will not subsequently be recharacterized.

## MILITARY

IT 03-0033-GIL      10/21/2003      Issues related to tax, penalties and amnesty for taxpayer currently serving in Iraq should be addressed when he returns.

## PENALTIES – FAILURE TO PAY

IT 03-0035-GIL      11/20/2003      Payment of income tax after the unextended due date of the return is subject to penalty.

## PUBLIC LAW 86-262/NEXUS

IT 03-0037-GIL      12/22/2003      Nexus determinations cannot generally be made by letter ruling.

IT 03-0038-GIL      12/22/2003      Nexus determinations cannot generally be made by letter ruling.

## SUBTRACTION MODIFICATION – PENSIONS

IT 03-0009-PLR      11/20/2003      Lump sum distribution of partnership retirement payments exempt from self-employment tax is exempt from Illinois income tax.

## WITHHOLDING – OTHER RULINGS

IT 03-0036-GIL      11/24/2003      Illinois law follows federal income tax determination of whether person is an employee or not.

## DEPARTMENT OF REVENUE

## NOTICE OF PUBLIC INFORMATION

Pursuant to the provisions of 20 ILCS 1605/7.1, the Illinois Department of the Lottery shall publish each January in the Illinois Register a list of all game-specific rules, play instructions, directives, operations manuals, brochures, or other game-specific publications issued by the Department during the previous year. Following is the list of game-specific materials published by the Lottery during calendar year 2003.

Departmental Directive #04-01: "Special Game Designation: Holiday Cash, Game #277"

Departmental Directive #04-04: "Special Game Designation: Pick 3 Holiday Bonus Drawings"

Game Rules – Instant Game No. 180, "Club Casino"

Game Rules – Instant Game No. 182, "Hands Down Doubler"

Game Rules – Instant Game No. 192, "Lucky Bonus 7's"

Game Rules – Instant Game No. 193, "5 Star Double Doubler"

Game Rules – Instant Game No. 203, "3 Card Cash"

Game Rules – Instant Game No. 207, "Casino Cash Out"

Game Rules – Instant Game No. 208, "Deluxe 7-11-21"

Game Rules – Instant Game No. 209, "Snake Eyes"

Game Rules – Instant Game No. 212, "Sweetheart Cash"

Game Rules - Instant Game No. 214, "7-11-21"

Game Rules - Instant Game No. 215, "Money Clip"

Game Rules - Instant Game No. 216, "Midas Touch Tripler"

Game Rules - Instant Game No. 217, "Deluxe 7-11-21"

Game Rules - Instant Game No. 218, "Hot Diggity Doubler"

Game Rules - Instant Game No. 219, "Loot Pursuit"

Game Rules - Instant Game No. 220, "Dublin Dough"

Game Rules - Instant Game No. 221, "On a Roll"

Game Rules - Instant Game No. 222, "Presto Change-o"

Game Rules - Instant Game No. 223, "Bingo Nut"

Game Rules - Instant Game No. 224, "Slingo"

Game Rules - Instant Game No. 225, "Mom's the Word"

Game Rules - Instant Game No. 226, "Find the 9's"

Game Rules - Instant Game No. 227, "Crossword"

Game Rules - Instant Game No. 228, "Lucky Loot"

Game Rules - Instant Game No. 229, "Powerburst Bingo"

Game Rules - Instant Game No. 230, "Your Lucky Day"

Game Rules - Instant Game No. 231, "Casino Royale"

Game Rules - Instant Game No. 232, "High Roller"

Game Rules - Instant Game No. 233, "Strike it Rich"

Game Rules - Instant Game No. 234, "Cool Million"

## DEPARTMENT OF REVENUE

## NOTICE OF PUBLIC INFORMATION

Game Rules - Instant Game No. 235, "Summer Rocks!"  
Game Rules - Instant Game No. 236, "Stacks of Cash"  
Game Rules - Instant Game No. 237, "Dollars for Dad"  
Game Rules - Instant Game No. 238, "Big Fat Wallet"  
Game Rules - Instant Game No. 239, "Bee Lucky"  
Game Rules - Instant Game No. 240, "Wild Cherry Change"  
Game Rules - Instant Game No. 241, "Winner Take All"  
Game Rules - Instant Game No. 242, "Win for Life"  
Game Rules - Instant Game No. 243, "Red, Hot & Blue"  
Game Rules - Instant Game No. 244, "Crossword"  
Game Rules - Instant Game No. 245, "King Size Bingo"  
Game Rules - Instant Game No. 246, "Stinkin' Rich"  
Game Rules - Instant Game No. 247, "Deluxe 7-11-21"  
Game Rules - Instant Game No. 248, "Free Spot Bingo"  
Game Rules - Instant Game No. 249, "Fortune Teller Tripler"  
Game Rules - Instant Game No. 250, "7-11-21"  
Game Rules - Instant Game No. 251, "Turtle Tripler"  
Game Rules - Instant Game No. 252, "Red Hot 7's"  
Game Rules - Instant Game No. 253, "Disco Doubler"  
Game Rules - Instant Game No. 254, "100,000 Mania"  
Game Rules - Instant Game No. 255, "Crossword"  
Game Rules - Instant Game No. 256, "Bingo Spectacular"  
Game Rules - Instant Game No. 257, "Fun 1's"  
Game Rules - Instant Game No. 259, "Lucky Birthday"  
Game Rules - Instant Game No. 260, "Elvis"  
Game Rules - Instant Game No. 262, "Cauldrons of Cash"  
Game Rules - Instant Game No. 264, "Rake it In"  
Game Rules - Instant Game No. 265, "Fistful of 50's"  
Game Rules - Instant Game No. 267, "Slingo"  
Game Rules - Instant Game No. 271, "Deluxe 7-11-21"  
Game Rules - Instant Game No. 272, "Crossword"  
Game Rules - Instant Game No. 273, "Hot Slots"  
Game Rules - Instant Game No. 274, "Turkey Tripler"  
Game Rules - Instant Game No. 275, "Holiday Bingo"  
Game Rules - Instant Game No. 276, "Winner Wonderland"  
Game Rules - Instant Game No. 277, "Holiday Cash"  
Game Rules - Instant Game No. 278, "Freezing Your Bucks Off"  
Game Rules - Instant Game No. 279, "Merry Millionaire"  
Game Rules - Instant Game No. 280, "Holiday Surprise"  
Game Rules - Instant Game No. 281, "Find the Change"

## DEPARTMENT OF REVENUE

## NOTICE OF PUBLIC INFORMATION

Game Rules – Instant Game No. 282, "Candy Cane Crossword"  
Game Rules - Instant Game No. 283, "White Out Bingo"  
Game Rules – Instant Game No. 284, "Tree-mendous Tripler"  
Game Rules – Instant Game No. 285, "Dialing for Doublers"  
Game Rules – Instant Game No. 287, "Quick 7's"  
Game Rules – Instant Game No. 290, "Crossword"  
Game Rules – Instant Game No. 295, "Win for Life"  
"Fun for All" Promotion Official Rules & Procedures  
"Fun for All" Promotion Official Drawing Procedures  
"Boleto Gigante (Big Ticket)" Promotion Official Rules & Procedures  
"Boleto Gigante (Big Ticket)" Promotion Official Drawing Procedures  
"Fun for Summer" Promotion Official Rules & Procedures  
"Fun for Summer" Promotion Drawing Procedures  
"Holiday Pick 3 Double Draw" Promotion Official Rules & Procedures  
On-Line Drawing Procedures Supplemental Instructions for Pick 3 Double Draw  
"Big Ticket to your Big Party (Boleto Gigante Para Festejar en Grande)  
Promotion Official Rules & Procedures  
"Boleto Gigante (Big Ticket)" Big Party Promotion Official Drawing Procedures  
Boleto Gigante Press Release/Flyer  
Boleto Gigante Promotion Winners List  
Fun for All Promotion Flyer  
Fun for All Promotion Winners List  
Fun for Summer Promotion Flyers  
Fun for Summer Concert Series Winners List  
Pick 3 Double Draw Flyer  
Big Ticket to your Big Party Flyer  
Instant Ticket Claim Dates  
Instant Game Chart 1975 – Present  
Instant Game Prize List  
2003 Winning Numbers Lists (Pick 3, Pick 4, Little Lotto, Lotto, Mega Millions)  
Winning Numbers in Order Drawn (Little Lotto, Lotto, Mega Millions)  
Lottery Financial History, Sales by Game/Where Your Dollar Goes  
Official Fun Guide - How to Play Lottery brochure  
"Play Extra! Win Extra!" brochure  
Chances of Winning Lotto, Little Lotto or Mega Millions  
Lotto and Little Lotto Subscription Forms  
The Illinois Lottery: A History  
The Illinois Lottery: A Condensed History  
Chronological Events to Remember  
The Illinois Lottery: How to Play and Win

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DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

Lotto, Little Lotto Unclaimed Grand Prizes  
Big Game/Mega Millions Unclaimed 2<sup>nd</sup> Prizes

Copies of the foregoing may be obtained by submitting a written request to:

Freedom of Information Officer  
Illinois Department of Revenue  
101 West Jefferson, MC 6-595  
Springfield, Illinois 62702

## PROCLAMATIONS

**2004-13****Ronald Reagan Day**

WHEREAS, The Honorable Ronald Reagan, 40<sup>th</sup> President of the United States of America, served the office with dignity from 1981-1989, and, during his presidency, championed four “Pillars of Freedom,” individual liberty, economic opportunity, global democracy and national pride; and

WHEREAS, President Reagan began his professional career as a Hollywood actor, appearing in several memorable movies between the 1930’s and 1950’s, including Dark Victory; Knute Rockne, All American; King’s Row; Storm Warning, The Winning Team and Bedtime For Bonzo; and

WHEREAS, during his acting career, President Reagan worked with such movie legends as Doris Day and Humphrey Bogart, and had the honor of serving as president of the Screen Actors’ Guild. After acting, President Reagan entered politics, and was soon elected Governor of California, a position he held from 1966-1974; and

WHEREAS, born and raised in Illinois, President Reagan’s legacy is commemorated in Illinois on the Ronald Reagan Trail, officially designated by the Illinois General Assembly on May 21, 1999; and

WHEREAS, President Reagan was born in Tampico, Illinois on February 6, 1911, in an apartment above a bakery on Main Street, and lived there until he was nine years old; and

WHEREAS, though born in Tampico, President Reagan was raised in Dixon, Illinois, where he attended South Side School and First Christian Church, and worked as a life guard at Lowell Park; and

WHEREAS, President Reagan attended Eureka College in Eureka, Illinois and graduated in 1932 with a degree in Economics and Sociology. At Eureka, President Reagan lettered in football, track and swimming, was involved in theatre and student government, and was a member of the Tau Kappa Epsilon fraternity;

THEREFORE, I, Rod Blagojevich, Governor of the State of Illinois, do hereby proclaim February 6, 2004 as RONALD REAGAN DAY in Illinois, in recognition of the birthday of this accomplished Illinois native.

Issued by the Governor January 29, 2003.

Filed by the Secretary of State January 30, 2004.

**2004-14****Municipal Clerks Week**

WHEREAS, the Office of Municipal Clerk is a time-honored and vital part of local government in countries throughout the world that exists to provide a professional link between citizens, local governing bodies, and agencies of government at other levels, while serving as the information center on functions of local government and community; and

## PROCLAMATIONS

WHEREAS, Municipal Clerks strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops and the annual meetings of their state, province, county and international professional organizations; and

WHEREAS, the Illinois Municipal Clerks, an organization dedicated to pursuing state legislation that upgrades the professional and educational opportunities of the Municipal Clerk and representing the interests of Illinois' Municipal Clerks, is celebrating their 35<sup>th</sup> Anniversary this year:

THEREFORE, I, Rod Blagojevich, Governor of the State of Illinois, do hereby proclaim May 2 – May 8, 2004 as MUNICIPAL CLERKS WEEK in Illinois, and extend my gratitude to all Municipal Clerks for the vital services they perform, and their exemplary dedication to the communities they represent.

Issued by the Governor January 29, 2003.

Filed by the Secretary of State January 30, 2004.

**2004-15****Celebration Sherwood! Week**

WHEREAS, William Hall Sherwood, founder of the Sherwood Conservatory of Music, was a highly regarded concert pianist, eminent pedagogue and composer, and dedicated musician who performed all over the world; and

WHEREAS, at the age of seventeen, William Sherwood went to Europe to study with some of the greatest musicians of the day, soon becoming widely lauded as a soloist and teacher; and

WHEREAS, William Sherwood sought to make music accessible to all people. As an internationally acclaimed concert pianist, he gave concerts throughout the prairie and western frontier, transporting his grand piano on the back of a horse-drawn carriage; and

WHEREAS, in 1895, William Sherwood founded the Sherwood Music School, which eventually became known as the Sherwood Conservatory of Music. His legacy was the Sherwood Piano Method, which is a mainstay at the more than 1,000 national and international branches of his school; and

WHEREAS, for over 100 years now, the Sherwood Conservatory of Music has been serving the needs of the musical community in Chicago's South Loop, as a community-focused institution committed to meeting the diverse music education needs of Chicago's urban population; and

WHEREAS, 2004 marks the 150<sup>th</sup> Anniversary year celebrating the birth of William Hall Sherwood.

THEREFORE, I, Rod Blagojevich, Governor of the State of Illinois, do hereby proclaim February 7 – 14, 2004 as CELEBRATION SHERWOOD! WEEK in Illinois, and encourage all citizens to appreciate the legacy of William Hall Sherwood and the wonderful contributions that his conservatory has made to our communities.

## PROCLAMATIONS

Issued by the Governor January 29, 2003.

Filed by the Secretary of State January 30, 2004.

**2004-16****PeriAnesthesia Nurse Awareness Week**

WHEREAS, there are more than 49,000 perianesthesia nurses in the United States whose interests are represented by the American Society of PeriAnesthesia Nurses, one of our nation's premier specialty nursing organizations; and

WHEREAS, the American Society of PeriAnesthesia Nurses strives to advance the field of nursing by providing education, conducting research and developing standards of practice for their field; and

WHEREAS, perianesthesia nurses practice in all phases of preanesthesia and postanesthesia care, ambulatory surgery and pain management; and

WHEREAS, the depth and breadth of the perianesthesia nursing profession meets the varied and emerging health care needs of the American population in a diversified range of environments; and

WHEREAS, while the demand for perianesthesia nurses will only increase due to an aging American population and advances in medicine that are prolonging life, the role played by these nurses has been established as essential in the quality of health care and safety of patients in the hospital and ambulatory surgery settings; and

WHEREAS, the Illinois Society of PeriAnesthesia Nurses, founded in 1976 as a component society to the American Society, exists to unite perianesthesia nurses to promote quality and cost-effective care for their patients, their families and the community, through public and professional education, research and standards of practice; and

WHEREAS, in celebration of the ways perianesthesia nurses strive to advance nursing practices, the Illinois Society of PeriAnesthesia Nurses, in conjunction with the American Society of PeriAnesthesia Nurses will celebrate PeriAnesthesia Nurse Awareness Week, with the theme, PeriAnesthesia Nurses Influencing the Circle of Care:

THEREFORE, I, Rod Blagojevich, Governor of the State of Illinois, do hereby proclaim February 2 – 8, 2004 as PERIANESTHESIA NURSE AWARENESS WEEK in Illinois, in celebration of the accomplishments and efforts to improve the quality of patient care and nursing practices of Illinois' perianesthesia nurses.

Issued by the Governor January 29, 2003.

Filed by the Secretary of State January 30, 2004.

**2004-17****Coalition for the Remembrance of Elijah Muhammad (C.R.O.E.) Day**

## PROCLAMATIONS

WHEREAS, the Coalition for the Remembrance of Elijah Muhammad (C.R.O.E.) is celebrating their 17<sup>th</sup> Anniversary Founders' Day on February 8, 2004; and

WHEREAS, founded in 1987 by Halif Muhammad, Shahid Muslim and Munir Muhammad, all of whom still serve the organization, C.R.O.E. exists to pay tribute to The Honorable Elijah Muhammad, and ensure that his accomplishments and ideas are not forgotten; and

WHEREAS, C.R.O.E. continues to be an invaluable institution and an important voice in both the African-American community and the general public:

THEREFORE, I, Rod Blagojevich, Governor of the State of Illinois, do hereby proclaim February 8, 2004 as COALITION FOR THE REMEMBRANCE OF ELIJAH MUHAMMAD (C.R.O.E.) DAY in Illinois, in recognition of the organization's seventeen years of service to Illinois citizens and their ongoing commitment to ensuring the legacy of this influential African-American.

Issued by the Governor January 29, 2003.

Filed by the Secretary of State January 30, 2004.

# ILLINOIS ADMINISTRATIVE CODE

## Issue Index - With Effective Dates

Rules acted upon in Volume 28, Issue 7 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquires about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

### PROPOSED RULES

35 - 1500	.....	2522
89 - 113	.....	2560
89 - 121	.....	2570
89 - 507	.....	2582
50 - 1409	.....	2587
50 - 1412	.....	2606
77 - 870	.....	2613
11 - 204	.....	2649
11 - 302	.....	2653
11 - 311	.....	2657

### ADOPTED RULES

38 - 392	1/30/2004.....	2661
38 - 900	1/30/2004.....	2670
80 - 310	1/22/2004.....	2680
83 - 280	2/10/2004.....	2684
89 - 104	2/1/2004.....	2735
89 - 140	2/1/2004.....	2744
89 - 148	2/1/2004.....	2770
89 - 149	2/1/2004.....	2836

### SECOND NOTICES RECEIVED

11 - 1424	.....	2853
14 - 300	.....	2853
89 - 140	.....	2853
89 - 404	.....	2853
50 - 909	.....	2853
50 - 2002	.....	2853
68 - 1245	.....	2853
89 - 676	.....	2853
23 - 1400	.....	2853
17 - 850	.....	2853
89 - 677	.....	2853
89 - 50	.....	2853
11 - 1305	.....	2853
17 - 810	.....	2853
68 - 1250	.....	2853
11 - 1407	.....	2853
68 - 1320	.....	2853
89 - 686	.....	2853
68 - 1246	.....	2853

### EXECUTIVE ORDERS AND PROCLAMATIONS

04 - 13	1/29/2004.....	2885
04 - 14	1/29/2004.....	2885
04 - 15	1/29/2004.....	2886
04 - 16	1/29/2004.....	2887
04 - 17	1/29/2004.....	2887

### REGULATORY AGENDA

86 - 110	.....	2863
11 - 1770	.....	2863

Rules acted upon in Volume 28, Issue 7 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquires about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

86 - 100	.....	2863
86 - 120	.....	2863
86 - 130	.....	2863
86 - 140	.....	2863
86 - 150	.....	2863
86 - 160	.....	2863
86 - 210	.....	2863
86 - 215	.....	2863
86 - 495	.....	2863
86 - 471	.....	2863
86 - 700	.....	2863

**NOTICES REQUIRED BY LAW TO BE PUBLISHED IN THE ILLINOIS REGISTER**

80 - 1600	.....	2856
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