



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Center for Medicaid and State Operations  
Financial Management Group  
7500 Security Boulevard  
Baltimore, MD 21244

RECEIVED

JUL 02 2009

BUREAU OF  
FEDERAL FINANCE

SEE FUNDING RESTRICTION ATTACHMENT

Jack Dodds  
C/O Mark McCurdy, Chief,  
Illinois Department of Healthcare and Family Services  
Bureau of Federal Finance  
2200 Churchill Road, C-2  
Springfield, IL 62704

Dear Sir or Madam:

The grant award listed below has been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 07/01/2009 - 09/30/2009 under Appropriation 75X0518 Centers for Medicare & Medicaid Services

**Increased Medical Assistance Payments**

**\$327,111,000**

This grant award represents funding authorized under the provisions of section 5001 of the American Recovery and Reinvestment Act of 2009 (ARRA, Public Law 111-5, enacted on February 17, 2009 during the recession adjustment period October 1, 2008 through December 31, 2010), that are for the purpose of providing a temporary increase in the Medicaid Federal medical assistance percentage (FMAP) to fund your State's Medicaid program in federal FY 2009. The amount of this grant award only represents the additional amount of funds associated with the increased FMAP determined under ARRA only for the expenditures for which the increased FMAP is available. In a separate grant award you will receive the amount of funds associated with the regular FMAP rate for the expenditures represented by this grant award and the additional Federal funds for the other expenditures for which the Federal matching rate is the regular FMAP or other matching rates.

States' increased FMAPs have been determined in accordance with the provisions of section 5001 of ARRA. The above grant award amount reflects an estimate of the increased funds for your State for the period of the grant award related to the title XIX expenditures for which the increased FMAP is available.

With the acceptance of this grant award and draw of such funds from the Payment Management System subaccount, you agree that:

- 1) Your State is eligible for the increased FMAP because the State is applying Medicaid eligibility standards, methodologies and procedures that are no more restrictive than those in effect under the State plan (or any waiver or demonstration project) on July 1, 2008. If the State is currently ineligible because it does not meet this condition, the State may be retroactively eligible if it reinstates the former standards, methodologies and procedures prior to July 1, 2009. (Section 5001(f)(1) of ARRA)
- 2) Your State is eligible for the increased FMAP because no amounts attributable (directly or indirectly) to such increased FMAP are deposited or credited to any reserve or rainy day fund of the State. (Section 5001(f)(3) of ARRA)
- 3) Your State is eligible for the increased FMAP because it does not require political subdivisions within the State to contribute for quarters beginning October 1, 2008 and ending December 2010, a greater percentage of the non-Federal share of such expenditures (including for expenditures under section 1923 of the Social Security Act) than the respective percentage that would have been required under the State Medicaid plan on September 30, 2008. (Section 5001(g)(2) of ARRA)
- 4) The expenditures for which the State draws funds are of a type that would be eligible expenditures. Expenditures for disproportionate share hospital (DSH) payments are ineligible. Also ineligible are expenditures that are claimed based on the enhanced FMAP (described in section 2105(b) of the Act), or expenditures that are not paid based on the FMAP, such as expenditures for family planning services, administrative expenditures. Expenditures for services provided through an Indian Health Service facility are ineligible because such expenditures receive 100 percent FMAP, which is the ceiling level. And expenditures for medical assistance provided to individuals made eligible because of increased income eligibility standards that are higher than those in effect on July 1, 2008 are also ineligible for the increased FMAP. (Section 5001(e) of ARRA).
- 5) The expenditures for which the State draws funds are not payments for health care practitioner claims, or certain nursing home and hospital claims, that were received by the State during periods in which the State is not in compliance with prompt payment standards. (Section 5001(f)(2) of ARRA)

With the acceptance of this award, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised) and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with this grant award should be referred to the appropriate Centers for Medicare & Medicaid Services Regional Office financial contact for your State

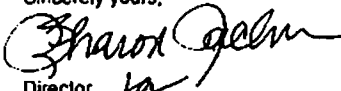
Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center (PSC) Inquiries regarding payment should be directed to:

Director, Division of Payment Management  
Post Office Box 6021  
Rockville, Maryland 20852-0605

Telephone Number 1-877-614-5533

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,

  
Director,  
Division of Financial Operations

Enclosures 5  
CMS-L151(7-80)

JUN 11 1991

JUL - 2009

**FUNDING RESTRICTIONS**

**THIS GRANT AWARD IS FOR ELIGIBLE PROGRAM COSTS FOR THE QUARTER BEGINNING JULY 1, 2009 INCLUDING PRIOR QUARTER ADJUSTMENTS. FUNDING UNDER THIS GRANT AWARD MAY NOT BE DRAWN OR PAID UNTIL JULY 1, 2009.**

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STATE	ILLINOIS			
FISCAL YEAR	2 0 0 9			
QUARTER	1ST	2ND	3RD	4TH
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE  
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

ARRA  
MEDICAL ASSISTANCE  
PAYMENTS

1. ADJUSTMENTS FOR QUARTER ENDED MARCH 31, 2009 \$ \_\_\_\_\_

A. ACTUAL FEDERAL SHARE OF EXPENDITURES..... \_\_\_\_\_

B. ESTIMATED FEDERAL SHARE OF EXPENDITURES PREVIOUSLY FUNDED..... \_\_\_\_\_

C. DIFFERENCE..... \_\_\_\_\_

D. NET ADJUSTMENTS APPLICABLE TO PRIOR PERIODS..... \_\_\_\_\_

E. COLLECTIONS..... \_\_\_\_\_

F. OTHER..... \_\_\_\_\_

G. TOTAL ADJUSTMENTS..... \_\_\_\_\_

2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING JULY 1, 2009 A. 327,111,000

3. NET AMOUNT TO BE CERTIFIED..... \$ 327,111,000

TOTAL AMOUNT TO BE CERTIFIED..... \$B 327,111,000

DATE APPROVED JUL - 1 2009 COMPUTATION CHECKED BY [Signature]

INTERNAL TRANSMITTAL NO. A-1



CALCULATION OF INITIAL AWARD  
Increased Funding Under Title XIX Section 5001 ARRA

STATE: ILLINOIS

QUARTER/FISCAL YEAR: FOURTH/2009

	<u>ARRA</u> <u>MEDICAL ASSISTANCE</u> <u>PAYMENTS</u>	
Secretary's Estimate of Funding Need for the Quarter	\$ 327,111,000	
Less		
SPR Penalty, Attachment _____	<u>XXXXXXXXXXXXXXXXXXXX</u>	
MEQC Penalty, Attachment _____	_____	
Third Party Liability/Assignment of Rights-Billing Offset	<u>XXXXXXXXXXXXXXXXXXXX</u>	
Part A (Buy-In) Premiums Attachment _____	_____	
Part B (Buy-In) Premiums Attachment _____	_____	
Part A Interest Attachment _____	_____	
Part B Interest Attachment _____	_____	
Phase Down Interest Attachment _____	_____	
<b>FUNDING ADJUSTMENT</b>		
Adjusted funding for the quarter	\$ 327,111,000	
Estimate previously funded for the quarter	_____	
Net Amount of Funding	<u>\$ 327,111,000</u>	

301 - 1