

April 15, 2020

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

**SUBJECT: CMS Issues Partial Approval of Medicaid COVID-19 Section 1135 Waiver Request**

The Centers for Medicare & Medicaid Services (CMS) recently issued a [partial approval](#) of the Illinois Dept. of Healthcare & Family Services' (HFS) request under section 1135 of the Social Security Act to waive certain federal Medicaid, Children's Health Insurance Program (CHIP), and Health Insurance Portability and Accountability Act regulations during the COVID-19 public health emergency. States may only request waivers of federal laws regarding fee-for-service (FFS) prior authorization, long-term services and supports, state fair hearings, provider enrollment, and reporting and oversight through section 1135. Please note that CMS issued identical partial approval letters to states with similar requests. The remaining Illinois-specific section [1135 waiver requests](#) are still under review by CMS.

**Section 1135 Approved Flexibilities**

Under the partial approval, HFS may implement the following temporary actions, effective March 1, 2020 through the end of the public health emergency. HFS Provider Notices related to each flexibility are also provided below.

*Prior Authorization*

- Suspend certain Medicaid FFS prior authorization requirements.
- Extend pre-existing, approved FFS authorizations for services provided on or after March 1.
- HFS Provide Notice (April 6, 2020): [Temporary Prior Authorization Requirement Changes Related to COVID-19 Public Health Emergency](#)

*Provider Enrollment*

- Allow provisional temporary enrollment of providers who are enrolled with another state Medicaid agency or Medicare.
- Allow provisional temporary enrollment of providers who are not currently enrolled with a state Medicaid agency or Medicare if certain requirements are met.
- Allow a retroactive effective date for provisional temporary enrollments that is no earlier than March 1.
- Reimburse otherwise payable claims from out-of-state providers not enrolled in Illinois Medicaid if (1) the item or service is furnished outside of Illinois; (2) the provider's NPI is on the claim; (3) the furnishing provider is enrolled and in an "approved" status with another state Medicaid agency or Medicare; and (4) the claim represents services furnished. Illinois Medicaid may reimburse out-of-state providers for multiple instances of care to multiple participants as long as these four criteria are met.
- Temporarily cease revalidation of Illinois providers.
- HFS Provider Notice (March 20, 2020): [Provider Enrollment, Billing, and Payment Changes Prompted by COVID-19](#)

*Long-Term Services and Supports*

- Suspend Pre-Admission Screening and Annual Resident Review (PASRR) Level I and Level II assessments for 30 days.
- HFS Provider Notice (March 20, 2020): [Temporary PASRR and DON Screening Changes during COVID-19 Pandemic](#)

#### *State Fair Hearings*

- Modify Illinois' Fair Hearing Requests and appeal timelines for appeals submitted by beneficiaries (or an authorized representative on behalf of a beneficiary). *NOTE: these flexibilities do not apply to claim disputes or appeals submitted by providers.*

#### **Other Medicaid & CHIP Flexibilities**

The state has requested flexibilities related to cost sharing, benefits, delivery system, and eligibility through other waiver requests and State Plan Amendments. Please see an April 8, 2020 [IHA Memorandum](#) for additional information on Medicaid enrollment and eligibility flexibilities pending CMS approval. An overview of Medicaid and CHIP COVID-19 Disaster Relief Flexibilities may be found in an [IHA Resource Document](#) (April 9, 2020). Please check HFS' [website](#) for the most current updates on these requests.