

# SB3026



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB3026

Introduced 2/7/2014, by Sen. Donne E. Trotter

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.2

from Ch. 23, par. 5-5.2

Amends the Medical Assistance Article of the Illinois Public Aid Code. In provisions concerning reimbursement rates for nursing services, provides that on and after January 1, 2014, the per diem reimbursement rate for each individual resident receiving ventilator services, including those receiving weaning services, shall include the nursing, support, and capital components in effect at the time the service is provided plus a service fee of \$34.00 per resident per day and a supply fee of \$174.00 per resident per day. Effective immediately.

LRB098 17865 KTG 52989 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 5-5.2 as follows:

6 (305 ILCS 5/5-5.2) (from Ch. 23, par. 5-5.2)

7 Sec. 5-5.2. Payment.

8 (a) All nursing facilities that are grouped pursuant to  
9 Section 5-5.1 of this Act shall receive the same rate of  
10 payment for similar services.

11 (b) It shall be a matter of State policy that the Illinois  
12 Department shall utilize a uniform billing cycle throughout the  
13 State for the long-term care providers.

14 (c) Notwithstanding any other provisions of this Code, the  
15 methodologies for reimbursement of nursing services as  
16 provided under this Article shall no longer be applicable for  
17 bills payable for nursing services rendered on or after a new  
18 reimbursement system based on the Resource Utilization Groups  
19 (RUGs) has been fully operationalized, which shall take effect  
20 for services provided on or after January 1, 2014.

21 (d) The new nursing services reimbursement methodology  
22 utilizing RUG-IV 48 grouper model, which shall be referred to  
23 as the RUGs reimbursement system, taking effect January 1,

1 2014, shall be based on the following:

2 (1) The methodology shall be resident-driven,  
3 facility-specific, and cost-based.

4 (2) Costs shall be annually rebased and case mix index  
5 quarterly updated. The nursing services methodology will  
6 be assigned to the Medicaid enrolled residents on record as  
7 of 30 days prior to the beginning of the rate period in the  
8 Department's Medicaid Management Information System (MMIS)  
9 as present on the last day of the second quarter preceding  
10 the rate period.

11 (3) Regional wage adjustors based on the Health Service  
12 Areas (HSA) groupings and adjustors in effect on April 30,  
13 2012 shall be included.

14 (4) Case mix index shall be assigned to each resident  
15 class based on the Centers for Medicare and Medicaid  
16 Services staff time measurement study in effect on July 1,  
17 2013, utilizing an index maximization approach.

18 (5) The pool of funds available for distribution by  
19 case mix and the base facility rate shall be determined  
20 using the formula contained in subsection (d-1).

21 (d-1) Calculation of base year Statewide RUG-IV nursing  
22 base per diem rate.

23 (1) Base rate spending pool shall be:

24 (A) The base year resident days which are  
25 calculated by multiplying the number of Medicaid  
26 residents in each nursing home as indicated in the MDS

1 data defined in paragraph (4) by 365.

2 (B) Each facility's nursing component per diem in  
3 effect on July 1, 2012 shall be multiplied by  
4 subsection (A).

5 (C) Thirteen million is added to the product of  
6 subparagraph (A) and subparagraph (B) to adjust for the  
7 exclusion of nursing homes defined in paragraph (5).

8 (2) For each nursing home with Medicaid residents as  
9 indicated by the MDS data defined in paragraph (4),  
10 weighted days adjusted for case mix and regional wage  
11 adjustment shall be calculated. For each home this  
12 calculation is the product of:

13 (A) Base year resident days as calculated in  
14 subparagraph (A) of paragraph (1).

15 (B) The nursing home's regional wage adjustor  
16 based on the Health Service Areas (HSA) groupings and  
17 adjustors in effect on April 30, 2012.

18 (C) Facility weighted case mix which is the number  
19 of Medicaid residents as indicated by the MDS data  
20 defined in paragraph (4) multiplied by the associated  
21 case weight for the RUG-IV 48 grouper model using  
22 standard RUG-IV procedures for index maximization.

23 (D) The sum of the products calculated for each  
24 nursing home in subparagraphs (A) through (C) above  
25 shall be the base year case mix, rate adjusted weighted  
26 days.

1           (3) The Statewide RUG-IV nursing base per diem rate on  
2           January 1, 2014 shall be the quotient of the paragraph (1)  
3           divided by the sum calculated under subparagraph (D) of  
4           paragraph (2).

5           (4) Minimum Data Set (MDS) comprehensive assessments  
6           for Medicaid residents on the last day of the quarter used  
7           to establish the base rate.

8           (5) Nursing facilities designated as of July 1, 2012 by  
9           the Department as "Institutions for Mental Disease" shall  
10          be excluded from all calculations under this subsection.  
11          The data from these facilities shall not be used in the  
12          computations described in paragraphs (1) through (4) above  
13          to establish the base rate.

14          (e) Notwithstanding any other provision of this Code, the  
15          Department shall by rule develop a reimbursement methodology  
16          reflective of the intensity of care and services requirements  
17          of low need residents in the lowest RUG IV groupers and  
18          corresponding regulations. Only that portion of the RUGs  
19          Reimbursement System spending pool described in subsection  
20          (d-1) attributed to the groupers as of July 1, 2013 for which  
21          the methodology in this Section is developed may be diverted  
22          for this purpose. The Department shall submit the rules no  
23          later than January 1, 2014 for an implementation date no later  
24          than January 1, 2015. If the Department does not implement this  
25          reimbursement methodology by the required date, the nursing  
26          component per diem on January 1, 2015 for residents classified

1 in RUG-IV groups PA1, PA2, BA1, and BA2 shall be the blended  
2 rate of the calculated RUG-IV nursing component per diem and  
3 the nursing component per diem in effect on July 1, 2012. This  
4 blended rate shall be applied only to nursing homes whose  
5 resident population is greater than or equal to 70% of the  
6 total residents served and whose RUG-IV nursing component per  
7 diem rate is less than the nursing component per diem in effect  
8 on July 1, 2012. This blended rate shall be in effect until the  
9 reimbursement methodology is implemented or until July 1, 2019,  
10 whichever is sooner.

11 (e-1) Notwithstanding any other provision of this Article,  
12 rates established pursuant to this subsection shall not apply  
13 to any and all nursing facilities designated by the Department  
14 as "Institutions for Mental Disease" and shall be excluded from  
15 the RUGs Reimbursement System applicable to facilities not  
16 designated as "Institutions for the Mentally Diseased" by the  
17 Department.

18 (e-2) For dates of services beginning January 1, 2014, the  
19 RUG-IV nursing component per diem for a nursing home shall be  
20 the product of the statewide RUG-IV nursing base per diem rate,  
21 the facility average case mix index, and the regional wage  
22 adjustor. Transition rates for services provided between  
23 January 1, 2014 and December 31, 2014 shall be as follows:

24 (1) The transition RUG-IV per diem nursing rate for  
25 nursing homes whose rate calculated in this subsection

26 (e-2) is greater than the nursing component rate in effect

1 July 1, 2012 shall be paid the sum of:

2 (A) The nursing component rate in effect July 1,  
3 2012; plus

4 (B) The difference of the RUG-IV nursing component  
5 per diem calculated for the current quarter minus the  
6 nursing component rate in effect July 1, 2012  
7 multiplied by 0.88.

8 (2) The transition RUG-IV per diem nursing rate for  
9 nursing homes whose rate calculated in this subsection  
10 (e-2) is less than the nursing component rate in effect  
11 July 1, 2012 shall be paid the sum of:

12 (A) The nursing component rate in effect July 1,  
13 2012; plus

14 (B) The difference of the RUG-IV nursing component  
15 per diem calculated for the current quarter minus the  
16 nursing component rate in effect July 1, 2012  
17 multiplied by 0.13.

18 (e-3) Notwithstanding any other provisions of this Code, on  
19 and after January 1, 2014, the per diem reimbursement rate for  
20 each individual resident receiving ventilator services,  
21 including those receiving weaning services, shall include the  
22 nursing, support, and capital components in effect at the time  
23 the service is provided plus a service fee of \$34.00 per  
24 resident per day and a supply fee of \$174.00 per resident per  
25 day.

26 (f) Notwithstanding any other provision of this Code, on

1 and after July 1, 2012, reimbursement rates associated with the  
2 nursing or support components of the current nursing facility  
3 rate methodology shall not increase beyond the level effective  
4 May 1, 2011 until a new reimbursement system based on the RUGs  
5 IV 48 grouper model has been fully operationalized.

6 (g) Notwithstanding any other provision of this Code, on  
7 and after July 1, 2012, for facilities not designated by the  
8 Department of Healthcare and Family Services as "Institutions  
9 for Mental Disease", rates effective May 1, 2011 shall be  
10 adjusted as follows:

11 (1) Individual nursing rates for residents classified  
12 in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter  
13 ending March 31, 2012 shall be reduced by 10%;

14 (2) Individual nursing rates for residents classified  
15 in all other RUG IV groups shall be reduced by 1.0%;

16 (3) Facility rates for the capital and support  
17 components shall be reduced by 1.7%.

18 (h) Notwithstanding any other provision of this Code, on  
19 and after July 1, 2012, nursing facilities designated by the  
20 Department of Healthcare and Family Services as "Institutions  
21 for Mental Disease" and "Institutions for Mental Disease" that  
22 are facilities licensed under the Specialized Mental Health  
23 Rehabilitation Act of 2013 shall have the nursing,  
24 socio-developmental, capital, and support components of their  
25 reimbursement rate effective May 1, 2011 reduced in total by  
26 2.7%.



1 (Source: P.A. 97-689, eff. 6-14-12; 98-104, Article 6, Section  
2 6-240, eff. 7-22-13; 98-104, Article 11, Section 11-35, eff.  
3 7-22-13; revised 9-19-13.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.