

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. The Department shall
14 provide an update on the status of payments from both the
15 General Revenue Fund and the Long-Term Care Provider Fund for
16 expedited and non-expedited facilities by schedule. The
17 Department may provide the information monthly electronically,
18 post it on the Department's website, or provide it upon request
19 in compliance with this requirement.

20 (c) Notwithstanding any other provisions of this Code, the
21 methodologies for reimbursement of nursing services as
22 provided under this Article shall no longer be applicable for
23 bills payable for nursing services rendered on or after a new

1 reimbursement system based on the Resource Utilization Groups
2 (RUGs) has been fully operationalized, which shall take effect
3 for services provided on or after January 1, 2014.

4 (d) The new nursing services reimbursement methodology
5 utilizing RUG-IV 48 grouper model, which shall be referred to
6 as the RUGs reimbursement system, taking effect January 1,
7 2014, shall be based on the following:

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

10 (2) Costs shall be annually rebased and case mix index
11 quarterly updated. The nursing services methodology will
12 be assigned to the Medicaid enrolled residents on record as
13 of 30 days prior to the beginning of the rate period in the
14 Department's Medicaid Management Information System (MMIS)
15 as present on the last day of the second quarter preceding
16 the rate period based upon the Assessment Reference Date of
17 the Minimum Data Set (MDS).

18 (3) Regional wage adjustors based on the Health Service
19 Areas (HSA) groupings and adjusters in effect on April 30,
20 2012 shall be included.

21 (4) Case mix index shall be assigned to each resident
22 class based on the Centers for Medicare and Medicaid
23 Services staff time measurement study in effect on July 1,
24 2013, utilizing an index maximization approach.

25 (5) The pool of funds available for distribution by
26 case mix and the base facility rate shall be determined

1 using the formula contained in subsection (d-1).

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

4 (1) Base rate spending pool shall be:

5 (A) The base year resident days which are
6 calculated by multiplying the number of Medicaid
7 residents in each nursing home as indicated in the MDS
8 data defined in paragraph (4) by 365.

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

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

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

20 (A) Base year resident days as calculated in
21 subparagraph (A) of paragraph (1).

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

25 (C) Facility weighted case mix which is the number
26 of Medicaid residents as indicated by the MDS data

1 defined in paragraph (4) multiplied by the associated
2 case weight for the RUG-IV 48 grouper model using
3 standard RUG-IV procedures for index maximization.

4 (D) The sum of the products calculated for each
5 nursing home in subparagraphs (A) through (C) above
6 shall be the base year case mix, rate adjusted weighted
7 days.

8 (3) The Statewide RUG-IV nursing base per diem rate:

9 (A) on January 1, 2014 shall be the quotient of the
10 paragraph (1) divided by the sum calculated under
11 subparagraph (D) of paragraph (2); and

12 (B) on and after July 1, 2014, shall be the amount
13 calculated under subparagraph (A) of this paragraph
14 (3) plus \$1.76.

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

18 (5) Nursing facilities designated as of July 1, 2012 by
19 the Department as "Institutions for Mental Disease" shall
20 be excluded from all calculations under this subsection.
21 The data from these facilities shall not be used in the
22 computations described in paragraphs (1) through (4) above
23 to establish the base rate.

24 (e) Beginning July 1, 2014, the Department shall allocate
25 funding in the amount up to \$10,000,000 for per diem add-ons to
26 the RUGS methodology for dates of service on and after July 1,

1 2014:

2 (1) \$0.63 for each resident who scores in I4200
3 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

4 (2) \$2.67 for each resident who scores either a "1" or
5 "2" in any items S1200A through S1200I and also scores in
6 RUG groups PA1, PA2, BA1, or BA2.

7 (e-1) (Blank).

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

14 (1) The transition RUG-IV per diem nursing rate for
15 nursing homes whose rate calculated in this subsection
16 (e-2) is greater than the nursing component rate in effect
17 July 1, 2012 shall be paid the sum of:

18 (A) The nursing component rate in effect July 1,
19 2012; plus

20 (B) The difference of the RUG-IV nursing component
21 per diem calculated for the current quarter minus the
22 nursing component rate in effect July 1, 2012
23 multiplied by 0.88.

24 (2) The transition RUG-IV per diem nursing rate for
25 nursing homes whose rate calculated in this subsection
26 (e-2) is less 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 0.13.

8 (f) Notwithstanding any other provision of this Code, on
9 and after July 1, 2012, reimbursement rates associated with the
10 nursing or support components of the current nursing facility
11 rate methodology shall not increase beyond the level effective
12 May 1, 2011 until a new reimbursement system based on the RUGs
13 IV 48 grouper model has been fully operationalized.

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

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

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

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

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

1 and after July 1, 2012, nursing facilities designated by the
2 Department of Healthcare and Family Services as "Institutions
3 for Mental Disease" and "Institutions for Mental Disease" that
4 are facilities licensed under the Specialized Mental Health
5 Rehabilitation Act of 2013 shall have the nursing,
6 socio-developmental, capital, and support components of their
7 reimbursement rate effective May 1, 2011 reduced in total by
8 2.7%.

9 (i) On and after July 1, 2014, the reimbursement rates for
10 the support component of the nursing facility rate for
11 facilities licensed under the Nursing Home Care Act as skilled
12 or intermediate care facilities shall be the rate in effect on
13 June 30, 2014 increased by 8.17%.

14 (Source: P.A. 98-104, Article 6, Section 6-240, eff. 7-22-13;
15 98-104, Article 11, Section 11-35, eff. 7-22-13; 98-651, eff.
16 6-16-14; 98-727, eff. 7-16-14; 98-756, eff. 7-16-14; 99-78,
17 eff. 7-20-15.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.