



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 1773

2 AMENDMENT NO. _____. Amend Senate Bill 1773 by replacing
3 everything after the enacting clause with the following:

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

1 Department may provide the information monthly electronically,
2 post it on the Department's website, or provide it upon request
3 in compliance with this requirement.

4 (c) Notwithstanding any other provisions of this Code, the
5 methodologies for reimbursement of nursing services as
6 provided under this Article shall no longer be applicable for
7 bills payable for nursing services rendered on or after a new
8 reimbursement system based on the Resource Utilization Groups
9 (RUGs) has been fully operationalized, which shall take effect
10 for services provided on or after January 1, 2014.

11 (d) The new nursing services reimbursement methodology
12 utilizing RUG-IV 48 grouper model, which shall be referred to
13 as the RUGs reimbursement system, taking effect January 1,
14 2014, shall be based on the following:

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

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

25 (3) Regional wage adjustors based on the Health Service
26 Areas (HSA) groupings and adjusters in effect on April 30,

1 2012 shall be included.

2 (4) Case mix index shall be assigned to each resident
3 class based on the Centers for Medicare and Medicaid
4 Services staff time measurement study in effect on July 1,
5 2013, utilizing an index maximization approach.

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

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

11 (1) Base rate spending pool shall be:

12 (A) The base year resident days which are
13 calculated by multiplying the number of Medicaid
14 residents in each nursing home as indicated in the MDS
15 data defined in paragraph (4) by 365.

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

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

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

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

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

6 (C) Facility weighted case mix which is the number
7 of Medicaid residents as indicated by the MDS data
8 defined in paragraph (4) multiplied by the associated
9 case weight for the RUG-IV 48 grouper model using
10 standard RUG-IV procedures for index maximization.

11 (D) The sum of the products calculated for each
12 nursing home in subparagraphs (A) through (C) above
13 shall be the base year case mix, rate adjusted weighted
14 days.

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

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

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

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

25 (5) Nursing facilities designated as of July 1, 2012 by
26 the Department as "Institutions for Mental Disease" shall

1 be excluded from all calculations under this subsection.
2 The data from these facilities shall not be used in the
3 computations described in paragraphs (1) through (4) above
4 to establish the base rate.

5 (e) Beginning July 1, 2014, the Department shall allocate
6 funding in the amount up to \$10,000,000 for per diem add-ons to
7 the RUGS methodology for dates of service on and after July 1,
8 2014:

9 (1) \$0.63 for each resident who scores in I4200
10 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

11 (2) \$2.67 for each resident who scores either a "1" or
12 "2" in any items S1200A through S1200I and also scores in
13 RUG groups PA1, PA2, BA1, or BA2.

14 (e-1) (Blank).

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

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

25 (A) The nursing component rate in effect July 1,
26 2012; plus

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

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

9 (A) The nursing component rate in effect July 1,
10 2012; plus

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

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

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

26 (1) Individual nursing rates for residents classified

1 in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter
2 ending March 31, 2012 shall be reduced by 10%;

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

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

7 (h) Notwithstanding any other provision of this Code, on
8 and after July 1, 2012, nursing facilities designated by the
9 Department of Healthcare and Family Services as "Institutions
10 for Mental Disease" and "Institutions for Mental Disease" that
11 are facilities licensed under the Specialized Mental Health
12 Rehabilitation Act of 2013 shall have the nursing,
13 socio-developmental, capital, and support components of their
14 reimbursement rate effective May 1, 2011 reduced in total by
15 2.7%.

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

21 (Source: P.A. 98-104, Article 6, Section 6-240, eff. 7-22-13;
22 98-104, Article 11, Section 11-35, eff. 7-22-13; 98-651, eff.
23 6-16-14; 98-727, eff. 7-16-14; 98-756, eff. 7-16-14; 99-78,
24 eff. 7-20-15.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".