



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3899

Introduced 2/22/2021, by Rep. Anne Stava-Murray

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.2a new

Amends the Medical Assistance Article of the Illinois Public Aid Code. Provides that the Department of Healthcare and Family Services shall implement no later than July 1, 2021 a reimbursement system that uses the Medicare PDPM nursing component rate and takes into account transparency, accountability, actual staffing as reported under the federally required Payroll Based Journal system, changes to the minimum wage, adequacy in coverage of the cost of care, quality star rating, staffing star rating, and a quality component that rewards quality improvements. Defines "PDPM nursing component case mix index", "quality star rating", "staffing star rating", and other terms. Contains findings. Effective immediately.

LRB102 13708 KTG 19058 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 adding Sections 5-5.2a as follows:

6 (305 ILCS 5/5-5.2a new)

7 Sec. 5-5.2a. Nursing component.

8 (a) Findings. The General Assembly finds as follows:

9 (1) The intent of the \$6.07 tax per occupied bed day
10 imposed by Public Act 96-1530 was to pay for increased
11 staffing under Public Act 96-1372.

12 (2) Many nursing homes are still staffed below the
13 legal level required under Section 3-202.05 of the Nursing
14 Home Care Act.

15 (3) Some low-staffed homes have gained from the higher
16 Medicaid rates but have not increased staffing.

17 (4) Policy research has noted the significant positive
18 relationship between nursing home staffing levels and
19 quality of care.

20 (5) The use of regional wage adjusters rewards or
21 penalizes nursing homes solely on location and does not
22 account for staffing levels or actual wages paid.

23 (6) Building flexibility into a staffing rate

1 component is needed to prevent a rate penalty in a
2 pandemic that may cause understaffing.

3 (7) Creating a single assessment program maximizes
4 federal revenue and minimizes losers within the system and
5 must be done simultaneously with a new methodology.

6 (8) The State of Illinois desires to pay for value and
7 quality of care within facilities, not just volume. It
8 also sees the need to directly tie funding, rates, and
9 incentives to demonstrable and sustained performance on
10 key quality reporting metrics.

11 (9) Consideration should also be given to the
12 concerns, inequities, and disparities that were brought to
13 light during the COVID-19 pandemic.

14 (10) The General Assembly therefore finds and declares
15 that an updated Nursing Home Medicaid payment methodology
16 is in the best interest of the citizens of Illinois to
17 review and update Medicaid payment methodologies to ensure
18 the best use of public resources.

19 (b) Definitions. As used in this Section:

20 "Department" means the Department of Healthcare and Family
21 Services or any successor agency which is designated as the
22 single state Medicaid agency as required and defined under
23 Title XIX of the Social Security Act.

24 "Medicare Five-Star Data" means the data used by the
25 Centers for Medicare and Medicaid Services for the Five-Star
26 Quality Rating System for nursing facilities and reported on

1 Medicare's Nursing Home Compare website.

2 "Medicare PDPM nursing component rate" is Medicare's rural
3 unadjusted PDPM nursing component rate published annually in
4 the Federal Register and effective October 1. For each State
5 fiscal year, the Department must use the rate effective
6 October 1 immediately prior to July 1 for the quarters within
7 the subsequent State fiscal year. For example, the rate
8 published October 1, 2020 must be used for the 4 calendar
9 quarters of State Fiscal Year 2022.

10 "PDPM" means the Patient Driven Payment Model which is the
11 case mix classification model used by the Centers for Medicare
12 and Medicaid Services for reimbursing skilled nursing
13 facilities for Medicare-covered nursing facility services.

14 "PDPM nursing component case mix index" means the case
15 weights assigned to groups under the nursing component of the
16 PDPM case mix classification system.

17 "Quality star rating" means the overall quality rating for
18 each nursing facility as assigned by the Centers for Medicare
19 and Medicaid Services under the Five-Star Quality Rating
20 System. The rating is on a scale of 1 to 5, with 1 being the
21 worst rating and 5 being the best rating.

22 "Staffing star rating" means the overall staffing rating
23 for each nursing facility as assigned by the Centers for
24 Medicare and Medicaid Services under the Five-Star Quality
25 Rating System. The rating is on a scale of 1 to 5, with 1 being
26 the worst rating and 5 being the best rating.

1 (c) The Department shall implement no later than July 1,
2 2021 a reimbursement system that uses the Medicare PDPM
3 nursing component rate and takes into account transparency,
4 accountability, actual staffing as reported under the
5 federally required Payroll Based Journal system, changes to
6 the minimum wage, adequacy in coverage of the cost of care,
7 quality star rating, staffing star rating, and a quality
8 component that rewards quality improvements.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.