



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB4085

Introduced 5/19/2021, by Rep. Anna Moeller

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Public Aid Code. Provides that it shall be a matter of State policy that the Department of Healthcare and Family Services shall set nursing facility rates by rule utilizing an evidenced-based methodology that rewards appropriate staffing, quality-of-life improvements for nursing facility residents, including the cessation of payments for rooms with 3 or more people residing in them by January 1, 2027, and the reduction of racial inequities and health disparities for nursing facility residents enrolled in Medicaid. Provides that the new nursing services reimbursement methodology taking effect January 1, 2022, upon federal approval, shall utilize the Patient Driven Payment Model (PDPM) (rather than the RUG-IV 48 grouper model). Sets the statewide base rate for dates of service on and after January 1, 2022 at \$85.25. Requires the Department to establish, by rule, a multiplier based on information from the Payroll Based Journal. Provides that, beginning on and after January 1, 2022, the Department shall allocate funding, by rule, for per diem add-ons to the PDPM methodology for each resident with a diagnosis of Alzheimer's disease. Contains provisions concerning funds allocated for certain incentive payments to nursing facilities; emergency rules; payments to improve the quality of care delivered by nursing facilities; long-term care provider assessments; and other matters. Amends the Nurse Agency Licensing Act. Prohibits nurse agencies from entering into covenants not to compete with certified nurse aides. Amends the Illinois Administrative Procedure Act. Permits the Department of Healthcare and Family Services to adopt emergency rules. Effective immediately.

LRB102 18527 KTG 26753 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 3. The Illinois Administrative Procedure Act is  
5 amended by adding Section 5-45.8 as follows:

6 (5 ILCS 100/5-45.8 new)

7 Sec. 5-45.8. Emergency rulemaking; nursing facility  
8 payment rates. To provide for the expeditious and timely  
9 implementation of changes made to Section 5-5.2 of the  
10 Illinois Public Aid Code by this amendatory Act of the 102nd  
11 General Assembly, emergency rules may be adopted in accordance  
12 with Section 5-45 by the Department of Healthcare and Family  
13 Services. The adoption of emergency rules authorized by  
14 Section 5-45 and this Section is deemed to be necessary for the  
15 public interest, safety, and welfare.

16 This Section is repealed on January 1, 2026.

17 Section 5. The Nurse Agency Licensing Act is amended by  
18 changing Sections 3 and 14 as follows:

19 (225 ILCS 510/3) (from Ch. 111, par. 953)

20 Sec. 3. Definitions. As used in this Act:

21 (a) "Certified nurse aide" means an individual certified

1 as defined in Section 3-206 of the Nursing Home Care Act,  
2 Section 3-206 of the ID/DD Community Care Act, or Section  
3 3-206 of the MC/DD Act, as now or hereafter amended.

4 (b) "Department" means the Department of Labor.

5 (c) "Director" means the Director of Labor.

6 (d) "Health care facility" is defined as in Section 3 of  
7 the Illinois Health Facilities Planning Act, as now or  
8 hereafter amended.

9 (e) "Licensee" means any nursing agency which is properly  
10 licensed under this Act.

11 (f) "Nurse" means a registered nurse or a licensed  
12 practical nurse as defined in the Nurse Practice Act.

13 (g) "Nurse agency" means any individual, firm,  
14 corporation, partnership or other legal entity that employs,  
15 assigns or refers nurses or certified nurse aides to a health  
16 care facility for a fee. The term "nurse agency" includes  
17 nurses registries. The term "nurse agency" does not include  
18 services provided by home health agencies licensed and  
19 operated under the Home Health, Home Services, and Home  
20 Nursing Agency Licensing Act or a licensed or certified  
21 individual who provides his or her own services as a regular  
22 employee of a health care facility, nor does it apply to a  
23 health care facility's organizing nonsalaried employees to  
24 provide services only in that facility.

25 (h) "Covenant not to compete" means an agreement between  
26 an employer and an employee that restricts such employee from

1 performing:

2 (1) any work for another employer for a specified  
3 period of time;

4 (2) any work in a specified geographical area; or

5 (3) work for another employer that is similar to such  
6 employee's work for the employer included as a party to  
7 the agreement.

8 (Source: P.A. 98-104, eff. 7-22-13; 99-180, eff. 7-29-15.)

9 (225 ILCS 510/14) (from Ch. 111, par. 964)

10 Sec. 14. Minimum Standards. (a) The Department, by rule,  
11 shall establish minimum standards for the operation of nurse  
12 agencies. Those standards shall include, but are not limited  
13 to: (1) the maintenance of written policies and procedures;  
14 and (2) the development of personnel policies which include a  
15 personal interview, a reference check, an annual evaluation of  
16 each employee (which may be based in part upon information  
17 provided by health care facilities utilizing nurse agency  
18 personnel) and periodic health examinations.

19 (b) Each nurse agency shall have a nurse serving as a  
20 manager or supervisor of all nurses and certified nurses  
21 aides.

22 (c) Each nurse agency shall ensure that its employees meet  
23 the minimum licensing, training, and orientation standards for  
24 which those employees are licensed or certified.

25 (d) A nurse agency shall not employ, assign, or refer for

1 use in an Illinois health care facility a nurse or certified  
2 nurse aide unless certified or licensed under applicable  
3 provisions of State and federal law or regulations. Each  
4 certified nurse aide shall comply with all pertinent  
5 regulations of the Illinois Department of Public Health  
6 relating to the health and other qualifications of personnel  
7 employed in health care facilities.

8 (e) The Department may adopt rules to monitor the usage of  
9 nurse agency services to determine their impact.

10 (f) Nurse agencies are prohibited from requiring, as a  
11 condition of employment, assignment, or referral, that their  
12 employees recruit new employees for the nurse agency from  
13 among the permanent employees of the health care facility to  
14 which the nurse agency employees have been employed, assigned,  
15 or referred, and the health care facility to which such  
16 employees are employed, assigned, or referred is prohibited  
17 from requiring, as a condition of employment, that their  
18 employees recruit new employees from these nurse agency  
19 employees. Violation of this provision is a business offense.

20 (g) Nurse agencies are prohibited from entering into  
21 covenants not to compete with certified nurse aides who are  
22 employed by the agencies. After the effective date of this  
23 amendatory Act of the 102nd General Assembly, a covenant not  
24 to compete entered into between a nurse agency and a certified  
25 nurse aide is illegal and void.

26 (Source: P.A. 86-817.)

1 Section 10. The Illinois Public Aid Code is amended by  
2 changing Sections 5-5.2, 5-5.4, 5B-2, 5B-4, 5B-5, 5B-8, and  
3 5E-10 as follows:

4 (305 ILCS 5/5-5.2) (from Ch. 23, par. 5-5.2)

5 Sec. 5-5.2. Payment.

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

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

12 (b-1) It shall be a matter of State policy that the  
13 Illinois Department shall set nursing facility rates by rule  
14 utilizing an evidence-based methodology that rewards  
15 appropriate staffing, quality-of-life improvements for nursing  
16 facility residents, including the cessation of payments for  
17 rooms with 3 or more people residing in them by January 1,  
18 2027, and the reduction of racial inequities and health  
19 disparities for nursing facility residents enrolled in  
20 Medicaid.

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

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

4 (d) The new nursing services reimbursement methodology  
5 utilizing the Patient Driven Payment Model RUG-IV-48 grouper  
6 ~~model~~, which shall be referred to as the PDPM RUGs  
7 reimbursement system, taking effect January 1, 2022, upon  
8 federal approval by the Centers for Medicare and Medicaid  
9 Services, 2014, shall be based on the following:

10 (1) The methodology shall be resident-centered  
11 ~~resident-driven~~, facility-specific, and based on guidance  
12 from the Centers for Medicare and Medicaid Services  
13 ~~cost-based.~~

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

22 (3) Regional wage adjustors based on the Health  
23 Service Areas (HSA) groupings and adjusters in effect on  
24 January 1, 2022 ~~April 30, 2012~~ shall be included.

25 (4) PDPM nursing case-mix indices in effect on May 1,  
26 2021 ~~Case mix index~~ shall be assigned to each resident

1 class based on the Centers for Medicare and Medicaid  
2 Services staff time measurement study called Staff Time  
3 And Resource Intensity Verification (STRIVE) in effect on  
4 July 1, 2013, adjusted by a uniform multiplier to achieve  
5 the same statewide case mix index value observed for the  
6 quarter beginning April 1, 2021 while holding PA1, PA2,  
7 BA1, and BB1 resident classes at the level applicable  
8 under the RUG-IV payment model prior to January 1, 2022.  
9 ~~utilizing an index maximization approach.~~

10 (5) (Blank). ~~The pool of funds available for~~  
11 ~~distribution by case mix and the base facility rate shall~~  
12 ~~be determined using the formula contained in subsection~~  
13 ~~(d-1).~~

14 (6) The statewide base rate for dates of service on  
15 and after January 1, 2022 shall be \$85.25.

16 (7) The Department shall establish, by rule, a  
17 multiplier based on information from the most recent  
18 available federal staffing report, currently the Payroll  
19 Based Journal, adjusted for acuity if applicable using the  
20 same quarter's MDS. The multiplier may not exceed 1.0  
21 unless the nursing facility is at least at 92% of the  
22 STRIVE study in effect on May 1, 2021.

23 (d-1) (Blank). ~~Calculation of base year Statewide RUG-IV~~  
24 ~~nursing base per diem rate.~~

25 ~~(1) Base rate spending pool shall be:~~

26 ~~(A) The base year resident days which are~~



1 ~~calculated by multiplying the number of Medicaid~~  
2 ~~residents in each nursing home as indicated in the MDS~~  
3 ~~data defined in paragraph (4) by 365.~~

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

7 ~~(C) Thirteen million is added to the product of~~  
8 ~~subparagraph (A) and subparagraph (B) to adjust for~~  
9 ~~the exclusion of nursing homes defined in paragraph~~  
10 ~~(5).~~

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

16 ~~(A) Base year resident days as calculated in~~  
17 ~~subparagraph (A) of paragraph (1).~~

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

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

26 ~~(D) The sum of the products calculated for each~~

1 ~~nursing home in subparagraphs (A) through (C) above~~  
2 ~~shall be the base year case mix, rate adjusted~~  
3 ~~weighted days.~~

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

5 ~~(A) on January 1, 2014 shall be the quotient of the~~  
6 ~~paragraph (1) divided by the sum calculated under~~  
7 ~~subparagraph (D) of paragraph (2); and~~

8 ~~(B) on and after July 1, 2014, shall be the amount~~  
9 ~~calculated under subparagraph (A) of this paragraph~~  
10 ~~(3) plus \$1.76.~~

11 ~~(4) Minimum Data Set (MDS) comprehensive assessments~~  
12 ~~for Medicaid residents on the last day of the quarter used~~  
13 ~~to establish the base rate.~~

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

20 (e) Beginning July 1, 2014 through December 31, 2021, the  
21 Department shall allocate funding in the amount up to  
22 \$10,000,000 for per diem add-ons to the RUGS methodology for  
23 dates of service on and after July 1, 2014:

24 (1) \$0.63 for each resident who scores in I4200  
25 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

26 (2) \$2.67 for each resident who scores either a "1" or

1 "2" in any items S1200A through S1200I and also scores in  
2 RUG groups PA1, PA2, BA1, or BA2.

3 (3) Beginning on and after January 1, 2022, the  
4 Department shall allocate funding, by rule, for per diem  
5 add-ons to the PDPM methodology for each resident with a  
6 diagnosis of Alzheimer's disease.

7 (e-1) (Blank).

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

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

19 ~~(A) The nursing component rate in effect July 1,~~  
20 ~~2012; plus~~

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

25 ~~(2) The transition RUG IV per diem nursing rate for~~  
26 ~~nursing homes whose rate calculated in this subsection~~

1 ~~(e-2) is less than the nursing component rate in effect~~  
2 ~~July 1, 2012 shall be paid the sum of:~~

3 ~~(A) The nursing component rate in effect July 1,~~  
4 ~~2012; plus~~

5 ~~(B) The difference of the RUG IV nursing component~~  
6 ~~per diem calculated for the current quarter minus the~~  
7 ~~nursing component rate in effect July 1, 2012~~  
8 ~~multiplied by 0.13.~~

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

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

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

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

26 (3) Facility rates for the capital and support

1 components shall be reduced by 1.7%.

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

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

16 (j) Notwithstanding any other provision of law, subject to  
17 federal approval, effective July 1, 2019, sufficient funds  
18 shall be allocated for changes to rates for facilities  
19 licensed under the Nursing Home Care Act as skilled nursing  
20 facilities or intermediate care facilities for dates of  
21 services on and after July 1, 2019: (i) to establish, through  
22 December 31, 2021 or upon implementation of the staffing  
23 multiplier payments under paragraph (7) of subsection (d),  
24 whichever is later, a per diem add-on to the direct care per  
25 diem rate not to exceed \$70,000,000 annually in the aggregate  
26 taking into account federal matching funds for the purpose of

1 addressing the facility's unique staffing needs, adjusted  
2 quarterly and distributed by a weighted formula based on  
3 Medicaid bed days on the last day of the second quarter  
4 preceding the quarter for which the rate is being adjusted.  
5 Beginning January 1, 2022, or upon implementation of the  
6 staffing multiplier payments under paragraph (7) of subsection  
7 (d), whichever is later, the annual \$70,000,000 described in  
8 the preceding sentence shall be dedicated to the staffing  
9 multiplier payments under paragraph (7) of subsection (d); and  
10 (ii) in an amount not to exceed \$170,000,000 annually in the  
11 aggregate taking into account federal matching funds to permit  
12 the support component of the nursing facility rate to be  
13 updated as follows:

14 (1) 80%, or \$136,000,000, of the funds shall be used  
15 to update each facility's rate in effect on June 30, 2019  
16 using the most recent cost reports on file, which have had  
17 a limited review conducted by the Department of Healthcare  
18 and Family Services and will not hold up enacting the rate  
19 increase, with the Department of Healthcare and Family  
20 Services ~~and taking into account subsection (i)~~.

21 (2) After completing the calculation in paragraph (1),  
22 any facility whose rate is less than the rate in effect on  
23 June 30, 2019 shall have its rate restored to the rate in  
24 effect on June 30, 2019 from the 20% of the funds set  
25 aside.

26 (3) The remainder of the 20%, or \$34,000,000, shall be

1 used to increase each facility's rate by an equal  
2 percentage.

3 In order to provide for the expeditious and timely  
4 implementation of the provisions of this amendatory Act of the  
5 102nd General Assembly, emergency rules to implement any  
6 provision of this amendatory Act of the 102nd General Assembly  
7 may be adopted in accordance with this subsection by the  
8 agency charged with administering that provision or  
9 initiative. The 24-month limitation on the adoption of  
10 emergency rules does not apply to rules adopted under this  
11 subsection. The adoption of emergency rules authorized by this  
12 subsection is deemed to be necessary for the public interest,  
13 safety, and welfare.

14 ~~To implement item (i) in this subsection, facilities shall~~  
15 ~~file quarterly reports documenting compliance with its~~  
16 ~~annually approved staffing plan, which shall permit compliance~~  
17 ~~with Section 3 202.05 of the Nursing Home Care Act. A facility~~  
18 ~~that fails to meet the benchmarks and dates contained in the~~  
19 ~~plan may have its add on adjusted in the quarter following the~~  
20 ~~quarterly review. Nothing in this Section shall limit the~~  
21 ~~ability of the facility to appeal a ruling of non-compliance~~  
22 ~~and a subsequent reduction to the add-on. Funds adjusted for~~  
23 ~~noncompliance shall be maintained in the Long-Term Care~~  
24 ~~Provider Fund and accounted for separately. At the end of each~~  
25 ~~fiscal year, these funds shall be made available to facilities~~  
26 ~~for special staffing projects.~~

1       ~~In order to provide for the expeditious and timely~~  
2 ~~implementation of the provisions of this amendatory Act of the~~  
3 ~~101st General Assembly, emergency rules to implement any~~  
4 ~~provision of this amendatory Act of the 101st General Assembly~~  
5 ~~may be adopted in accordance with this subsection by the~~  
6 ~~agency charged with administering that provision or~~  
7 ~~initiative. The agency shall simultaneously file emergency~~  
8 ~~rules and permanent rules to ensure that there is no~~  
9 ~~interruption in administrative guidance. The 150 day~~  
10 ~~limitation of the effective period of emergency rules does not~~  
11 ~~apply to rules adopted under this subsection, and the~~  
12 ~~effective period may continue through June 30, 2021. The~~  
13 ~~24-month limitation on the adoption of emergency rules does~~  
14 ~~not apply to rules adopted under this subsection. The adoption~~  
15 ~~of emergency rules authorized by this subsection is deemed to~~  
16 ~~be necessary for the public interest, safety, and welfare.~~

17       (k) ~~(j)~~ During the first quarter of State Fiscal Year  
18 2020, the Department of Healthcare of Family Services must  
19 convene a technical advisory group consisting of members of  
20 all trade associations representing Illinois skilled nursing  
21 providers to discuss changes necessary with federal  
22 implementation of Medicare's Patient-Driven Payment Model.  
23 Implementation of Medicare's Patient-Driven Payment Model  
24 shall, by September 1, 2020, end the collection of the MDS data  
25 that is necessary to maintain the current RUG-IV Medicaid  
26 payment methodology. The technical advisory group must



1 consider a revised reimbursement methodology that takes into  
2 account transparency, accountability, actual staffing as  
3 reported under the federally required Payroll Based Journal  
4 system, changes to the minimum wage, adequacy in coverage of  
5 the cost of care, and a quality component that rewards quality  
6 improvements.

7 (1) The Department shall establish, by rule, payments to  
8 improve the quality of care delivered by facilities,  
9 including:

10 (1) Incentive payments determined by facility  
11 performance on specified quality measures, including, but  
12 not limited to, the consistent assignment of staff and  
13 staff retention.

14 (2) Incentive payments for infection control and  
15 facility modifications in support of a transition to the  
16 cessation of payment for facility rooms in which 3 or more  
17 people reside by January 1, 2027.

18 (3) Payments based on CNA tenure, professional  
19 development, and wage thresholds for the purpose of  
20 increasing CNA compensation. It is the intent of this  
21 subsection that payments made in accordance with this  
22 paragraph be directly incorporated into increased  
23 compensation for CNAs. For purposes of this paragraph,  
24 "CNA" means certified nurse aide.

25 (m) The Department shall utilize any federal monies  
26 allocated for nursing facilities under the American Rescue

1 Plan Act of 2021 or any other similar COVID-response funds for  
2 payments to enhance the quality of life of facility residents  
3 or to support workforce development initiatives for nursing  
4 facility staff.

5 (Source: P.A. 101-10, eff. 6-5-19; 101-348, eff. 8-9-19;  
6 revised 9-18-19.)

7 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

8 Sec. 5-5.4. Standards of Payment - Department of  
9 Healthcare and Family Services. The Department of Healthcare  
10 and Family Services shall develop standards of payment of  
11 nursing facility and ICF/DD services in facilities providing  
12 such services under this Article which:

13 (1) Provide for the determination of a facility's payment  
14 for nursing facility or ICF/DD services on a prospective  
15 basis. The amount of the payment rate for all nursing  
16 facilities certified by the Department of Public Health under  
17 the ID/DD Community Care Act or the Nursing Home Care Act as  
18 Intermediate Care for the Developmentally Disabled facilities,  
19 Long Term Care for Under Age 22 facilities, Skilled Nursing  
20 facilities, or Intermediate Care facilities under the medical  
21 assistance program shall be prospectively established annually  
22 on the basis of historical, financial, and statistical data  
23 reflecting actual costs from prior years, which shall be  
24 applied to the current rate year and updated for inflation,  
25 except that the capital cost element for newly constructed

1 facilities shall be based upon projected budgets. The annually  
2 established payment rate shall take effect on July 1 in 1984  
3 and subsequent years. No rate increase and no update for  
4 inflation shall be provided on or after July 1, 1994, unless  
5 specifically provided for in this Section. The changes made by  
6 Public Act 93-841 extending the duration of the prohibition  
7 against a rate increase or update for inflation are effective  
8 retroactive to July 1, 2004.

9 For facilities licensed by the Department of Public Health  
10 under the Nursing Home Care Act as Intermediate Care for the  
11 Developmentally Disabled facilities or Long Term Care for  
12 Under Age 22 facilities, the rates taking effect on July 1,  
13 1998 shall include an increase of 3%. For facilities licensed  
14 by the Department of Public Health under the Nursing Home Care  
15 Act as Skilled Nursing facilities or Intermediate Care  
16 facilities, the rates taking effect on July 1, 1998 shall  
17 include an increase of 3% plus \$1.10 per resident-day, as  
18 defined by the Department. For facilities licensed by the  
19 Department of Public Health under the Nursing Home Care Act as  
20 Intermediate Care Facilities for the Developmentally Disabled  
21 or Long Term Care for Under Age 22 facilities, the rates taking  
22 effect on January 1, 2006 shall include an increase of 3%. For  
23 facilities licensed by the Department of Public Health under  
24 the Nursing Home Care Act as Intermediate Care Facilities for  
25 the Developmentally Disabled or Long Term Care for Under Age  
26 22 facilities, the rates taking effect on January 1, 2009

1 shall include an increase sufficient to provide a \$0.50 per  
2 hour wage increase for non-executive staff. For facilities  
3 licensed by the Department of Public Health under the ID/DD  
4 Community Care Act as ID/DD Facilities the rates taking effect  
5 within 30 days after July 6, 2017 (the effective date of Public  
6 Act 100-23) shall include an increase sufficient to provide a  
7 \$0.75 per hour wage increase for non-executive staff. The  
8 Department shall adopt rules, including emergency rules under  
9 subsection (y) of Section 5-45 of the Illinois Administrative  
10 Procedure Act, to implement the provisions of this paragraph.  
11 For facilities licensed by the Department of Public Health  
12 under the ID/DD Community Care Act as ID/DD Facilities and  
13 under the MC/DD Act as MC/DD Facilities, the rates taking  
14 effect within 30 days after the effective date of this  
15 amendatory Act of the 100th General Assembly shall include an  
16 increase sufficient to provide a \$0.50 per hour wage increase  
17 for non-executive front-line personnel, including, but not  
18 limited to, direct support persons, aides, front-line  
19 supervisors, qualified intellectual disabilities  
20 professionals, nurses, and non-administrative support staff.  
21 The Department shall adopt rules, including emergency rules  
22 under subsection (bb) of Section 5-45 of the Illinois  
23 Administrative Procedure Act, to implement the provisions of  
24 this paragraph.

25 For facilities licensed by the Department of Public Health  
26 under the Nursing Home Care Act as Intermediate Care for the

1 Developmentally Disabled facilities or Long Term Care for  
2 Under Age 22 facilities, the rates taking effect on July 1,  
3 1999 shall include an increase of 1.6% plus \$3.00 per  
4 resident-day, as defined by the Department. For facilities  
5 licensed by the Department of Public Health under the Nursing  
6 Home Care Act as Skilled Nursing facilities or Intermediate  
7 Care facilities, the rates taking effect on July 1, 1999 shall  
8 include an increase of 1.6% and, for services provided on or  
9 after October 1, 1999, shall be increased by \$4.00 per  
10 resident-day, as defined by the Department.

11 For facilities licensed by the Department of Public Health  
12 under the Nursing Home Care Act as Intermediate Care for the  
13 Developmentally Disabled facilities or Long Term Care for  
14 Under Age 22 facilities, the rates taking effect on July 1,  
15 2000 shall include an increase of 2.5% per resident-day, as  
16 defined by the Department. For facilities licensed by the  
17 Department of Public Health under the Nursing Home Care Act as  
18 Skilled Nursing facilities or Intermediate Care facilities,  
19 the rates taking effect on July 1, 2000 shall include an  
20 increase of 2.5% per resident-day, as defined by the  
21 Department.

22 For facilities licensed by the Department of Public Health  
23 under the Nursing Home Care Act as skilled nursing facilities  
24 or intermediate care facilities, a new payment methodology  
25 must be implemented for the nursing component of the rate  
26 effective July 1, 2003. The Department of Public Aid (now

1 Healthcare and Family Services) shall develop the new payment  
2 methodology using the Minimum Data Set (MDS) as the instrument  
3 to collect information concerning nursing home resident  
4 condition necessary to compute the rate. The Department shall  
5 develop the new payment methodology to meet the unique needs  
6 of Illinois nursing home residents while remaining subject to  
7 the appropriations provided by the General Assembly. A  
8 transition period from the payment methodology in effect on  
9 June 30, 2003 to the payment methodology in effect on July 1,  
10 2003 shall be provided for a period not exceeding 3 years and  
11 184 days after implementation of the new payment methodology  
12 as follows:

13 (A) For a facility that would receive a lower nursing  
14 component rate per patient day under the new system than  
15 the facility received effective on the date immediately  
16 preceding the date that the Department implements the new  
17 payment methodology, the nursing component rate per  
18 patient day for the facility shall be held at the level in  
19 effect on the date immediately preceding the date that the  
20 Department implements the new payment methodology until a  
21 higher nursing component rate of reimbursement is achieved  
22 by that facility.

23 (B) For a facility that would receive a higher nursing  
24 component rate per patient day under the payment  
25 methodology in effect on July 1, 2003 than the facility  
26 received effective on the date immediately preceding the

1 date that the Department implements the new payment  
2 methodology, the nursing component rate per patient day  
3 for the facility shall be adjusted.

4 (C) Notwithstanding paragraphs (A) and (B), the  
5 nursing component rate per patient day for the facility  
6 shall be adjusted subject to appropriations provided by  
7 the General Assembly.

8 For facilities licensed by the Department of Public Health  
9 under the Nursing Home Care Act as Intermediate Care for the  
10 Developmentally Disabled facilities or Long Term Care for  
11 Under Age 22 facilities, the rates taking effect on March 1,  
12 2001 shall include a statewide increase of 7.85%, as defined  
13 by the Department.

14 Notwithstanding any other provision of this Section, for  
15 facilities licensed by the Department of Public Health under  
16 the Nursing Home Care Act as skilled nursing facilities or  
17 intermediate care facilities, except facilities participating  
18 in the Department's demonstration program pursuant to the  
19 provisions of Title 77, Part 300, Subpart T of the Illinois  
20 Administrative Code, the numerator of the ratio used by the  
21 Department of Healthcare and Family Services to compute the  
22 rate payable under this Section using the Minimum Data Set  
23 (MDS) methodology shall incorporate the following annual  
24 amounts as the additional funds appropriated to the Department  
25 specifically to pay for rates based on the MDS nursing  
26 component methodology in excess of the funding in effect on

1 December 31, 2006:

2 (i) For rates taking effect January 1, 2007,  
3 \$60,000,000.

4 (ii) For rates taking effect January 1, 2008,  
5 \$110,000,000.

6 (iii) For rates taking effect January 1, 2009,  
7 \$194,000,000.

8 (iv) For rates taking effect April 1, 2011, or the  
9 first day of the month that begins at least 45 days after  
10 the effective date of this amendatory Act of the 96th  
11 General Assembly, \$416,500,000 or an amount as may be  
12 necessary to complete the transition to the MDS  
13 methodology for the nursing component of the rate.  
14 Increased payments under this item (iv) are not due and  
15 payable, however, until (i) the methodologies described in  
16 this paragraph are approved by the federal government in  
17 an appropriate State Plan amendment and (ii) the  
18 assessment imposed by Section 5B-2 of this Code is  
19 determined to be a permissible tax under Title XIX of the  
20 Social Security Act.

21 Notwithstanding any other provision of this Section, for  
22 facilities licensed by the Department of Public Health under  
23 the Nursing Home Care Act as skilled nursing facilities or  
24 intermediate care facilities, the support component of the  
25 rates taking effect on January 1, 2008 shall be computed using  
26 the most recent cost reports on file with the Department of



1 Healthcare and Family Services no later than April 1, 2005,  
2 updated for inflation to January 1, 2006.

3 For facilities licensed by the Department of Public Health  
4 under the Nursing Home Care Act as Intermediate Care for the  
5 Developmentally Disabled facilities or Long Term Care for  
6 Under Age 22 facilities, the rates taking effect on April 1,  
7 2002 shall include a statewide increase of 2.0%, as defined by  
8 the Department. This increase terminates on July 1, 2002;  
9 beginning July 1, 2002 these rates are reduced to the level of  
10 the rates in effect on March 31, 2002, as defined by the  
11 Department.

12 For facilities licensed by the Department of Public Health  
13 under the Nursing Home Care Act as skilled nursing facilities  
14 or intermediate care facilities, the rates taking effect on  
15 July 1, 2001 shall be computed using the most recent cost  
16 reports on file with the Department of Public Aid no later than  
17 April 1, 2000, updated for inflation to January 1, 2001. For  
18 rates effective July 1, 2001 only, rates shall be the greater  
19 of the rate computed for July 1, 2001 or the rate effective on  
20 June 30, 2001.

21 Notwithstanding any other provision of this Section, for  
22 facilities licensed by the Department of Public Health under  
23 the Nursing Home Care Act as skilled nursing facilities or  
24 intermediate care facilities, the Illinois Department shall  
25 determine by rule the rates taking effect on July 1, 2002,  
26 which shall be 5.9% less than the rates in effect on June 30,

1 2002.

2 Notwithstanding any other provision of this Section, for  
3 facilities licensed by the Department of Public Health under  
4 the Nursing Home Care Act as skilled nursing facilities or  
5 intermediate care facilities, if the payment methodologies  
6 required under Section 5A-12 and the waiver granted under 42  
7 CFR 433.68 are approved by the United States Centers for  
8 Medicare and Medicaid Services, the rates taking effect on  
9 July 1, 2004 shall be 3.0% greater than the rates in effect on  
10 June 30, 2004. These rates shall take effect only upon  
11 approval and implementation of the payment methodologies  
12 required under Section 5A-12.

13 Notwithstanding any other provisions of this Section, for  
14 facilities licensed by the Department of Public Health under  
15 the Nursing Home Care Act as skilled nursing facilities or  
16 intermediate care facilities, the rates taking effect on  
17 January 1, 2005 shall be 3% more than the rates in effect on  
18 December 31, 2004.

19 Notwithstanding any other provision of this Section, for  
20 facilities licensed by the Department of Public Health under  
21 the Nursing Home Care Act as skilled nursing facilities or  
22 intermediate care facilities, effective January 1, 2009, the  
23 per diem support component of the rates effective on January  
24 1, 2008, computed using the most recent cost reports on file  
25 with the Department of Healthcare and Family Services no later  
26 than April 1, 2005, updated for inflation to January 1, 2006,

1 shall be increased to the amount that would have been derived  
2 using standard Department of Healthcare and Family Services  
3 methods, procedures, and inflators.

4 Notwithstanding any other provisions of this Section, for  
5 facilities licensed by the Department of Public Health under  
6 the Nursing Home Care Act as intermediate care facilities that  
7 are federally defined as Institutions for Mental Disease, or  
8 facilities licensed by the Department of Public Health under  
9 the Specialized Mental Health Rehabilitation Act of 2013, a  
10 socio-development component rate equal to 6.6% of the  
11 facility's nursing component rate as of January 1, 2006 shall  
12 be established and paid effective July 1, 2006. The  
13 socio-development component of the rate shall be increased by  
14 a factor of 2.53 on the first day of the month that begins at  
15 least 45 days after January 11, 2008 (the effective date of  
16 Public Act 95-707). As of August 1, 2008, the  
17 socio-development component rate shall be equal to 6.6% of the  
18 facility's nursing component rate as of January 1, 2006,  
19 multiplied by a factor of 3.53. For services provided on or  
20 after April 1, 2011, or the first day of the month that begins  
21 at least 45 days after the effective date of this amendatory  
22 Act of the 96th General Assembly, whichever is later, the  
23 Illinois Department may by rule adjust these socio-development  
24 component rates, and may use different adjustment  
25 methodologies for those facilities participating, and those  
26 not participating, in the Illinois Department's demonstration

1 program pursuant to the provisions of Title 77, Part 300,  
2 Subpart T of the Illinois Administrative Code, but in no case  
3 may such rates be diminished below those in effect on August 1,  
4 2008.

5 For facilities licensed by the Department of Public Health  
6 under the Nursing Home Care Act as Intermediate Care for the  
7 Developmentally Disabled facilities or as long-term care  
8 facilities for residents under 22 years of age, the rates  
9 taking effect on July 1, 2003 shall include a statewide  
10 increase of 4%, as defined by the Department.

11 For facilities licensed by the Department of Public Health  
12 under the Nursing Home Care Act as Intermediate Care for the  
13 Developmentally Disabled facilities or Long Term Care for  
14 Under Age 22 facilities, the rates taking effect on the first  
15 day of the month that begins at least 45 days after the  
16 effective date of this amendatory Act of the 95th General  
17 Assembly shall include a statewide increase of 2.5%, as  
18 defined by the Department.

19 Notwithstanding any other provision of this Section, for  
20 facilities licensed by the Department of Public Health under  
21 the Nursing Home Care Act as skilled nursing facilities or  
22 intermediate care facilities, effective January 1, 2005,  
23 facility rates shall be increased by the difference between  
24 (i) a facility's per diem property, liability, and malpractice  
25 insurance costs as reported in the cost report filed with the  
26 Department of Public Aid and used to establish rates effective

1 July 1, 2001 and (ii) those same costs as reported in the  
2 facility's 2002 cost report. These costs shall be passed  
3 through to the facility without caps or limitations, except  
4 for adjustments required under normal auditing procedures.

5 Rates established effective each July 1 shall govern  
6 payment for services rendered throughout that fiscal year,  
7 except that rates established on July 1, 1996 shall be  
8 increased by 6.8% for services provided on or after January 1,  
9 1997. Such rates will be based upon the rates calculated for  
10 the year beginning July 1, 1990, and for subsequent years  
11 thereafter until June 30, 2001 shall be based on the facility  
12 cost reports for the facility fiscal year ending at any point  
13 in time during the previous calendar year, updated to the  
14 midpoint of the rate year. The cost report shall be on file  
15 with the Department no later than April 1 of the current rate  
16 year. Should the cost report not be on file by April 1, the  
17 Department shall base the rate on the latest cost report filed  
18 by each skilled care facility and intermediate care facility,  
19 updated to the midpoint of the current rate year. In  
20 determining rates for services rendered on and after July 1,  
21 1985, fixed time shall not be computed at less than zero. The  
22 Department shall not make any alterations of regulations which  
23 would reduce any component of the Medicaid rate to a level  
24 below what that component would have been utilizing in the  
25 rate effective on July 1, 1984.

26 (2) Shall take into account the actual costs incurred by

1 facilities in providing services for recipients of skilled  
2 nursing and intermediate care services under the medical  
3 assistance program.

4 (3) Shall take into account the medical and psycho-social  
5 characteristics and needs of the patients.

6 (4) Shall take into account the actual costs incurred by  
7 facilities in meeting licensing and certification standards  
8 imposed and prescribed by the State of Illinois, any of its  
9 political subdivisions or municipalities and by the U.S.  
10 Department of Health and Human Services pursuant to Title XIX  
11 of the Social Security Act.

12 ~~The Department of Healthcare and Family Services shall~~  
13 ~~develop precise standards for payments to reimburse nursing~~  
14 ~~facilities for any utilization of appropriate rehabilitative~~  
15 ~~personnel for the provision of rehabilitative services which~~  
16 ~~is authorized by federal regulations, including reimbursement~~  
17 ~~for services provided by qualified therapists or qualified~~  
18 ~~assistants, and which is in accordance with accepted~~  
19 ~~professional practices. Reimbursement also may be made for~~  
20 ~~utilization of other supportive personnel under appropriate~~  
21 ~~supervision.~~

22 The Department shall develop enhanced payments to offset  
23 the additional costs incurred by a facility serving  
24 exceptional need residents and shall allocate at least  
25 \$4,000,000 of the funds collected from the assessment  
26 established by Section 5B-2 of this Code for such payments.

1 For the purpose of this Section, "exceptional needs" means,  
2 but need not be limited to, ventilator care and traumatic  
3 brain injury care. The enhanced payments for exceptional need  
4 residents under this paragraph are not due and payable,  
5 however, until (i) the methodologies described in this  
6 paragraph are approved by the federal government in an  
7 appropriate State Plan amendment and (ii) the assessment  
8 imposed by Section 5B-2 of this Code is determined to be a  
9 permissible tax under Title XIX of the Social Security Act.

10 Beginning January 1, 2014 the methodologies for  
11 reimbursement of nursing facility services as provided under  
12 this Section 5-5.4 shall no longer be applicable for services  
13 provided on or after January 1, 2014.

14 No payment increase under this Section for the MDS  
15 methodology, exceptional care residents, or the  
16 socio-development component rate established by Public Act  
17 96-1530 of the 96th General Assembly and funded by the  
18 assessment imposed under Section 5B-2 of this Code shall be  
19 due and payable until after the Department notifies the  
20 long-term care providers, in writing, that the payment  
21 methodologies to long-term care providers required under this  
22 Section have been approved by the Centers for Medicare and  
23 Medicaid Services of the U.S. Department of Health and Human  
24 Services and the waivers under 42 CFR 433.68 for the  
25 assessment imposed by this Section, if necessary, have been  
26 granted by the Centers for Medicare and Medicaid Services of

1 the U.S. Department of Health and Human Services. Upon  
2 notification to the Department of approval of the payment  
3 methodologies required under this Section and the waivers  
4 granted under 42 CFR 433.68, all increased payments otherwise  
5 due under this Section prior to the date of notification shall  
6 be due and payable within 90 days of the date federal approval  
7 is received.

8 On and after July 1, 2012, the Department shall reduce any  
9 rate of reimbursement for services or other payments or alter  
10 any methodologies authorized by this Code to reduce any rate  
11 of reimbursement for services or other payments in accordance  
12 with Section 5-5e.

13 For facilities licensed by the Department of Public Health  
14 under the ID/DD Community Care Act as ID/DD Facilities and  
15 under the MC/DD Act as MC/DD Facilities, subject to federal  
16 approval, the rates taking effect for services delivered on or  
17 after August 1, 2019 shall be increased by 3.5% over the rates  
18 in effect on June 30, 2019. The Department shall adopt rules,  
19 including emergency rules under subsection (ii) of Section  
20 5-45 of the Illinois Administrative Procedure Act, to  
21 implement the provisions of this Section, including wage  
22 increases for direct care staff.

23 For facilities licensed by the Department of Public Health  
24 under the ID/DD Community Care Act as ID/DD Facilities and  
25 under the MC/DD Act as MC/DD Facilities, subject to federal  
26 approval, the rates taking effect on the latter of the



1 approval date of the State Plan Amendment for these facilities  
2 or the Waiver Amendment for the home and community-based  
3 services settings shall include an increase sufficient to  
4 provide a \$0.26 per hour wage increase to the base wage for  
5 non-executive staff. The Department shall adopt rules,  
6 including emergency rules as authorized by Section 5-45 of the  
7 Illinois Administrative Procedure Act, to implement the  
8 provisions of this Section, including wage increases for  
9 direct care staff.

10 For facilities licensed by the Department of Public Health  
11 under the ID/DD Community Care Act as ID/DD Facilities and  
12 under the MC/DD Act as MC/DD Facilities, subject to federal  
13 approval of the State Plan Amendment and the Waiver Amendment  
14 for the home and community-based services settings, the rates  
15 taking effect for the services delivered on or after July 1,  
16 2020 shall include an increase sufficient to provide a \$1.00  
17 per hour wage increase for non-executive staff. For services  
18 delivered on or after January 1, 2021, subject to federal  
19 approval of the State Plan Amendment and the Waiver Amendment  
20 for the home and community-based services settings, shall  
21 include an increase sufficient to provide a \$0.50 per hour  
22 increase for non-executive staff. The Department shall adopt  
23 rules, including emergency rules as authorized by Section 5-45  
24 of the Illinois Administrative Procedure Act, to implement the  
25 provisions of this Section, including wage increases for  
26 direct care staff.

1 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
2 101-10, eff. 6-5-19; 101-636, eff. 6-10-20.)

3 (305 ILCS 5/5B-2) (from Ch. 23, par. 5B-2)

4 Sec. 5B-2. Assessment; no local authorization to tax.

5 (a) For the privilege of engaging in the occupation of  
6 long-term care provider, beginning July 1, 2011 through  
7 December 31, 2021, or upon federal approval by the Centers for  
8 Medicare and Medicaid Services of the long-term care provider  
9 assessment described in subsection (a-1), whichever is later,  
10 an assessment is imposed upon each long-term care provider in  
11 an amount equal to \$6.07 times the number of occupied bed days  
12 due and payable each month. Notwithstanding any provision of  
13 any other Act to the contrary, this assessment shall be  
14 construed as a tax, but shall not be billed or passed on to any  
15 resident of a nursing home operated by the nursing home  
16 provider.

17 (a-1) For the privilege of engaging in the occupation of  
18 long-term care provider, beginning January 1, 2022, an  
19 assessment is imposed upon each long-term care provider in an  
20 amount equal to \$17 times the number of occupied bed days due  
21 and payable each month. Notwithstanding any provision of any  
22 other Act to the contrary, this assessment shall be construed  
23 as a tax, but shall not be billed or passed on to any resident  
24 of a nursing home operated by the nursing home provider.  
25 Implementation of the assessment described in this subsection

1 shall be subject to federal approval by the Centers for  
2 Medicare and Medicaid Services.

3 (a-2) Every 6 months the Department shall calculate the  
4 payments to nursing facilities under Section 5-5.2. If the  
5 State share of those payments for the 6-month period  
6 calculated exceeds the average nursing rate payment per  
7 resident in effect on June 30, 2019, the Department may  
8 increase the assessment described in subsection (a-1) for the  
9 next 6 months to an amount that will generate the State share  
10 sufficient to cover the increased cost, as long as the revenue  
11 generated from the assessment does not exceed the federal cap  
12 as established by the Centers for Medicare and Medicaid  
13 Services. The Department shall notify each facility subject to  
14 the assessment of the adjusted rate at least 30 days prior to  
15 the date upon which the new rate takes effect and any new rate  
16 imposed on the facilities shall take effect at the start of the  
17 6-month period that begins 6 months after the period used to  
18 calculate the new rate.

19 (b) Nothing in this amendatory Act of 1992 shall be  
20 construed to authorize any home rule unit or other unit of  
21 local government to license for revenue or impose a tax or  
22 assessment upon long-term care providers or the occupation of  
23 long-term care provider, or a tax or assessment measured by  
24 the income or earnings or occupied bed days of a long-term care  
25 provider.

26 (c) The assessment imposed by this Section shall not be

1 due and payable, however, until after the Department notifies  
2 the long-term care providers, in writing, that the payment  
3 methodologies to long-term care providers required under  
4 Section 5-5.4 of this Code have been approved by the Centers  
5 for Medicare and Medicaid Services of the U.S. Department of  
6 Health and Human Services and that the waivers under 42 CFR  
7 433.68 for the assessment imposed by this Section, if  
8 necessary, have been granted by the Centers for Medicare and  
9 Medicaid Services of the U.S. Department of Health and Human  
10 Services.

11 (Source: P.A. 96-1530, eff. 2-16-11; 97-10, eff. 6-14-11;  
12 97-584, eff. 8-26-11.)

13 (305 ILCS 5/5B-4) (from Ch. 23, par. 5B-4)

14 Sec. 5B-4. Payment of assessment; penalty.

15 (a) The assessment imposed by Section 5B-2 shall be due  
16 and payable monthly, on the last State business day of the  
17 month for occupied bed days reported for the preceding third  
18 month prior to the month in which the tax is payable and due. A  
19 facility that has delayed payment due to the State's failure  
20 to reimburse for services rendered may request an extension on  
21 the due date for payment pursuant to subsection (b) and shall  
22 pay the assessment within 30 days of reimbursement by the  
23 Department. The Illinois Department may provide that county  
24 nursing homes directed and maintained pursuant to Section  
25 5-1005 of the Counties Code may meet their assessment

1 obligation by certifying to the Illinois Department that  
2 county expenditures have been obligated for the operation of  
3 the county nursing home in an amount at least equal to the  
4 amount of the assessment.

5 (a-5) The Illinois Department shall provide for an  
6 electronic submission process for each long-term care facility  
7 to report at a minimum the number of occupied bed days of the  
8 long-term care facility for the reporting period and other  
9 reasonable information the Illinois Department requires for  
10 the administration of its responsibilities under this Code.  
11 Beginning July 1, 2013, a separate electronic submission shall  
12 be completed for each long-term care facility in this State  
13 operated by a long-term care provider. The Illinois Department  
14 shall provide a self-reporting notice of the assessment form  
15 that the long-term care facility completes for the required  
16 period and submits with its assessment payment to the Illinois  
17 Department. To the extent practicable, the Department shall  
18 coordinate the assessment reporting requirements with other  
19 reporting required of long-term care facilities.

20 (b) The Illinois Department is authorized to establish  
21 delayed payment schedules for long-term care providers that  
22 are unable to make assessment payments when due under this  
23 Section due to financial difficulties, as determined by the  
24 Illinois Department. The Illinois Department may not deny a  
25 request for delay of payment of the assessment imposed under  
26 this Article if the long-term care provider has not been paid

1 for services provided during the month on which the assessment  
2 is levied ~~or the Medicaid managed care organization has not~~  
3 ~~been paid by the State.~~

4 (c) If a long-term care provider fails to pay the full  
5 amount of an assessment payment when due (including any  
6 extensions granted under subsection (b)), there shall, unless  
7 waived by the Illinois Department for reasonable cause, be  
8 added to the assessment imposed by Section 5B-2 a penalty  
9 assessment equal to the lesser of (i) 5% of the amount of the  
10 assessment payment not paid on or before the due date plus 5%  
11 of the portion thereof remaining unpaid on the last day of each  
12 month thereafter or (ii) 100% of the assessment payment amount  
13 not paid on or before the due date. For purposes of this  
14 subsection, payments will be credited first to unpaid  
15 assessment payment amounts (rather than to penalty or  
16 interest), beginning with the most delinquent assessment  
17 payments. Payment cycles of longer than 60 days shall be one  
18 factor the Director takes into account in granting a waiver  
19 under this Section.

20 (c-5) If a long-term care facility fails to file its  
21 assessment bill with payment, there shall, unless waived by  
22 the Illinois Department for reasonable cause, be added to the  
23 assessment due a penalty assessment equal to 25% of the  
24 assessment due. After July 1, 2013, no penalty shall be  
25 assessed under this Section if the Illinois Department does  
26 not provide a process for the electronic submission of the

1 information required by subsection (a-5).

2 (d) Nothing in this amendatory Act of 1993 shall be  
3 construed to prevent the Illinois Department from collecting  
4 all amounts due under this Article pursuant to an assessment  
5 imposed before the effective date of this amendatory Act of  
6 1993.

7 (e) Nothing in this amendatory Act of the 96th General  
8 Assembly shall be construed to prevent the Illinois Department  
9 from collecting all amounts due under this Code pursuant to an  
10 assessment, tax, fee, or penalty imposed before the effective  
11 date of this amendatory Act of the 96th General Assembly.

12 (f) No installment of the assessment imposed by Section  
13 5B-2 shall be due and payable until after the Department  
14 notifies the long-term care providers, in writing, that the  
15 payment methodologies to long-term care providers required  
16 under Section 5-5.2 ~~5-5.4~~ of this Code have been approved by  
17 the Centers for Medicare and Medicaid Services of the U.S.  
18 Department of Health and Human Services and the waivers under  
19 42 CFR 433.68 for the assessment imposed by this Section, if  
20 necessary, have been granted by the Centers for Medicare and  
21 Medicaid Services of the U.S. Department of Health and Human  
22 Services. Upon notification to the Department of approval of  
23 the payment methodologies required under Section 5-5.2 ~~5-5.4~~  
24 of this Code and the waivers granted under 42 CFR 433.68, all  
25 installments otherwise due under Section 5B-4 prior to the  
26 date of notification shall be due and payable to the

1 Department upon written direction from the Department within  
2 90 days after issuance by the Comptroller of the payments  
3 required under Section 5-5.2 ~~5-5.4~~ of this Code.

4 (Source: P.A. 100-501, eff. 6-1-18; 101-649, eff. 7-7-20.)

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

6 Sec. 5B-5. Annual reporting; penalty; maintenance of  
7 records.

8 (a) After December 31 of each year, and on or before March  
9 31 of the succeeding year, every long-term care provider  
10 subject to assessment under this Article shall file a report  
11 with the Illinois Department. The report shall be in a form and  
12 manner prescribed by the Illinois Department and shall state  
13 the revenue received by the long-term care provider, reported  
14 in such categories as may be required by the Illinois  
15 Department, and other reasonable information the Illinois  
16 Department requires for the administration of its  
17 responsibilities under this Code.

18 (b) If a long-term care provider operates or maintains  
19 more than one long-term care facility in this State, the  
20 provider may not file a single return covering all those  
21 long-term care facilities, but shall file a separate return  
22 for each long-term care facility and shall compute and pay the  
23 assessment for each long-term care facility separately.

24 (c) Notwithstanding any other provision in this Article,  
25 in the case of a person who ceases to operate or maintain a



1 long-term care facility in respect of which the person is  
2 subject to assessment under this Article as a long-term care  
3 provider, the person shall file a final, amended return with  
4 the Illinois Department not more than 90 days after the  
5 cessation reflecting the adjustment and shall pay with the  
6 final return the assessment for the year as so adjusted (to the  
7 extent not previously paid). If a person fails to file a final  
8 amended return on a timely basis, there shall, unless waived  
9 by the Illinois Department for reasonable cause, be added to  
10 the assessment due a penalty assessment equal to 25% of the  
11 assessment due.

12 (d) Notwithstanding any other provision of this Article, a  
13 provider who commences operating or maintaining a long-term  
14 care facility that was under a prior ownership and remained  
15 licensed by the Department of Public Health shall notify the  
16 Illinois Department of any ~~the~~ change in ownership regardless  
17 of percentage, and shall be responsible to immediately pay any  
18 prior amounts owed by the facility. In addition, within 90  
19 days after the effective date of this amendatory Act of the  
20 102nd General Assembly, all providers operating or maintaining  
21 a long-term care facility shall notify the Illinois Department  
22 of all owners of that facility and the percentage ownership of  
23 each owner.

24 (e) The Department shall develop a procedure for sharing  
25 with a potential buyer of a facility information regarding  
26 outstanding assessments and penalties owed by that facility.

1 (f) In the case of a long-term care provider existing as a  
2 corporation or legal entity other than an individual, the  
3 return filed by it shall be signed by its president,  
4 vice-president, secretary, or treasurer or by its properly  
5 authorized agent.

6 (g) If a long-term care provider fails to file its return  
7 on or before the due date of the return, there shall, unless  
8 waived by the Illinois Department for reasonable cause, be  
9 added to the assessment imposed by Section 5B-2 a penalty  
10 assessment equal to 25% of the assessment imposed for the  
11 year. After July 1, 2013, no penalty shall be assessed if the  
12 Illinois Department has not established a process for the  
13 electronic submission of information.

14 (h) Every long-term care provider subject to assessment  
15 under this Article shall keep records and books that will  
16 permit the determination of occupied bed days on a calendar  
17 year basis. All such books and records shall be kept in the  
18 English language and shall, at all times during business hours  
19 of the day, be subject to inspection by the Illinois  
20 Department or its duly authorized agents and employees.

21 (i) The Illinois Department shall establish a process for  
22 long-term care providers to electronically submit all  
23 information required by this Section no later than July 1,  
24 2013.

25 (Source: P.A. 96-1530, eff. 2-16-11; 97-403, eff. 1-1-12;  
26 97-813, eff. 7-13-12.)

1 (305 ILCS 5/5B-8) (from Ch. 23, par. 5B-8)

2 Sec. 5B-8. Long-Term Care Provider Fund.

3 (a) There is created in the State Treasury the Long-Term  
4 Care Provider Fund. Interest earned by the Fund shall be  
5 credited to the Fund. The Fund shall not be used to replace any  
6 moneys appropriated to the Medicaid program by the General  
7 Assembly.

8 (b) The Fund is created for the purpose of receiving and  
9 disbursing moneys in accordance with this Article.  
10 Disbursements from the Fund shall be made only as follows:

11 (1) For payments to nursing facilities, including  
12 county nursing facilities but excluding State-operated  
13 facilities, under Title XIX of the Social Security Act and  
14 Article V of this Code.

15 (1.5) For payments to managed care organizations as  
16 defined in Section 5-30.1 of this Code.

17 (2) For the reimbursement of moneys collected by the  
18 Illinois Department through error or mistake.

19 (3) For payment of administrative expenses incurred by  
20 the Illinois Department or its agent in performing the  
21 activities authorized by this Article.

22 (3.5) For reimbursement of expenses incurred by  
23 long-term care facilities, and payment of administrative  
24 expenses incurred by the Department of Public Health, in  
25 relation to the conduct and analysis of background checks

1 for identified offenders under the Nursing Home Care Act.

2 (4) For payments of any amounts that are reimbursable  
3 to the federal government for payments from this Fund that  
4 are required to be paid by State warrant.

5 (5) For making transfers to the General Obligation  
6 Bond Retirement and Interest Fund, as those transfers are  
7 authorized in the proceedings authorizing debt under the  
8 Short Term Borrowing Act, but transfers made under this  
9 paragraph (5) shall not exceed the principal amount of  
10 debt issued in anticipation of the receipt by the State of  
11 moneys to be deposited into the Fund.

12 (6) For making transfers, at the direction of the  
13 Director of the Governor's Office of Management and Budget  
14 during each fiscal year beginning on or after July 1,  
15 2011, to other State funds in an annual amount of  
16 \$20,000,000 of the tax collected pursuant to this Article  
17 for the purpose of enforcement of nursing home standards,  
18 support of the ombudsman program, and efforts to expand  
19 home and community-based services. No transfer under this  
20 paragraph shall occur until (i) the payment methodologies  
21 created by Public Act 96-1530 under Section 5-5.4 of this  
22 Code have been approved by the Centers for Medicare and  
23 Medicaid Services of the U.S. Department of Health and  
24 Human Services and (ii) the assessment imposed by Section  
25 5B-2 of this Code is determined to be a permissible tax  
26 under Title XIX of the Social Security Act.

1           (7) For making transfers, at the direction of the  
2           Director of the Governor's Office of Management and Budget  
3           during each fiscal year beginning on or after January 1,  
4           2022, to the Healthcare Provider Relief Fund in an annual  
5           amount of \$49,000,000 of the tax collected pursuant to  
6           this Article for the purpose of enforcement of nursing  
7           home standards, payments for other long-term care  
8           priorities of the Department, including payments to  
9           managed care organizations, and efforts to expand home and  
10           community-based services. For the 6-month period during  
11           State Fiscal Year 2022, on and after January 1, 2022  
12           through June 30, 2022, the amount listed above shall be  
13           prorated to an amount of 1/12th per month.

14           Disbursements from the Fund, other than transfers made  
15           pursuant to paragraphs (5) and (6) of this subsection, shall  
16           be by warrants drawn by the State Comptroller upon receipt of  
17           vouchers duly executed and certified by the Illinois  
18           Department.

19           (c) The Fund shall consist of the following:

20           (1) All moneys collected or received by the Illinois  
21           Department from the long-term care provider assessment  
22           imposed by this Article.

23           (2) All federal matching funds received by the  
24           Illinois Department as a result of expenditures made from  
25           the Fund ~~by the Illinois Department that are attributable~~  
26           ~~to moneys deposited in the Fund.~~

1 (3) Any interest or penalty levied in conjunction with  
2 the administration of this Article.

3 (4) (Blank).

4 (5) All other monies received for the Fund from any  
5 other source, including interest earned thereon.

6 (Source: P.A. 96-1530, eff. 2-16-11; 97-584, eff. 8-26-11.)

7 (305 ILCS 5/5E-10)

8 Sec. 5E-10. Fee. Through December 31, 2021 or upon federal  
9 approval by the Centers for Medicare and Medicaid Services of  
10 the long-term care provider assessment described in subsection  
11 (a-1) of Section 5B-2 of this Code, whichever is later, every  
12 ~~Every~~ nursing home provider shall pay to the Illinois  
13 Department, on or before September 10, December 10, March 10,  
14 and June 10, a fee in the amount of \$1.50 for each licensed  
15 nursing bed day for the calendar quarter in which the payment  
16 is due. This fee shall not be billed or passed on to any  
17 resident of a nursing home operated by the nursing home  
18 provider. All fees received by the Illinois Department under  
19 this Section shall be deposited into the Long-Term Care  
20 Provider Fund.

21 (Source: P.A. 88-88; 89-21, eff. 7-1-95.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.

1	INDEX	
2	Statutes amended in order of appearance	
3	5 ILCS 100/5-45.8 new	
4	225 ILCS 510/3	from Ch. 111, par. 953
5	225 ILCS 510/14	from Ch. 111, par. 964
6	305 ILCS 5/5-5.2	from Ch. 23, par. 5-5.2
7	305 ILCS 5/5-5.4	from Ch. 23, par. 5-5.4
8	305 ILCS 5/5B-2	from Ch. 23, par. 5B-2
9	305 ILCS 5/5B-4	from Ch. 23, par. 5B-4
10	305 ILCS 5/5B-5	from Ch. 23, par. 5B-5
11	305 ILCS 5/5B-8	from Ch. 23, par. 5B-8
12	305 ILCS 5/5E-10	