

**102ND GENERAL ASSEMBLY****State of Illinois****2021 and 2022****SB3756**

Introduced 1/21/2022, by Sen. Rachelle Crowe

**SYNOPSIS AS INTRODUCED:**

305 ILCS 5/5-5.7

from Ch. 23, par. 5-5.7

Amends the Medical Assistance Article of the Illinois Public Aid Code. Provides that from funds appropriated, directly or indirectly, from moneys received by the State from the Coronavirus State Fiscal Recovery Fund for Fiscal Years 2021 and 2022, the Department of Healthcare and Family Services shall continue to expend such funds only for purposes permitted by Section 9901 of the American Rescue Plan Act of 2021 (ARPA) and related federal guidance. Provides that such expenditures may include, but are not limited to: payments to providers for costs incurred due to the COVID-19 public health emergency; unreimbursed costs for testing and treatment of uninsured Illinois residents; and expenditures permitted in order to address (i) disparities in public health outcomes, (ii) nursing and other essential health care workforce investments, (iii) the exacerbation of pre-existing disparities, and (iv) the promotion of healthy childhood environments. Requires the Department to continue to make payments to long-term care service providers and facilities, for purposes related to financial support for the long-term care industry and front line workers, but only as permitted by Section 9901 of the American Rescue Plan Act of 2021. Requires nursing facilities to spend 60% of funds received as a direct pass-through to front line workers on pandemic bonus pay to employees and on temporary benefits, such as day care or other related benefits. Permits nursing facilities to spend the remaining 40% of the distributions on other financial support for their workers provided on or after December 1, 2021, or on other ARPA permitted purposes including, but not limited to: (i) the payment of education expenses to enhance direct care staff recruitment; (ii) enhanced and expanded training for nursing facility staff; and on other specified purposes. Requires providers to sign award agreements and to submit proposed monthly budgets for the use of funds prior to the release of funds. Provides that the Department shall have the authority to audit and potentially recoup funds not utilized as outlined and attested. Requires the Department to redistribute to providers any remaining, returned, or recouped funds by June 30, 2022. Effective immediately.

LRB102 24079 KTG 33300 b

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 5-5.7 as follows:

6 (305 ILCS 5/5-5.7) (from Ch. 23, par. 5-5.7)

7 Sec. 5-5.7. Cost reports - audits.

8 (a) The Department of Healthcare and Family Services shall  
9 work with the Department of Public Health to use cost report  
10 information currently being collected under provisions of the  
11 Nursing Home Care Act, the Specialized Mental Health  
12 Rehabilitation Act of 2013, the ID/DD Community Care Act, and  
13 the MC/DD Act. The Department of Healthcare and Family  
14 Services may, in conjunction with the Department of Public  
15 Health, develop in accordance with generally accepted  
16 accounting principles a uniform chart of accounts which each  
17 facility providing services under the medical assistance  
18 program shall adopt, after a reasonable period.

19 Facilities licensed under the Nursing Home Care Act, the  
20 Specialized Mental Health Rehabilitation Act of 2013, the  
21 ID/DD Community Care Act, or the MC/DD Act and providers of  
22 adult developmental training services certified by the  
23 Department of Human Services pursuant to Section 15.2 of the

1 Mental Health and Developmental Disabilities Administrative  
2 Act which provide services to clients eligible for medical  
3 assistance under this Article are responsible for submitting  
4 the required annual cost report to the Department of  
5 Healthcare and Family Services.

6 The Department of Healthcare and Family Services shall  
7 audit the financial and statistical records of each provider  
8 participating in the medical assistance program as a nursing  
9 facility, a specialized mental health rehabilitation facility,  
10 or an ICF/DD over a 3 year period, beginning with the close of  
11 the first cost reporting year. Following the end of this  
12 3-year term, audits of the financial and statistical records  
13 will be performed each year in at least 20% of the facilities  
14 participating in the medical assistance program with at least  
15 10% being selected on a random sample basis, and the remainder  
16 selected on the basis of exceptional profiles. All audits  
17 shall be conducted in accordance with generally accepted  
18 auditing standards.

19 The Department of Healthcare and Family Services shall  
20 establish prospective payment rates for categories or levels  
21 of services within each licensure class, in order to more  
22 appropriately recognize the individual needs of patients in  
23 nursing facilities.

24 The Department of Healthcare and Family Services shall  
25 provide, during the process of establishing the payment rate  
26 for nursing facility, specialized mental health rehabilitation

1 facility, or ICF/DD services, or when a substantial change in  
2 rates is proposed, an opportunity for public review and  
3 comment on the proposed rates prior to their becoming  
4 effective.

5 (b) Pandemic related payments for long-term care service  
6 providers and facilities.

7 (1) Expenditures. From funds appropriated, directly or  
8 indirectly, from moneys received by the State from the  
9 Coronavirus State Fiscal Recovery Fund for Fiscal Years  
10 2021 and 2022, the Department shall continue to expend  
11 such funds only for purposes permitted by Section 9901 of  
12 the American Rescue Plan Act of 2021 (ARPA) and related  
13 federal guidance. Such expenditures may include, but are  
14 not limited to: payments to providers for costs incurred  
15 due to the COVID-19 public health emergency; unreimbursed  
16 costs for testing and treatment of uninsured Illinois  
17 residents; the costs of COVID-19 mitigation and  
18 prevention; medical expenses related to aftercare or  
19 extended care for COVID-19 patients with longer term  
20 symptoms and effects; the costs of behavioral health care;  
21 the costs of public health and safety staff; and  
22 expenditures permitted in order to address (i) disparities  
23 in public health outcomes, (ii) nursing and other  
24 essential health care workforce investments, (iii) the  
25 exacerbation of pre-existing disparities, and (iv) the  
26 promotion of healthy childhood environments.

1           The Department shall continue to make payments to long  
2 term-care service providers and facilities, for purposes  
3 related to financial support for the long-term care  
4 industry and front line workers, but only as permitted by  
5 Section 9901 of the American Rescue Plan Act of 2021 and  
6 related federal guidance, including, but not limited to,  
7 the following: \$225,000,000, where at least \$135,000,000  
8 (60%) of the funds shall be passed directly to front-line  
9 workers, and \$90,000,000 (40%) for COVID-19 related  
10 provider expenses allowable by the American Rescue Plan  
11 Act of 2021 and related federal guidance.

12           The \$225,000,000 appropriation shall be distributed in  
13 one lump sum payment to long-term care service providers  
14 within 30 days after the effective date of this amendatory  
15 Act of the 102nd General Assembly. ARPA fund recipients  
16 shall have one year after receiving the lump sum  
17 distribution from the Department to expend those ARPA  
18 funds.

19           The Department shall utilize the same methodology for  
20 determining each long-term care service provider's payment  
21 as used to distribute the \$75,000,000 appropriation for  
22 the first quarter of Fiscal Year 2022, which utilized the  
23 staffing data based on nursing hours from the federal  
24 Payroll Based Journal for the second quarter of Fiscal  
25 Year 2021. The per nursing hour allocation for the 3  
26 quarter-lump sum distribution, or \$225,000,000, shall be

1 \$13.29 per nursing hour or 3 times the allocation for the  
2 first quarter of Fiscal Year 2022, or \$4.43.

3 (2) Nursing facilities.

4 (A) Nursing facilities are required to spend 60%  
5 of funds received as a direct pass-through to front  
6 line workers on the following pandemic-related uses:

7 (i) pandemic bonus pay to employees on or  
8 after December 1, 2021 (hazard, hero, premium pay  
9 and premium wages, or other temporary wage  
10 increases); and

11 (ii) temporary benefits, such as day care or  
12 other related benefits, provided December 1, 2021  
13 or later.

14 (B) Nursing facilities may spend the remaining 40%  
15 of the distributions on either the uses listed in  
16 subparagraph (A) or on other financial support for  
17 their workers provided on or after December 1, 2021,  
18 or on other purposes permitted by Section 9901 of the  
19 American Rescue Plan Act of 2021 and related federal  
20 guidance, including, but not limited to, the following  
21 expenditures made on or after December 1, 2021:

22 (i) the payment of education expenses to  
23 enhance direct care staff recruitment;

24 (ii) enhanced and expanded training for  
25 nursing facility staff to better achieve patient  
26 outcomes, such as training on infection control,

1 proper personal protective equipment, best  
2 practices in quality of care, and culturally  
3 competent patient communications;

4 (iii) additional forms of pandemic-related  
5 financial support for the nursing facility  
6 workforce (to be specified by the provider);

7 (iv) costs incurred due to the COVID-19 public  
8 health emergency;

9 (v) unreimbursed costs for testing and  
10 treatment of COVID-19;

11 (vi) costs incurred due to COVID-19 mitigation  
12 and prevention;

13 (vii) medical expenses related to aftercare or  
14 extended care for COVID-19 patients with longer  
15 term symptoms and effects;

16 (viii) vaccine bonuses;

17 (ix) signing bonuses for new hires;

18 (x) the cost of temporary nursing agencies; or

19 (xi) the cost of personal protective  
20 equipment.

21 (3) Award agreements. Providers shall sign award  
22 agreements and shall submit proposed monthly budgets for  
23 the use of funds prior to the release of funds. The  
24 Department shall have the authority to audit and  
25 potentially recoup funds not utilized as outlined and  
26 attested. The Department shall redistribute to providers

1       any remaining, returned, or recouped funds by June 30,  
2       2022.

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

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