HB5139

103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5139

Introduced 2/9/2024, by Rep. Elizabeth "Lisa" Hernandez

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.2

Amends the Medical Assistance Article of the Illinois Public Aid Code. Provides that an annual property tax adjustment shall be paid by the Department of Healthcare and Family Services to each qualified facility licensed under the Nursing Home Care Act and the Specialized Mental Health Rehabilitation Act of 2013. Provides that the adjustment shall be the equivalent of each facility's percent of annual paid Medicaid bed days as applied to the facility's property tax bill for the same tax year. Requires the Department to provide an electronic portal for submission of the facility's annual property tax obligation, the percent of paid Medicaid bed days for the same tax year, and the relevant calculations. Requires each facility to submit the information within 60 days of notification by the county of its annual property tax obligation. Requires the Department to have 60 days to audit the facility's information and calculations and pay as a lump sum property tax adjustment owed to the facility.

LRB103 39083 KTG 69221 b

A BILL FOR

AN ACT concerning public aid.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Public Aid Code is amended by changing Section 5-5.2 as follows:

(305 ILCS 5/5-5.2)

Sec. 5-5.2. Payment.

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

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

(c) (Blank).

(c-1) Notwithstanding any other provisions of this Code, the methodologies for reimbursement of nursing services as provided under this Article shall no longer be applicable for bills payable for nursing services rendered on or after a new reimbursement system based on the Patient Driven Payment Model (PDPM) has been fully operationalized, which shall take effect for services provided on or after the implementation of the PDPM reimbursement system begins. For the purposes of Public Act 102-1035 ~~this amendatory Act of the 102nd General~~

~~Assembly~~, the implementation date of the PDPM reimbursement system and all related provisions shall be July 1, 2022 if the following conditions are met: (i) the Centers for Medicare and Medicaid Services has approved corresponding changes in the reimbursement system and bed assessment; and (ii) the Department has filed rules to implement these changes no later than June 1, 2022. Failure of the Department to file rules to implement the changes provided in <u>Public Act 102-1035</u> ~~this amendatory Act of the 102nd General Assembly~~ no later than June 1, 2022 shall result in the implementation date being delayed to October 1, 2022.

(d) The new nursing services reimbursement methodology utilizing the Patient Driven Payment Model, which shall be referred to as the PDPM reimbursement system, taking effect July 1, 2022, upon federal approval by the Centers for Medicare and Medicaid Services, shall be based on the following:

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

(2) Costs shall be annually rebased and case mix index quarterly updated. The nursing services methodology will be assigned to the Medicaid enrolled residents on record as of 30 days prior to the beginning of the rate period in the Department's Medicaid Management Information System (MMIS) as present on the last day of the second quarter

1 preceding the rate period based upon the Assessment
2 Reference Date of the Minimum Data Set (MDS).
3 (3) Regional wage adjustors based on the Health
4 Service Areas (HSA) groupings and adjusters in effect on
5 April 30, 2012 shall be included, except no adjuster shall
6 be lower than 1.06.
7 (4) PDPM nursing case mix indices in effect on March
8 1, 2022 shall be assigned to each resident class at no less
9 than 0.7858 of the Centers for Medicare and Medicaid
10 Services PDPM unadjusted case mix values, in effect on
11 March 1, 2022.
12 (5) The pool of funds available for distribution by
13 case mix and the base facility rate shall be determined
14 using the formula contained in subsection (d-1).
15 (6) The Department shall establish a variable per diem
16 staffing add-on in accordance with the most recent
17 available federal staffing report, currently the Payroll
18 Based Journal, for the same period of time, and if
19 applicable adjusted for acuity using the same quarter's
20 MDS. The Department shall rely on Payroll Based Journals
21 provided to the Department of Public Health to make a
22 determination of non-submission. If the Department is
23 notified by a facility of missing or inaccurate Payroll
24 Based Journal data or an incorrect calculation of
25 staffing, the Department must make a correction as soon as
26 the error is verified for the applicable quarter.

1 Facilities with at least 70% of the staffing indicated
2 by the STRIVE study shall be paid a per diem add-on of $9,
3 increasing by equivalent steps for each whole percentage
4 point until the facilities reach a per diem of $14.88.
5 Facilities with at least 80% of the staffing indicated by
6 the STRIVE study shall be paid a per diem add-on of $14.88,
7 increasing by equivalent steps for each whole percentage
8 point until the facilities reach a per diem add-on of
9 $23.80. Facilities with at least 92% of the staffing
10 indicated by the STRIVE study shall be paid a per diem
11 add-on of $23.80, increasing by equivalent steps for each
12 whole percentage point until the facilities reach a per
13 diem add-on of $29.75. Facilities with at least 100% of
14 the staffing indicated by the STRIVE study shall be paid a
15 per diem add-on of $29.75, increasing by equivalent steps
16 for each whole percentage point until the facilities reach
17 a per diem add-on of $35.70. Facilities with at least 110%
18 of the staffing indicated by the STRIVE study shall be
19 paid a per diem add-on of $35.70, increasing by equivalent
20 steps for each whole percentage point until the facilities
21 reach a per diem add-on of $38.68. Facilities with at
22 least 125% or higher of the staffing indicated by the
23 STRIVE study shall be paid a per diem add-on of $38.68.
24 Beginning April 1, 2023, no nursing facility's variable
25 staffing per diem add-on shall be reduced by more than 5%
26 in 2 consecutive quarters. For the quarters beginning July

1, 2022 and October 1, 2022, no facility's variable per diem staffing add-on shall be calculated at a rate lower than 85% of the staffing indicated by the STRIVE study. No facility below 70% of the staffing indicated by the STRIVE study shall receive a variable per diem staffing add-on after December 31, 2022.

(7) For dates of services beginning July 1, 2022, the PDPM nursing component per diem for each nursing facility shall be the product of the facility's (i) statewide PDPM nursing base per diem rate, $92.25, adjusted for the facility average PDPM case mix index calculated quarterly and (ii) the regional wage adjuster, and then add the Medicaid access adjustment as defined in (e-3) of this Section. Transition rates for services provided between July 1, 2022 and October 1, 2023 shall be the greater of the PDPM nursing component per diem or:

(A) for the quarter beginning July 1, 2022, the RUG-IV nursing component per diem;

(B) for the quarter beginning October 1, 2022, the sum of the RUG-IV nursing component per diem multiplied by 0.80 and the PDPM nursing component per diem multiplied by 0.20;

(C) for the quarter beginning January 1, 2023, the sum of the RUG-IV nursing component per diem multiplied by 0.60 and the PDPM nursing component per diem multiplied by 0.40;

1 (D) for the quarter beginning April 1, 2023, the
2 sum of the RUG-IV nursing component per diem
3 multiplied by 0.40 and the PDPM nursing component per
4 diem multiplied by 0.60;
5 (E) for the quarter beginning July 1, 2023, the
6 sum of the RUG-IV nursing component per diem
7 multiplied by 0.20 and the PDPM nursing component per
8 diem multiplied by 0.80; or
9 (F) for the quarter beginning October 1, 2023 and
10 each subsequent quarter, the transition rate shall end
11 and a nursing facility shall be paid 100% of the PDPM
12 nursing component per diem.
13 (d-1) Calculation of base year Statewide RUG-IV nursing
14 base per diem rate.
15 (1) Base rate spending pool shall be:
16 (A) The base year resident days which are
17 calculated by multiplying the number of Medicaid
18 residents in each nursing home as indicated in the MDS
19 data defined in paragraph (4) by 365.
20 (B) Each facility's nursing component per diem in
21 effect on July 1, 2012 shall be multiplied by
22 subsection (A).
23 (C) Thirteen million is added to the product of
24 subparagraph (A) and subparagraph (B) to adjust for
25 the exclusion of nursing homes defined in paragraph
26 (5).

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

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

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

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

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

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

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

(B) on and after July 1, 2014 and until July 1, 2022, shall be the amount calculated under subparagraph (A) of this paragraph (3) plus $1.76; and

1 (C) beginning July 1, 2022 and thereafter, $7
2 shall be added to the amount calculated under
3 subparagraph (B) of this paragraph (3) of this
4 Section.
5 (4) Minimum Data Set (MDS) comprehensive assessments
6 for Medicaid residents on the last day of the quarter used
7 to establish the base rate.
8 (5) Nursing facilities designated as of July 1, 2012
9 by the Department as "Institutions for Mental Disease"
10 shall be excluded from all calculations under this
11 subsection. The data from these facilities shall not be
12 used in the computations described in paragraphs (1)
13 through (4) above to establish the base rate.
14 (e) Beginning July 1, 2014, the Department shall allocate
15 funding in the amount up to $10,000,000 for per diem add-ons to
16 the RUGS methodology for dates of service on and after July 1,
17 2014:
18 (1) $0.63 for each resident who scores in I4200
19 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.
20 (2) $2.67 for each resident who scores either a "1" or
21 "2" in any items S1200A through S1200I and also scores in
22 RUG groups PA1, PA2, BA1, or BA2.
23 (e-1) (Blank).
24 (e-2) For dates of services beginning January 1, 2014 and
25 ending September 30, 2023, the RUG-IV nursing component per
26 diem for a nursing home shall be the product of the statewide

1 RUG-IV nursing base per diem rate, the facility average case
2 mix index, and the regional wage adjustor. For dates of
3 service beginning July 1, 2022 and ending September 30, 2023,
4 the Medicaid access adjustment described in subsection (e-3)
5 shall be added to the product.

6 (e-3) A Medicaid Access Adjustment of $4 adjusted for the
7 facility average PDPM case mix index calculated quarterly
8 shall be added to the statewide PDPM nursing per diem for all
9 facilities with annual Medicaid bed days of at least 70% of all
10 occupied bed days adjusted quarterly. For each new calendar
11 year and for the 6-month period beginning July 1, 2022, the
12 percentage of a facility's occupied bed days comprised of
13 Medicaid bed days shall be determined by the Department
14 quarterly. For dates of service beginning January 1, 2023, the
15 Medicaid Access Adjustment shall be increased to $4.75. This
16 subsection shall be inoperative on and after January 1, 2028.

17 (e-4) Subject to federal approval, on and after January 1,
18 2024, the Department shall increase the rate add-on at
19 paragraph (7) subsection (a) under 89 Ill. Adm. Code 147.335
20 for ventilator services from $208 per day to $481 per day.
21 Payment is subject to the criteria and requirements under 89
22 Ill. Adm. Code 147.335.

23 (e-5) An annual property tax adjustment shall be paid by
24 the Department to each qualified facility licensed under the
25 Nursing Home Care Act and the Specialized Mental Health
26 Rehabilitation Act of 2013 as provided in this Section. The

1 adjustment shall be the equivalent of each facility's percent
2 of annual paid Medicaid bed days as applied to the facility's
3 property tax bill for the same tax year.

4 The Department shall provide an electronic portal for
5 submission of the facility's annual property tax obligation,
6 the percent of paid Medicaid bed days for the same tax year,
7 and the relevant calculations. Each facility shall submit the
8 information within 60 days of notification by the county of
9 its annual property tax obligation. The Department shall have
10 60 days to audit the facility's information and calculations
11 and pay as a lump sum property tax adjustment owed to the
12 facility.

13 (f) (Blank).

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

19 (1) (Blank);

20 (2) (Blank);

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

23 (h) Notwithstanding any other provision of this Code, on
24 and after July 1, 2012, nursing facilities designated by the
25 Department of Healthcare and Family Services as "Institutions
26 for Mental Disease" and "Institutions for Mental Disease" that

1 are facilities licensed under the Specialized Mental Health
2 Rehabilitation Act of 2013 shall have the nursing,
3 socio-developmental, capital, and support components of their
4 reimbursement rate effective May 1, 2011 reduced in total by
5 2.7%.

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

11 (i-1) Subject to federal approval, on and after January 1,
12 2024, the reimbursement rates for the support component of the
13 nursing facility rate for facilities licensed under the
14 Nursing Home Care Act as skilled or intermediate care
15 facilities shall be the rate in effect on June 30, 2023
16 increased by 12%.

17 (j) Notwithstanding any other provision of law, subject to
18 federal approval, effective July 1, 2019, sufficient funds
19 shall be allocated for changes to rates for facilities
20 licensed under the Nursing Home Care Act as skilled nursing
21 facilities or intermediate care facilities for dates of
22 services on and after July 1, 2019: (i) to establish, through
23 June 30, 2022 a per diem add-on to the direct care per diem
24 rate not to exceed $70,000,000 annually in the aggregate
25 taking into account federal matching funds for the purpose of
26 addressing the facility's unique staffing needs, adjusted

quarterly and distributed by a weighted formula based on Medicaid bed days on the last day of the second quarter preceding the quarter for which the rate is being adjusted. Beginning July 1, 2022, the annual $70,000,000 described in the preceding sentence shall be dedicated to the variable per diem add-on for staffing under paragraph (6) of subsection (d); and (ii) in an amount not to exceed $170,000,000 annually in the aggregate taking into account federal matching funds to permit the support component of the nursing facility rate to be updated as follows:

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

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

(3) The remainder of the 20%, or $34,000,000, shall be used to increase each facility's rate by an equal percentage.

(k) During the first quarter of State Fiscal Year 2020,

1 the Department of Healthcare of Family Services must convene a
2 technical advisory group consisting of members of all trade
3 associations representing Illinois skilled nursing providers
4 to discuss changes necessary with federal implementation of
5 Medicare's Patient-Driven Payment Model. Implementation of
6 Medicare's Patient-Driven Payment Model shall, by September 1,
7 2020, end the collection of the MDS data that is necessary to
8 maintain the current RUG-IV Medicaid payment methodology. The
9 technical advisory group must consider a revised reimbursement
10 methodology that takes into account transparency,
11 accountability, actual staffing as reported under the
12 federally required Payroll Based Journal system, changes to
13 the minimum wage, adequacy in coverage of the cost of care, and
14 a quality component that rewards quality improvements.

15 (l) The Department shall establish per diem add-on
16 payments to improve the quality of care delivered by
17 facilities, including:

18 (1) Incentive payments determined by facility
19 performance on specified quality measures in an initial
20 amount of $70,000,000. Nothing in this subsection shall be
21 construed to limit the quality of care payments in the
22 aggregate statewide to $70,000,000, and, if quality of
23 care has improved across nursing facilities, the
24 Department shall adjust those add-on payments accordingly.
25 The quality payment methodology described in this
26 subsection must be used for at least State Fiscal Year

2023. Beginning with the quarter starting July 1, 2023, the Department may add, remove, or change quality metrics and make associated changes to the quality payment methodology as outlined in subparagraph (E). Facilities designated by the Centers for Medicare and Medicaid Services as a special focus facility or a hospital-based nursing home do not qualify for quality payments.

(A) Each quality pool must be distributed by assigning a quality weighted score for each nursing home which is calculated by multiplying the nursing home's quality base period Medicaid days by the nursing home's star rating weight in that period.

(B) Star rating weights are assigned based on the nursing home's star rating for the LTS quality star rating. As used in this subparagraph, "LTS quality star rating" means the long-term stay quality rating for each nursing facility, as assigned by the Centers for Medicare and Medicaid Services under the Five-Star Quality Rating System. The rating is a number ranging from 0 (lowest) to 5 (highest).

(i) Zero-star or one-star rating has a weight of 0.

(ii) Two-star rating has a weight of 0.75.

(iii) Three-star rating has a weight of 1.5.

(iv) Four-star rating has a weight of 2.5.

(v) Five-star rating has a weight of 3.5.

1 (C) Each nursing home's quality weight score is
2 divided by the sum of all quality weight scores for
3 qualifying nursing homes to determine the proportion
4 of the quality pool to be paid to the nursing home.
5 (D) The quality pool is no less than $70,000,000
6 annually or $17,500,000 per quarter. The Department
7 shall publish on its website the estimated payments
8 and the associated weights for each facility 45 days
9 prior to when the initial payments for the quarter are
10 to be paid. The Department shall assign each facility
11 the most recent and applicable quarter's STAR value
12 unless the facility notifies the Department within 15
13 days of an issue and the facility provides reasonable
14 evidence demonstrating its timely compliance with
15 federal data submission requirements for the quarter
16 of record. If such evidence cannot be provided to the
17 Department, the STAR rating assigned to the facility
18 shall be reduced by one from the prior quarter.
19 (E) The Department shall review quality metrics
20 used for payment of the quality pool and make
21 recommendations for any associated changes to the
22 methodology for distributing quality pool payments in
23 consultation with associations representing long-term
24 care providers, consumer advocates, organizations
25 representing workers of long-term care facilities, and
26 payors. The Department may establish, by rule, changes

to the methodology for distributing quality pool payments.

(F) The Department shall disburse quality pool payments from the Long-Term Care Provider Fund on a monthly basis in amounts proportional to the total quality pool payment determined for the quarter.

(G) The Department shall publish any changes in the methodology for distributing quality pool payments prior to the beginning of the measurement period or quality base period for any metric added to the distribution's methodology.

(2) Payments based on CNA tenure, promotion, and CNA training for the purpose of increasing CNA compensation. It is the intent of this subsection that payments made in accordance with this paragraph be directly incorporated into increased compensation for CNAs. As used in this paragraph, "CNA" means a certified nursing assistant as that term is described in Section 3-206 of the Nursing Home Care Act, Section 3-206 of the ID/DD Community Care Act, and Section 3-206 of the MC/DD Act. The Department shall establish, by rule, payments to nursing facilities equal to Medicaid's share of the tenure wage increments specified in this paragraph for all reported CNA employee hours compensated according to a posted schedule consisting of increments at least as large as those specified in this paragraph. The increments are as

1 follows: an additional $1.50 per hour for CNAs with at
2 least one and less than 2 years' experience plus another
3 $1 per hour for each additional year of experience up to a
4 maximum of $6.50 for CNAs with at least 6 years of
5 experience. For purposes of this paragraph, Medicaid's
6 share shall be the ratio determined by paid Medicaid bed
7 days divided by total bed days for the applicable time
8 period used in the calculation. In addition, and additive
9 to any tenure increments paid as specified in this
10 paragraph, the Department shall establish, by rule,
11 payments supporting Medicaid's share of the
12 promotion-based wage increments for CNA employee hours
13 compensated for that promotion with at least a $1.50
14 hourly increase. Medicaid's share shall be established as
15 it is for the tenure increments described in this
16 paragraph. Qualifying promotions shall be defined by the
17 Department in rules for an expected 10-15% subset of CNAs
18 assigned intermediate, specialized, or added roles such as
19 CNA trainers, CNA scheduling "captains", and CNA
20 specialists for resident conditions like dementia or
21 memory care or behavioral health.
22 (m) The Department shall work with nursing facility
23 industry representatives to design policies and procedures to
24 permit facilities to address the integrity of data from
25 federal reporting sites used by the Department in setting
26 facility rates.

1 (Source: P.A. 102-77, eff. 7-9-21; 102-558, eff. 8-20-21;
2 102-1035, eff. 5-31-22; 102-1118, eff. 1-18-23; 103-102,
3 Article 40, Section 40-5, eff. 1-1-24; 103-102, Article 50,
4 Section 50-5, eff. 1-1-24; revised 12-15-23.)