

1                                    AMENDMENT TO HOUSE BILL 701

2            AMENDMENT NO. \_\_\_\_\_. Amend House Bill 701 by replacing  
3 everything after the enacting clause with the following:

4            "Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 5-5.4 as follows:

6            (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

7            Sec. 5-5.4. Standards of Payment - Department of Public  
8 Aid. The Department of Public Aid shall develop standards of  
9 payment of skilled nursing and intermediate care services in  
10 facilities providing such services under this Article which:

11            (1) Provide for the determination of a facility's  
12 payment for skilled nursing and intermediate care services on  
13 a prospective basis. The amount of the payment rate for all  
14 nursing facilities certified under the medical assistance  
15 program shall be prospectively established annually on the  
16 basis of historical, financial, and statistical data  
17 reflecting actual costs from prior years, which shall be  
18 applied to the current rate year and updated for inflation,  
19 except that the capital cost element for newly constructed  
20 facilities shall be based upon projected budgets. The  
21 annually established payment rate shall take effect on July 1  
22 in 1984 and subsequent years. No rate increase and no update

1 for inflation shall be provided on or after July 1, 1994 and  
2 before July 1, 2003, unless specifically provided for in this  
3 Section.

4 For facilities licensed by the Department of Public  
5 Health under the Nursing Home Care Act as Intermediate Care  
6 for the Developmentally Disabled facilities or Long Term Care  
7 for Under Age 22 facilities, the rates taking effect on July  
8 1, 1998 shall include an increase of 3%. For facilities  
9 licensed by the Department of Public Health under the Nursing  
10 Home Care Act as Skilled Nursing facilities or Intermediate  
11 Care facilities, the rates taking effect on July 1, 1998  
12 shall include an increase of 3% plus \$1.10 per resident-day,  
13 as defined by the Department.

14 For facilities licensed by the Department of Public  
15 Health under the Nursing Home Care Act as Intermediate Care  
16 for the Developmentally Disabled facilities or Long Term Care  
17 for Under Age 22 facilities, the rates taking effect on July  
18 1, 1999 shall include an increase of 1.6% plus \$3.00 per  
19 resident-day, as defined by the Department. For facilities  
20 licensed by the Department of Public Health under the Nursing  
21 Home Care Act as Skilled Nursing facilities or Intermediate  
22 Care facilities, the rates taking effect on July 1, 1999  
23 shall include an increase of 1.6% and, for services provided  
24 on or after October 1, 1999, shall be increased by \$4.00 per  
25 resident-day, as defined by the Department.

26 For facilities licensed by the Department of Public  
27 Health under the Nursing Home Care Act as Intermediate Care  
28 for the Developmentally Disabled facilities or Long Term Care  
29 for Under Age 22 facilities, the rates taking effect on July  
30 1, 2000 shall include an increase of 2.5% per resident-day,  
31 as defined by the Department. For facilities licensed by the  
32 Department of Public Health under the Nursing Home Care Act  
33 as Skilled Nursing facilities or Intermediate Care  
34 facilities, the rates taking effect on July 1, 2000 shall

1 include an increase of 2.5% per resident-day, as defined by  
2 the Department.

3 For facilities licensed by the Department of Public  
4 Health under the Nursing Home Care Act as skilled nursing  
5 facilities or intermediate care facilities, a new payment  
6 methodology must be implemented for the nursing component of  
7 the rate effective July 1, 2004 2003. The Department of  
8 Public Aid shall develop the new payment methodology using  
9 the Minimum Data Set (MDS) as the instrument to collect  
10 information concerning nursing home resident condition  
11 necessary to compute the rate. The Department of Public Aid  
12 shall develop the new payment methodology to meet the unique  
13 needs of Illinois nursing home residents while remaining  
14 subject to the appropriations provided by the General  
15 Assembly. A transition period from the payment methodology in  
16 effect on June 30, 2004 2003 to the payment methodology in  
17 effect on July 1, 2004 2003 shall be provided for a period  
18 not exceeding 2 years after implementation of the new payment  
19 methodology as follows:

20 (A) For a facility that would receive a lower  
21 nursing component rate per patient day under the new  
22 system than the facility received effective on the date  
23 immediately preceding the date that the Department  
24 implements the new payment methodology, the nursing  
25 component rate per patient day for the facility shall be  
26 held at the level in effect on the date immediately  
27 preceding the date that the Department implements the new  
28 payment methodology until a higher nursing component rate  
29 of reimbursement is achieved by that facility.

30 (B) For a facility that would receive a higher  
31 nursing component rate per patient day under the payment  
32 methodology in effect on July 1, 2004 2003 than the  
33 facility received effective on the date immediately  
34 preceding the date that the Department implements the new

1 payment methodology, the nursing component rate per  
2 patient day for the facility shall be adjusted.

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

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

13 For facilities licensed by the Department of Public  
14 Health under the Nursing Home Care Act as Intermediate Care  
15 for the Developmentally Disabled facilities or Long Term Care  
16 for Under Age 22 facilities, the rates taking effect on April  
17 1, 2002 shall include a statewide increase of 2.0%, as  
18 defined by the Department. This increase terminates on July  
19 1, 2002; beginning July 1, 2002 these rates are reduced to  
20 the level of the rates in effect on March 31, 2002, as  
21 defined by the Department.

22 For facilities licensed by the Department of Public  
23 Health under the Nursing Home Care Act as skilled nursing  
24 facilities or intermediate care facilities, the rates taking  
25 effect on July 1, 2001, and each subsequent year thereafter,  
26 shall be computed using the most recent cost reports on file  
27 with the Department of Public Aid no later than April 1,  
28 2000, updated for inflation to January 1, 2001. For rates  
29 effective July 1, 2001 only, rates shall be the greater of  
30 the rate computed for July 1, 2001 or the rate effective on  
31 June 30, 2001.

32 Notwithstanding any other provision of this Section, for  
33 facilities licensed by the Department of Public Health under  
34 the Nursing Home Care Act as skilled nursing facilities or

1 intermediate care facilities, the Illinois Department shall  
2 determine by rule the rates taking effect on July 1, 2002,  
3 which shall be 5.9% less than the rates in effect on June 30,  
4 2002.

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  
9 1, 1997. Such rates will be based upon the rates calculated  
10 for 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  
18 filed by each skilled care facility and intermediate care  
19 facility, updated to the midpoint of the current rate year.  
20 In determining rates for services rendered on and after July  
21 1, 1985, fixed time shall not be computed at less than zero.  
22 The Department shall not make any alterations of regulations  
23 which would reduce any component of the Medicaid rate to a  
24 level below what that component would have been utilizing in  
25 the rate effective on July 1, 1984.

26 (2) Shall take into account the actual costs incurred by  
27 facilities in providing services for recipients of skilled  
28 nursing and intermediate care services under the medical  
29 assistance program.

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

32 (4) Shall take into account the actual costs incurred by  
33 facilities in meeting licensing and certification standards  
34 imposed and prescribed by the State of Illinois, any of its

1 political subdivisions or municipalities and by the U.S.  
2 Department of Health and Human Services pursuant to Title XIX  
3 of the Social Security Act.

4 The Department of Public Aid shall develop precise  
5 standards for payments to reimburse nursing facilities for  
6 any utilization of appropriate rehabilitative personnel for  
7 the provision of rehabilitative services which is authorized  
8 by federal regulations, including reimbursement for services  
9 provided by qualified therapists or qualified assistants, and  
10 which is in accordance with accepted professional practices.  
11 Reimbursement also may be made for utilization of other  
12 supportive personnel under appropriate supervision.

13 (Source: P.A. 91-24, eff. 7-1-99; 91-712, eff. 7-1-00; 92-10,  
14 eff. 6-11-01; 92-31, eff. 6-28-01; 92-597, eff. 6-28-02;  
15 92-651, eff. 7-11-02; 92-848, eff. 1-1-03; revised 9-20-02.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law."