

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 5-5.4 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 by the Department of Public  
15 Health under the Nursing Home Care Act as ~~Intermediate--Care~~  
16 ~~for--the--Developmentally-Disabled-facilities~~, Long Term Care  
17 for Under Age 22 facilities, Skilled Nursing facilities, or  
18 Intermediate Care facilities under the medical assistance  
19 program shall be prospectively established annually on the  
20 basis of historical, financial, and statistical data  
21 reflecting actual costs from prior years, which shall be  
22 applied to the current rate year and updated for inflation,  
23 except that the capital cost element for newly constructed  
24 facilities shall be based upon projected budgets. The  
25 annually established payment rate shall take effect on July 1  
26 in 1984 and subsequent years. No rate increase and no update  
27 for inflation shall be provided on or after July 1, 1994 and  
28 before July 1, 2004, unless specifically provided for in this  
29 Section.

30 For facilities licensed by the Department of Public  
31 Health under the Nursing Home Care Act as Intermediate Care

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

9 For facilities licensed by the Department of Public  
10 Health under the Nursing Home Care Act as Intermediate Care  
11 for the Developmentally Disabled facilities or Long Term Care  
12 for Under Age 22 facilities, the rates taking effect on July  
13 1, 1999 shall include an increase of 1.6% plus \$3.00 per  
14 resident-day, as defined by the Department. For facilities  
15 licensed by the Department of Public Health under the Nursing  
16 Home Care Act as Skilled Nursing facilities or Intermediate  
17 Care facilities, the rates taking effect on July 1, 1999  
18 shall include an increase of 1.6% and, for services provided  
19 on or after October 1, 1999, shall be increased by \$4.00 per  
20 resident-day, as defined by the Department.

21 For facilities licensed by the Department of Public  
22 Health under the Nursing Home Care Act as Intermediate Care  
23 for the Developmentally Disabled facilities or Long Term Care  
24 for Under Age 22 facilities, the rates taking effect on July  
25 1, 2000 shall include an increase of 2.5% per resident-day,  
26 as defined by the Department. For facilities licensed by the  
27 Department of Public Health under the Nursing Home Care Act  
28 as Skilled Nursing facilities or Intermediate Care  
29 facilities, the rates taking effect on July 1, 2000 shall  
30 include an increase of 2.5% per resident-day, as defined by  
31 the Department.

32 For facilities licensed by the Department of Public  
33 Health under the Nursing Home Care Act as skilled nursing  
34 facilities or intermediate care facilities, a new payment

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

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

25 (B) For a facility that would receive a higher  
26 nursing component rate per patient day under the payment  
27 methodology in effect on July 1, 2003 than the facility  
28 received effective on the date immediately preceding the  
29 date that the Department implements the new payment  
30 methodology, the nursing component rate per patient day  
31 for the facility shall be adjusted.

32 (C) Notwithstanding paragraphs (A) and (B), the  
33 nursing component rate per patient day for the facility  
34 shall be adjusted subject to appropriations provided by

1 the General Assembly.

2 For facilities licensed by the Department of Public  
3 Health under the Nursing Home Care Act as Intermediate Care  
4 for the Developmentally Disabled facilities or Long Term Care  
5 for Under Age 22 facilities, the rates taking effect on March  
6 1, 2001 shall include a statewide increase of 7.85%, as  
7 defined by the Department.

8 For facilities licensed by the Department of Public  
9 Health under the Nursing Home Care Act as Intermediate Care  
10 for the Developmentally Disabled facilities or Long Term Care  
11 for Under Age 22 facilities, the rates taking effect on April  
12 1, 2002 shall include a statewide increase of 2.0%, as  
13 defined by the Department. This increase terminates on July  
14 1, 2002; beginning July 1, 2002 these rates are reduced to  
15 the level of the rates in effect on March 31, 2002, as  
16 defined by the Department.

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

26 Notwithstanding any other provision of this Section, for  
27 facilities licensed by the Department of Public Health under  
28 the Nursing Home Care Act as skilled nursing facilities or  
29 intermediate care facilities, the Illinois Department shall  
30 determine by rule the rates taking effect on July 1, 2002,  
31 which shall be 5.9% less than the rates in effect on June 30,  
32 2002.

33 Rates established effective each July 1 shall govern  
34 payment for services rendered throughout that fiscal year,

1 except that rates established on July 1, 1996 shall be  
2 increased by 6.8% for services provided on or after January  
3 1, 1997. Such rates will be based upon the rates calculated  
4 for the year beginning July 1, 1990, and for subsequent years  
5 thereafter until June 30, 2001 shall be based on the facility  
6 cost reports for the facility fiscal year ending at any point  
7 in time during the previous calendar year, updated to the  
8 midpoint of the rate year. The cost report shall be on file  
9 with the Department no later than April 1 of the current rate  
10 year. Should the cost report not be on file by April 1, the  
11 Department shall base the rate on the latest cost report  
12 filed by each skilled care facility and intermediate care  
13 facility, updated to the midpoint of the current rate year.  
14 In determining rates for services rendered on and after July  
15 1, 1985, fixed time shall not be computed at less than zero.  
16 The Department shall not make any alterations of regulations  
17 which would reduce any component of the Medicaid rate to a  
18 level below what that component would have been utilizing in  
19 the rate effective on July 1, 1984.

20 (2) Shall take into account the actual costs incurred by  
21 facilities in providing services for recipients of skilled  
22 nursing and intermediate care services under the medical  
23 assistance program.

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

26 (4) Shall take into account the actual costs incurred by  
27 facilities in meeting licensing and certification standards  
28 imposed and prescribed by the State of Illinois, any of its  
29 political subdivisions or municipalities and by the U.S.  
30 Department of Health and Human Services pursuant to Title XIX  
31 of the Social Security Act.

32 The Department of Public Aid shall develop precise  
33 standards for payments to reimburse nursing facilities for  
34 any utilization of appropriate rehabilitative personnel for

1 the provision of rehabilitative services which is authorized  
2 by federal regulations, including reimbursement for services  
3 provided by qualified therapists or qualified assistants, and  
4 which is in accordance with accepted professional practices.  
5 Reimbursement also may be made for utilization of other  
6 supportive personnel under appropriate supervision.

7 (Source: P.A. 92-10, eff. 6-11-01; 92-31, eff. 6-28-01;  
8 92-597, eff. 6-28-02; 92-651, eff. 7-11-02; 92-848, eff.  
9 1-1-03; 93-20, eff. 6-20-03.)

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