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LRB093 16715 DRJ 49437 a

1 AMENDMENT TO HOUSE BILL 5000

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5000, AS AMENDED, in  
3 Section 5, Sec. 1-36, by replacing subsections (b) through (f)  
4 with the following:

5 "(b) Contracts must ensure that the transition to a  
6 fee-for-service payment methodology beginning July 1, 2004  
7 will not cause any person receiving services to become  
8 ineligible or the level or quality of their service to be  
9 diminished, nor cause any person to be denied necessary  
10 services if the person is eligible for services.

11 (c) The Department of Human Services, in consultation with  
12 the departments of Public Aid, Public Health, and Children and  
13 Family Services and the Department on Aging, if applicable to  
14 the services under contract, shall adopt rules establishing the  
15 criteria, standards, and procedures for issuing the  
16 fee-for-service contracts, including but not limited to the  
17 fees to be paid for the services.

18 (d) In developing rules establishing conditions of  
19 participation and in developing performance standards, the  
20 Department shall provide an opportunity for public review and  
21 comment and for consultation with stakeholders before  
22 publishing and adopting those rules and performance standards.

23 (e) For the fiscal year beginning July 1, 2004, approved  
24 claims for payments for community services by grants, or  
25 payments by reimbursements for services billed under  
26 fee-for-service contracts, shall be paid in 12 monthly payments

1 equal to 1/12 of the grant amount or as prospective payments of  
2 estimated bills, and these payments must be received no later  
3 than the 8th calendar day of each month. The Department may  
4 adjust the amount of payments for errors or improper payments  
5 and for the reconciliation of estimated and actual billings  
6 that shall be determined quarterly. The Department may revise  
7 the schedule of payments after July 1, 2005 by rule.

8 (f) For the fiscal year beginning July 1, 2004, to ensure  
9 continuity of services for recipients of community services  
10 administered by the Department, and to ensure a smooth  
11 transition from any payment methodology not based on  
12 fee-for-service contracts, the Department shall provide an  
13 aggregate amount of funding through a combination of grants and  
14 contracts that will at least maintain the same level of  
15 services in effect for the prior fiscal year beginning July 1,  
16 2003. Individuals, organizations, or agencies who were  
17 providers of community services in the fiscal year beginning  
18 July 1, 2003, who are willing to comply with conditions of  
19 participation, and who meet performance standards established  
20 by the Department, shall be eligible as providers of services  
21 after July 1, 2004 for contracts under this Section that  
22 include terms that will enable them to at least maintain the  
23 same service capacity that they were providing in that prior  
24 fiscal year.

25 (g) Contracts under this Section shall include provisions  
26 for (i) adequate and timely notice to a provider of any  
27 determination by the Department that the provider is not in  
28 compliance with the contract or any standards of performance  
29 and (ii) an opportunity for the provider to take corrective  
30 action. A contract may be terminated if the provider fails to  
31 take corrective action. In the event of a contract termination,  
32 the Department must ensure that eligible persons receiving  
33 services under the contract will otherwise continue to receive  
34 necessary services in the community.

1       (h) The Department shall implement policies and procedures  
2 for recipients and providers of services to submit inquiries  
3 and resolve disputes with regard to the community services  
4 subject to contracts under this Section.

5       (i) Additional procedures, supplementary payments, or  
6 special rates may be adopted and implemented by the Department  
7 to ensure that unique circumstances of local areas, as defined  
8 by rule, can be met, including but not limited to circumstances  
9 in which there are not sufficient services available to meet  
10 basic needs or in which there is a need for specialty care.

11       (j) The Department shall require cost reports from  
12 providers of community services, as prescribed by rule, for the  
13 community services for which it will contract on a  
14 fee-for-service basis under this Section to determine the cost  
15 of services and other factors upon which the rates of payment  
16 shall be based. The Department, by rule, shall set rates to be  
17 paid for the various types of community services based on the  
18 cost reports. In developing rules establishing rates under this  
19 Section, the Department shall provide an opportunity for public  
20 review and comment and consultation with stakeholders before  
21 publishing and adopting those rules. Before adopting the rules,  
22 the Department shall obtain an evaluation and opinion by an  
23 independent certified public accountant comparing reported  
24 costs and proposed rates."