



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/09/04, by Dan Reitz

**SYNOPSIS AS INTRODUCED:**

305 ILCS 5/5-5.8c new

Amends the Illinois Public Aid Code. Provides that under the Medicaid program, a nursing home may place up to 50% of its beds on layaway; sets forth requirements for placing beds on layaway. Provides for adjustment of a nursing home's Medicaid payment rate based on the nursing home's layaway or delicensure of beds.

LRB093 15229 DRJ 47301 b

FISCAL NOTE ACT  
MAY APPLY

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 adding Section 5-5.8c as follows:

6 (305 ILCS 5/5-5.8c new)

7 Sec. 5-5.8c. Nursing homes; bed layaway.

8 (a) Upon prior written notice to the Department of Public  
9 Aid and in accordance with rules adopted by the Department, a  
10 nursing facility may place up to 50% of the facility's beds on  
11 layaway. A nursing facility may not discharge a resident in  
12 order to lay away a bed. Notice to the Department must be given  
13 60 days prior to the effective date of the layaway. Beds on  
14 layaway shall have the same status as voluntarily delicensed  
15 and decertified beds. In addition, beds on layaway may be  
16 removed from layaway at any time on or after one year after the  
17 effective date of layaway in the facility of origin, with a  
18 60-day notice to the Department. A nursing facility that  
19 removes beds from layaway may not place beds on layaway status  
20 for one year after the effective date of the removal from  
21 layaway. The Department may approve the immediate removal of  
22 beds from layaway if necessary to provide access to those  
23 nursing home beds to residents relocated from other nursing  
24 homes due to emergency situations or closure. If approval is  
25 granted, the one-year restriction on placing beds on layaway  
26 after a removal of beds from layaway shall not apply. Beds may  
27 remain on layaway for up to 5 years.

28 (b) For rate years beginning on or after July 1, 2005, a  
29 nursing facility reimbursed under this Article that has placed  
30 beds on layaway shall have those beds given the same effect as  
31 if the beds had been delicensed, so long as the beds remain on  
32 layaway. At the time of a layaway, a facility may change its

1 single bed election for use in calculating capacity days. The  
2 property payment rate increase shall be effective the first day  
3 of the month following the month in which the layaway of the  
4 beds becomes effective.

5 (c) For rate years beginning on or after July 1, 2005, a  
6 nursing facility that has placed beds on layaway shall, for so  
7 long as the beds remain on layaway, be allowed to do the  
8 following:

9 (1) Aggregate the applicable investment per bed limits  
10 based on the number of beds licensed immediately before  
11 entering the alternative payment system.

12 (2) Retain or change the facility's single bed election  
13 for use in calculating capacity days as provided by rule.

14 (3) Establish capacity days based on the number of beds  
15 immediately before the layaway and the number of beds after  
16 the layaway. The Department shall increase the facility's  
17 property payment rate according to rules adopted by the  
18 Department.

19 (d) If a nursing facility removes a bed from layaway status  
20 in accordance with rules adopted by the Department, the  
21 Department shall establish capacity days based on the number of  
22 licensed and certified beds in the facility not on layaway and  
23 shall reduce the nursing facility's property payment rate in  
24 accordance with subsection (c).

25 (e) For rate years beginning on or after July 1, 2005, a  
26 nursing facility that has delicensed beds after July 1, 2005 by  
27 giving notice of the delicensure to the Department of Public  
28 Aid according to rules adopted by the Department shall be  
29 allowed to do the following:

30 (1) Aggregate the applicable investment per bed limits  
31 based on the number of beds licensed immediately before  
32 entering the alternative payment system.

33 (2) Retain or change the facility's single bed election  
34 for use in calculating capacity days as provided by rule.

35 (3) Establish capacity days based on the number of beds  
36 immediately before the delicensure and the number of beds

1 after the delicensure. The Department shall increase the  
2 facility's property payment rate according to rules  
3 adopted by the Department.

4 (f) Any beds placed on layaway shall not be included in  
5 calculating facility occupancy as it pertains to leave days as  
6 provided in rules adopted by the Department.

7 (g) The rental rate calculated after placing beds on  
8 layaway may not be less than the rental rate before placing  
9 beds on layaway.

10 (h) A facility that does not utilize the space made  
11 available as a result of bed layaway or delicensure under this  
12 Section to reduce the number of beds per room or provide more  
13 common space for nursing facility uses or perform other  
14 activities related to the operation of the nursing facility  
15 shall have its property rate increase calculated under this  
16 Section reduced according to rules adopted by the Department.