



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1730

Introduced 2/22/2007, by Rep. Kevin Joyce

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.4d new

Amends the Illinois Public Aid Code. Provides for an increase in Medicaid rates for nursing homes for the sole purpose of increasing wages or providing new or enhanced employee benefits for non-supervisory employees. Requires nursing homes to apply for the rate increase. Requires nursing homes to document the use of moneys paid to them under this provision, and provides for penalties if the Department of Healthcare and Family Services determines that a nursing home spent any of the moneys for a purpose other than increasing wages or providing new or enhanced benefits for non-supervisory employees. Effective immediately.

LRB095 07152 DRJ 31270 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 5-5.4d as follows:

6 (305 ILCS 5/5-5.4d new)

7 Sec. 5-5.4d. Nursing facilities; rate increase for wages or  
8 benefits for non-supervisory employees.

9 (a) A facility licensed by the Department of Public Health  
10 under the Nursing Home Care Act as a skilled nursing facility,  
11 intermediate care facility, or skilled nursing for under age 22  
12 facility is eligible for an increase in the rates paid to the  
13 facility under this Article for services provided on or after  
14 July 1, 2007. Any increase paid to a facility under this  
15 Section shall be for the sole purpose of increasing wages or  
16 providing new or enhanced employee benefits for  
17 non-supervisory employees of the facility. The amount of the  
18 increase shall equal \$2 per non-supervisory employee hour. This  
19 amount shall be included in the rate or other payments made by  
20 the Department of Healthcare and Family Services on behalf of  
21 residents of long-term care facilities under this Article. The  
22 Department shall adopt all rules, including State plan  
23 amendments, that are necessary to obtain available federal

1 financial participation as provided under Title XIX of the  
2 Social Security Act. Fifty percent of the additional payment  
3 authorized under this Section shall be for increased wage  
4 payments to non-supervisory employees, and 50% shall be applied  
5 to employee benefit increases provided by the facility to  
6 non-supervisory employees.

7 (b) For purposes of this Section, "employee benefits" may  
8 include, but are not limited to, the following:

9 (1) Paid leave (for example, vacation, sick leave,  
10 holidays, and personal leave).

11 (2) Health insurance, life insurance, and disability  
12 insurance.

13 (3) Retirement benefits.

14 (4) Other employee benefits approved, in advance, by  
15 the Department of Healthcare and Family Services.

16 (c) A facility must apply to the Department of Healthcare  
17 and Family Services for the rate increase authorized under this  
18 Section and must do so in the form and manner determined by the  
19 Department.

20 (d) A facility must document that a payment increase  
21 received under this Section was actually used to fund wage  
22 increases or new or enhanced employee benefits for the  
23 facility's non-supervisory employees. A facility may provide  
24 that documentation by either of the following methods:

25 (1) An audited supplement to the facility's cost report  
26 provided by an independent accountant, based on a review of

1 payroll records, that verifies the expenditures.

2 (2) A copy of the terms of an executed collective  
3 bargaining agreement between the facility and its  
4 non-supervisory employees that requires the expenditures.

5 (e) If the Department of Healthcare and Family Services  
6 determines, after notice and a hearing, that any moneys paid to  
7 a facility under this Section were used for a purpose other  
8 than increasing wages or providing new or enhanced employee  
9 benefits for non-supervisory employees, the Department shall  
10 direct the facility to increase wages or provide new or  
11 enhanced employee benefits for the facility's non-supervisory  
12 employees, or both, to the extent necessary to ensure that the  
13 entire amount of the increase paid to the facility under this  
14 Section is used for those purposes. In addition, for the  
15 purpose of offsetting the cost of auditing and enforcement in  
16 connection with this Section, the Department shall recoup from  
17 the facility an amount equal to 50% of the amount of the  
18 increase paid to the facility under this Section that the  
19 facility did not use to fund wage increases or new or enhanced  
20 employee benefits for its non-supervisory employees.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.