

SB0322



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0322

Introduced 2/7/2007, by Sen. Don Harmon

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 05071 DRJ 29143 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.