

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 5-5.5 as follows:

6 (305 ILCS 5/5-5.5) (from Ch. 23, par. 5-5.5)

7 Sec. 5-5.5. Elements of Payment Rate.

8 (a) The ~~The~~ Department of Healthcare and Family Services  
9 shall develop a prospective method for determining payment  
10 rates for skilled nursing and intermediate care services in  
11 nursing facilities composed of the following cost elements:

12 (1) Standard Services, with the cost of this component  
13 being determined by taking into account the actual costs to  
14 the facilities of these services subject to cost ceilings  
15 to be defined in the Department's rules.

16 (2) Resident Services, with the cost of this component  
17 being determined by taking into account the actual costs,  
18 needs and utilization of these services, as derived from an  
19 assessment of the resident needs in the nursing facilities.  
20 The Department shall adopt rules governing reimbursement  
21 for resident services as listed in Section 5-1.1. Surveys  
22 or assessments of resident needs under this Section shall  
23 include a review by the facility of the results of such

1 assessments and a discussion of issues in dispute with  
2 authorized survey staff, unless the facility elects not to  
3 participate in such a review process. Surveys or  
4 assessments of resident needs under this Section may be  
5 conducted semi-annually and payment rates relating to  
6 resident services may be changed on a semi-annual basis.  
7 The Illinois Department shall initiate a project, either on  
8 a pilot basis or Statewide, to reimburse the cost of  
9 resident services based on a methodology which utilizes an  
10 assessment of resident needs to determine the level of  
11 reimbursement. This methodology shall be different from  
12 the payment criteria for resident services utilized by the  
13 Illinois Department on July 1, 1981. On March 1, 1982, and  
14 each year thereafter, until such time when the Illinois  
15 Department adopts the methodology used in such project for  
16 use statewide, the Illinois Department shall report to the  
17 General Assembly on the implementation and progress of such  
18 project. The report shall include:

19 (A) A statement of the Illinois Department's goals  
20 and objectives for such project;

21 (B) A description of such project, including the  
22 number and type of nursing facilities involved in the  
23 project;

24 (C) A description of the methodology used in such  
25 project;

26 (D) A description of the Illinois Department's

1 application of the methodology;

2 (E) A statement on the methodology's effect on the  
3 quality of care given to residents in the sample  
4 nursing facilities; and

5 (F) A statement on the cost of the methodology used  
6 in such project and a comparison of this cost with the  
7 cost of the current payment criteria.

8 (3) Ancillary Services, with the payment rate being  
9 developed for each individual type of service. Payment  
10 shall be made only when authorized under procedures  
11 developed by the Department of Healthcare and Family  
12 Services.

13 (4) Nurse's Aide Training, with the cost of this  
14 component being determined by taking into account the  
15 actual cost to the facilities of such training.

16 (5) Real Estate Taxes, with the cost of this component  
17 being determined by taking into account the figures  
18 contained in the most currently available cost reports  
19 (with no imposition of maximums) updated to the midpoint of  
20 the current rate year for long term care services rendered  
21 between July 1, 1984 and June 30, 1985, and with the cost  
22 of this component being determined by taking into account  
23 the actual 1983 taxes for which the nursing homes were  
24 assessed (with no imposition of maximums) updated to the  
25 midpoint of the current rate year for long term care  
26 services rendered between July 1, 1985 and June 30, 1986.

1           (b) In developing a prospective method for determining  
2 payment rates for skilled nursing and intermediate care  
3 services in nursing facilities, the Department of Healthcare  
4 and Family Services shall consider the following cost elements:

5           (1) Reasonable capital cost determined by utilizing  
6 incurred interest rate and the current value of the  
7 investment, including land, utilizing composite rates, or  
8 by utilizing such other reasonable cost related methods  
9 determined by the Department. However, beginning with the  
10 rate reimbursement period effective July 1, 1987, the  
11 Department shall be prohibited from establishing,  
12 including, and implementing any depreciation factor in  
13 calculating the capital cost element.

14           (2) Profit, with the actual amount being produced and  
15 accruing to the providers in the form of a return on their  
16 total investment, on the basis of their ability to  
17 economically and efficiently deliver a type of service. The  
18 method of payment may assure the opportunity for a profit,  
19 but shall not guarantee or establish a specific amount as a  
20 cost.

21           (c) The Illinois Department may implement the amendatory  
22 changes to this Section made by this amendatory Act of 1991  
23 through the use of emergency rules in accordance with the  
24 provisions of Section 5.02 of the Illinois Administrative  
25 Procedure Act. For purposes of the Illinois Administrative  
26 Procedure Act, the adoption of rules to implement the

1 amendatory changes to this Section made by this amendatory Act  
2 of 1991 shall be deemed an emergency and necessary for the  
3 public interest, safety and welfare.

4 (d) No later than January 1, 2001, the Department of Public  
5 Aid shall file with the Joint Committee on Administrative  
6 Rules, pursuant to the Illinois Administrative Procedure Act, a  
7 proposed rule, or a proposed amendment to an existing rule,  
8 regarding payment for appropriate services, including  
9 assessment, care planning, discharge planning, and treatment  
10 provided by nursing facilities to residents who have a serious  
11 mental illness.

12 (Source: P.A. 95-331, eff. 8-21-07.)