



Executive Committee

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09600HB0503ham001

LRB096 05782 DRJ 21458 a

1 AMENDMENT TO HOUSE BILL 503

2 AMENDMENT NO. _____. Amend House Bill 503 by replacing
3 everything after the enacting clause with the following:

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

1 being determined by taking into account the actual costs,
2 needs and utilization of these services, as derived from an
3 assessment of the resident needs in the nursing facilities.
4 The Department shall adopt rules governing reimbursement
5 for resident services as listed in Section 5-1.1. Surveys
6 or assessments of resident needs under this Section shall
7 include a review by the facility of the results of such
8 assessments and a discussion of issues in dispute with
9 authorized survey staff, unless the facility elects not to
10 participate in such a review process. Surveys or
11 assessments of resident needs under this Section may be
12 conducted semi-annually and payment rates relating to
13 resident services may be changed on a semi-annual basis.
14 The Illinois Department shall initiate a project, either on
15 a pilot basis or Statewide, to reimburse the cost of
16 resident services based on a methodology which utilizes an
17 assessment of resident needs to determine the level of
18 reimbursement. This methodology shall be different from
19 the payment criteria for resident services utilized by the
20 Illinois Department on July 1, 1981. On March 1, 1982, and
21 each year thereafter, until such time when the Illinois
22 Department adopts the methodology used in such project for
23 use statewide, the Illinois Department shall report to the
24 General Assembly on the implementation and progress of such
25 project. The report shall include:

26 (A) A statement of the Illinois Department's goals

1 and objectives for such project;

2 (B) A description of such project, including the
3 number and type of nursing facilities involved in the
4 project;

5 (C) A description of the methodology used in such
6 project;

7 (D) A description of the Illinois Department's
8 application of the methodology;

9 (E) A statement on the methodology's effect on the
10 quality of care given to residents in the sample
11 nursing facilities; and

12 (F) A statement on the cost of the methodology used
13 in such project and a comparison of this cost with the
14 cost of the current payment criteria.

15 (3) Ancillary Services, with the payment rate being
16 developed for each individual type of service. Payment
17 shall be made only when authorized under procedures
18 developed by the Department of Healthcare and Family
19 Services.

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

23 (5) Real Estate Taxes, with the cost of this component
24 being determined by taking into account the figures
25 contained in the most currently available cost reports
26 (with no imposition of maximums) updated to the midpoint of

1 the current rate year for long term care services rendered
2 between July 1, 1984 and June 30, 1985, and with the cost
3 of this component being determined by taking into account
4 the actual 1983 taxes for which the nursing homes were
5 assessed (with no imposition of maximums) updated to the
6 midpoint of the current rate year for long term care
7 services rendered between July 1, 1985 and June 30, 1986.

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

12 (1) Reasonable capital cost determined by utilizing
13 incurred interest rate and the current value of the
14 investment, including land, utilizing composite rates, or
15 by utilizing such other reasonable cost related methods
16 determined by the Department. However, beginning with the
17 rate reimbursement period effective July 1, 1987, the
18 Department shall be prohibited from establishing,
19 including, and implementing any depreciation factor in
20 calculating the capital cost element.

21 (2) Profit, with the actual amount being produced and
22 accruing to the providers in the form of a return on their
23 total investment, on the basis of their ability to
24 economically and efficiently deliver a type of service. The
25 method of payment may assure the opportunity for a profit,
26 but shall not guarantee or establish a specific amount as a

1 cost.

2 (c) The Illinois Department may implement the amendatory
3 changes to this Section made by this amendatory Act of 1991
4 through the use of emergency rules in accordance with the
5 provisions of Section 5.02 of the Illinois Administrative
6 Procedure Act. For purposes of the Illinois Administrative
7 Procedure Act, the adoption of rules to implement the
8 amendatory changes to this Section made by this amendatory Act
9 of 1991 shall be deemed an emergency and necessary for the
10 public interest, safety and welfare.

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

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