



Executive Committee

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1 AMENDMENT TO HOUSE BILL 662

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 662 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 5-5.4 as follows:

6 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

7 Sec. 5-5.4. Standards of Payment - Department of Healthcare  
8 and Family Services. The ~~The~~ Department of Healthcare and  
9 Family Services shall develop standards of payment of skilled  
10 nursing and intermediate care services in facilities providing  
11 such services under this Article which:

12 (1) Provide for the determination of a facility's payment  
13 for skilled nursing and intermediate care services on a  
14 prospective basis. The amount of the payment rate for all  
15 nursing facilities certified by the Department of Public Health  
16 under the Nursing Home Care Act as Intermediate Care for the

1 Developmentally Disabled facilities, Long Term Care for Under  
2 Age 22 facilities, Skilled Nursing facilities, or Intermediate  
3 Care facilities under the medical assistance program shall be  
4 prospectively established annually on the basis of historical,  
5 financial, and statistical data reflecting actual costs from  
6 prior years, which shall be applied to the current rate year  
7 and updated for inflation, except that the capital cost element  
8 for newly constructed facilities shall be based upon projected  
9 budgets. The annually established payment rate shall take  
10 effect on July 1 in 1984 and subsequent years. No rate increase  
11 and no update for inflation shall be provided on or after July  
12 1, 1994 and before July 1, 2009, unless specifically provided  
13 for in this Section. The changes made by Public Act 93-841  
14 extending the duration of the prohibition against a rate  
15 increase or update for inflation are effective retroactive to  
16 July 1, 2004.

17 For facilities licensed by the Department of Public Health  
18 under the Nursing Home Care Act as Intermediate Care for the  
19 Developmentally Disabled facilities or Long Term Care for Under  
20 Age 22 facilities, the rates taking effect on July 1, 1998  
21 shall include an increase of 3%. For facilities licensed by the  
22 Department of Public Health under the Nursing Home Care Act as  
23 Skilled Nursing facilities or Intermediate Care facilities,  
24 the rates taking effect on July 1, 1998 shall include an  
25 increase of 3% plus \$1.10 per resident-day, as defined by the  
26 Department. For facilities licensed by the Department of Public

1 Health under the Nursing Home Care Act as Intermediate Care  
2 Facilities for the Developmentally Disabled or Long Term Care  
3 for Under Age 22 facilities, the rates taking effect on January  
4 1, 2006 shall include an increase of 3%. For facilities  
5 licensed by the Department of Public Health under the Nursing  
6 Home Care Act as Intermediate Care Facilities for the  
7 Developmentally Disabled or Long Term Care for Under Age 22  
8 facilities, the rates taking effect on January 1, 2009 shall  
9 include an increase sufficient to provide a \$0.50 per hour wage  
10 increase for non-executive staff.

11 For facilities licensed by the Department of Public Health  
12 under the Nursing Home Care Act as Intermediate Care for the  
13 Developmentally Disabled facilities or Long Term Care for Under  
14 Age 22 facilities, the rates taking effect on July 1, 1999  
15 shall include an increase of 1.6% plus \$3.00 per resident-day,  
16 as defined by the Department. For facilities licensed by the  
17 Department of Public Health under the Nursing Home Care Act as  
18 Skilled Nursing facilities or Intermediate Care facilities,  
19 the rates taking effect on July 1, 1999 shall include an  
20 increase of 1.6% and, for services provided on or after October  
21 1, 1999, shall be increased by \$4.00 per resident-day, as  
22 defined by the Department.

23 For facilities licensed by the Department of Public Health  
24 under the Nursing Home Care Act as Intermediate Care for the  
25 Developmentally Disabled facilities or Long Term Care for Under  
26 Age 22 facilities, the rates taking effect on July 1, 2000

1 shall include an increase of 2.5% per resident-day, as defined  
2 by the Department. For facilities licensed by the Department of  
3 Public Health under the Nursing Home Care Act as Skilled  
4 Nursing facilities or Intermediate Care facilities, the rates  
5 taking effect on July 1, 2000 shall include an increase of 2.5%  
6 per resident-day, as defined by the Department.

7 For facilities licensed by the Department of Public Health  
8 under the Nursing Home Care Act as skilled nursing facilities  
9 or intermediate care facilities, a new payment methodology must  
10 be implemented for the nursing component of the rate effective  
11 July 1, 2003. The Department of Public Aid (now Healthcare and  
12 Family Services) shall develop the new payment methodology  
13 using the Minimum Data Set (MDS) as the instrument to collect  
14 information concerning nursing home resident condition  
15 necessary to compute the rate. The Department shall develop the  
16 new payment methodology to meet the unique needs of Illinois  
17 nursing home residents while remaining subject to the  
18 appropriations provided by the General Assembly. A transition  
19 period from the payment methodology in effect on June 30, 2003  
20 to the payment methodology in effect on July 1, 2003 shall be  
21 provided for a period not exceeding 3 years and 184 days after  
22 implementation of the new payment methodology as follows:

23 (A) For a facility that would receive a lower nursing  
24 component rate per patient day under the new system than  
25 the facility received effective on the date immediately  
26 preceding the date that the Department implements the new

1 payment methodology, the nursing component rate per  
2 patient day for the facility shall be held at the level in  
3 effect on the date immediately preceding the date that the  
4 Department implements the new payment methodology until a  
5 higher nursing component rate of reimbursement is achieved  
6 by that facility.

7 (B) For a facility that would receive a higher nursing  
8 component rate per patient day under the payment  
9 methodology in effect on July 1, 2003 than the facility  
10 received effective on the date immediately preceding the  
11 date that the Department implements the new payment  
12 methodology, the nursing component rate per patient day for  
13 the facility shall be adjusted.

14 (C) Notwithstanding paragraphs (A) and (B), the  
15 nursing component rate per patient day for the facility  
16 shall be adjusted subject to appropriations provided by the  
17 General Assembly.

18 For facilities licensed by the Department of Public Health  
19 under the Nursing Home Care Act as Intermediate Care for the  
20 Developmentally Disabled facilities or Long Term Care for Under  
21 Age 22 facilities, the rates taking effect on March 1, 2001  
22 shall include a statewide increase of 7.85%, as defined by the  
23 Department.

24 Notwithstanding any other provision of this Section, for  
25 facilities licensed by the Department of Public Health under  
26 the Nursing Home Care Act as skilled nursing facilities or

1 intermediate care facilities, the numerator of the ratio used  
2 by the Department of Healthcare and Family Services to compute  
3 the rate payable under this Section using the Minimum Data Set  
4 (MDS) methodology shall incorporate the following annual  
5 amounts as the additional funds appropriated to the Department  
6 specifically to pay for rates based on the MDS nursing  
7 component methodology in excess of the funding in effect on  
8 December 31, 2006:

9 (i) For rates taking effect January 1, 2007,  
10 \$60,000,000.

11 (ii) For rates taking effect January 1, 2008,  
12 \$110,000,000.

13 (iii) For rates taking effect January 1, 2009,  
14 \$194,000,000.

15 Notwithstanding any other provision of this Section, for  
16 facilities licensed by the Department of Public Health under  
17 the Nursing Home Care Act as skilled nursing facilities or  
18 intermediate care facilities, the support component of the  
19 rates taking effect on January 1, 2008 shall be computed using  
20 the most recent cost reports on file with the Department of  
21 Healthcare and Family Services no later than April 1, 2005,  
22 updated for inflation to January 1, 2006.

23 For facilities licensed by the Department of Public Health  
24 under the Nursing Home Care Act as Intermediate Care for the  
25 Developmentally Disabled facilities or Long Term Care for Under  
26 Age 22 facilities, the rates taking effect on April 1, 2002

1 shall include a statewide increase of 2.0%, as defined by the  
2 Department. This increase terminates on July 1, 2002; beginning  
3 July 1, 2002 these rates are reduced to the level of the rates  
4 in effect on March 31, 2002, as defined by the Department.

5 For facilities licensed by the Department of Public Health  
6 under the Nursing Home Care Act as skilled nursing facilities  
7 or intermediate care facilities, the rates taking effect on  
8 July 1, 2001 shall be computed using the most recent cost  
9 reports on file with the Department of Public Aid no later than  
10 April 1, 2000, updated for inflation to January 1, 2001. For  
11 rates effective July 1, 2001 only, rates shall be the greater  
12 of the rate computed for July 1, 2001 or the rate effective on  
13 June 30, 2001.

14 Notwithstanding any other provision of this Section, for  
15 facilities licensed by the Department of Public Health under  
16 the Nursing Home Care Act as skilled nursing facilities or  
17 intermediate care facilities, the Illinois Department shall  
18 determine by rule the rates taking effect on July 1, 2002,  
19 which shall be 5.9% less than the rates in effect on June 30,  
20 2002.

21 Notwithstanding any other provision of this Section, for  
22 facilities licensed by the Department of Public Health under  
23 the Nursing Home Care Act as skilled nursing facilities or  
24 intermediate care facilities, if the payment methodologies  
25 required under Section 5A-12 and the waiver granted under 42  
26 CFR 433.68 are approved by the United States Centers for

1 Medicare and Medicaid Services, the rates taking effect on July  
2 1, 2004 shall be 3.0% greater than the rates in effect on June  
3 30, 2004. These rates shall take effect only upon approval and  
4 implementation of the payment methodologies required under  
5 Section 5A-12.

6 Notwithstanding any other provisions of this Section, for  
7 facilities licensed by the Department of Public Health under  
8 the Nursing Home Care Act as skilled nursing facilities or  
9 intermediate care facilities, the rates taking effect on  
10 January 1, 2005 shall be 3% more than the rates in effect on  
11 December 31, 2004.

12 Notwithstanding any other provision of this Section, for  
13 facilities licensed by the Department of Public Health under  
14 the Nursing Home Care Act as skilled nursing facilities or  
15 intermediate care facilities, effective January 1, 2009, the  
16 per diem support component of the rates effective on January 1,  
17 2008, computed using the most recent cost reports on file with  
18 the Department of Healthcare and Family Services no later than  
19 April 1, 2005, updated for inflation to January 1, 2006, shall  
20 be increased to the amount that would have been derived using  
21 standard Department of Healthcare and Family Services methods,  
22 procedures, and inflators.

23 Notwithstanding any other provisions of this Section, for  
24 facilities licensed by the Department of Public Health under  
25 the Nursing Home Care Act as intermediate care facilities that  
26 are federally defined as Institutions for Mental Disease, a



1 socio-development component rate equal to 6.6% of the  
2 facility's nursing component rate as of January 1, 2006 shall  
3 be established and paid effective July 1, 2006. The  
4 socio-development component of the rate shall be increased by a  
5 factor of 2.53 on the first day of the month that begins at  
6 least 45 days after January 11, 2008 (the effective date of  
7 Public Act 95-707). As of August 1, 2008, the socio-development  
8 component rate shall be equal to 6.6% of the facility's nursing  
9 component rate as of January 1, 2006, multiplied by a factor of  
10 3.53. The Illinois Department may by rule adjust these  
11 socio-development component rates, but in no case may such  
12 rates be diminished.

13 For facilities licensed by the Department of Public Health  
14 under the Nursing Home Care Act as Intermediate Care for the  
15 Developmentally Disabled facilities or as long-term care  
16 facilities for residents under 22 years of age, the rates  
17 taking effect on July 1, 2003 shall include a statewide  
18 increase of 4%, as defined by the Department.

19 For facilities licensed by the Department of Public Health  
20 under the Nursing Home Care Act as Intermediate Care for the  
21 Developmentally Disabled facilities or Long Term Care for Under  
22 Age 22 facilities, the rates taking effect on the first day of  
23 the month that begins at least 45 days after the effective date  
24 of this amendatory Act of the 95th General Assembly shall  
25 include a statewide increase of 2.5%, as defined by the  
26 Department.

1           Notwithstanding any other provision of this Section, for  
2 facilities licensed by the Department of Public Health under  
3 the Nursing Home Care Act as skilled nursing facilities or  
4 intermediate care facilities, effective January 1, 2005,  
5 facility rates shall be increased by the difference between (i)  
6 a facility's per diem property, liability, and malpractice  
7 insurance costs as reported in the cost report filed with the  
8 Department of Public Aid and used to establish rates effective  
9 July 1, 2001 and (ii) those same costs as reported in the  
10 facility's 2002 cost report. These costs shall be passed  
11 through to the facility without caps or limitations, except for  
12 adjustments required under normal auditing procedures.

13           Rates established effective each July 1 shall govern  
14 payment for services rendered throughout that fiscal year,  
15 except that rates established on July 1, 1996 shall be  
16 increased by 6.8% for services provided on or after January 1,  
17 1997. Such rates will be based upon the rates calculated for  
18 the year beginning July 1, 1990, and for subsequent years  
19 thereafter until June 30, 2001 shall be based on the facility  
20 cost reports for the facility fiscal year ending at any point  
21 in time during the previous calendar year, updated to the  
22 midpoint of the rate year. The cost report shall be on file  
23 with the Department no later than April 1 of the current rate  
24 year. Should the cost report not be on file by April 1, the  
25 Department shall base the rate on the latest cost report filed  
26 by each skilled care facility and intermediate care facility,

1 updated to the midpoint of the current rate year. In  
2 determining rates for services rendered on and after July 1,  
3 1985, fixed time shall not be computed at less than zero. The  
4 Department shall not make any alterations of regulations which  
5 would reduce any component of the Medicaid rate to a level  
6 below what that component would have been utilizing in the rate  
7 effective on July 1, 1984.

8 (2) Shall take into account the actual costs incurred by  
9 facilities in providing services for recipients of skilled  
10 nursing and intermediate care services under the medical  
11 assistance program.

12 (3) Shall take into account the medical and psycho-social  
13 characteristics and needs of the patients.

14 (4) Shall take into account the actual costs incurred by  
15 facilities in meeting licensing and certification standards  
16 imposed and prescribed by the State of Illinois, any of its  
17 political subdivisions or municipalities and by the U.S.  
18 Department of Health and Human Services pursuant to Title XIX  
19 of the Social Security Act.

20 The Department of Healthcare and Family Services shall  
21 develop precise standards for payments to reimburse nursing  
22 facilities for any utilization of appropriate rehabilitative  
23 personnel for the provision of rehabilitative services which is  
24 authorized by federal regulations, including reimbursement for  
25 services provided by qualified therapists or qualified  
26 assistants, and which is in accordance with accepted

1 professional practices. Reimbursement also may be made for  
2 utilization of other supportive personnel under appropriate  
3 supervision.

4 (Source: P.A. 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; 94-697,  
5 eff. 11-21-05; 94-838, eff. 6-6-06; 94-964, eff. 6-28-06;  
6 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;  
7 95-744, eff. 7-18-08.)".