



Executive Committee

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1 AMENDMENT TO HOUSE BILL 664

2 AMENDMENT NO. _____. Amend House Bill 664 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.)".