



Sen. Heather A. Steans

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1 AMENDMENT TO SENATE BILL 1667

2 AMENDMENT NO. _____. Amend Senate Bill 1667 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 nursing
10 facility and ICF/DD services in facilities providing such
11 services under this Article which:

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

1 Care for the Developmentally Disabled facilities, Long Term
2 Care for Under Age 22 facilities, Skilled Nursing facilities,
3 or Intermediate Care facilities under the medical assistance
4 program shall be prospectively established annually on the
5 basis of historical, financial, and statistical data
6 reflecting actual costs from prior years, which shall be
7 applied to the current rate year and updated for inflation,
8 except that the capital cost element for newly constructed
9 facilities shall be based upon projected budgets. The annually
10 established payment rate shall take effect on July 1 in 1984
11 and subsequent years. No rate increase and no update for
12 inflation shall be provided on or after July 1, 1994 and before
13 July 1, 2012, unless specifically provided for in this Section.
14 The changes made by Public Act 93-841 extending the duration of
15 the prohibition against a rate increase or update for inflation
16 are effective retroactive to 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, except facilities participating
2 in the Department's demonstration program pursuant to the
3 provisions of Title 77, Part 300, Subpart T of the Illinois
4 Administrative Code, the numerator of the ratio used by the
5 Department of Healthcare and Family Services to compute the
6 rate payable under this Section using the Minimum Data Set
7 (MDS) methodology shall incorporate the following annual
8 amounts as the additional funds appropriated to the Department
9 specifically to pay for rates based on the MDS nursing
10 component methodology in excess of the funding in effect on
11 December 31, 2006:

12 (i) For rates taking effect January 1, 2007,
13 \$60,000,000.

14 (ii) For rates taking effect January 1, 2008,
15 \$110,000,000.

16 (iii) For rates taking effect January 1, 2009,
17 \$194,000,000.

18 (iv) For rates taking effect April 1, 2011, or the
19 first day of the month that begins at least 45 days after
20 the effective date of this amendatory Act of the 96th
21 General Assembly, \$416,500,000 or an amount as may be
22 necessary to complete the transition to the MDS methodology
23 for the nursing component of the rate.

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 support component of the
2 rates taking effect on January 1, 2008 shall be computed using
3 the most recent cost reports on file with the Department of
4 Healthcare and Family Services no later than April 1, 2005,
5 updated for inflation to January 1, 2006.

6 For facilities licensed by the Department of Public Health
7 under the Nursing Home Care Act as Intermediate Care for the
8 Developmentally Disabled facilities or Long Term Care for Under
9 Age 22 facilities, the rates taking effect on April 1, 2002
10 shall include a statewide increase of 2.0%, as defined by the
11 Department. This increase terminates on July 1, 2002; beginning
12 July 1, 2002 these rates are reduced to the level of the rates
13 in effect on March 31, 2002, as defined by the Department.

14 For facilities licensed by the Department of Public Health
15 under the Nursing Home Care Act as skilled nursing facilities
16 or intermediate care facilities, the rates taking effect on
17 July 1, 2001 shall be computed using the most recent cost
18 reports on file with the Department of Public Aid no later than
19 April 1, 2000, updated for inflation to January 1, 2001. For
20 rates effective July 1, 2001 only, rates shall be the greater
21 of the rate computed for July 1, 2001 or the rate effective on
22 June 30, 2001.

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

1 determine by rule the rates taking effect on July 1, 2002,
2 which shall be 5.9% less than the rates in effect on June 30,
3 2002.

4 Notwithstanding any other provision of this Section, for
5 facilities licensed by the Department of Public Health under
6 the Nursing Home Care Act as skilled nursing facilities or
7 intermediate care facilities, if the payment methodologies
8 required under Section 5A-12 and the waiver granted under 42
9 CFR 433.68 are approved by the United States Centers for
10 Medicare and Medicaid Services, the rates taking effect on July
11 1, 2004 shall be 3.0% greater than the rates in effect on June
12 30, 2004. These rates shall take effect only upon approval and
13 implementation of the payment methodologies required under
14 Section 5A-12.

15 Notwithstanding any other provisions 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 rates taking effect on
19 January 1, 2005 shall be 3% more than the rates in effect on
20 December 31, 2004.

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, effective January 1, 2009, the
25 per diem support component of the rates effective on January 1,
26 2008, computed using the most recent cost reports on file with

1 the Department of Healthcare and Family Services no later than
2 April 1, 2005, updated for inflation to January 1, 2006, shall
3 be increased to the amount that would have been derived using
4 standard Department of Healthcare and Family Services methods,
5 procedures, and inflators.

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 intermediate care facilities that
9 are federally defined as Institutions for Mental Disease, a
10 socio-development component rate equal to 6.6% of the
11 facility's nursing component rate as of January 1, 2006 shall
12 be established and paid effective July 1, 2006. The
13 socio-development component of the rate shall be increased by a
14 factor of 2.53 on the first day of the month that begins at
15 least 45 days after January 11, 2008 (the effective date of
16 Public Act 95-707). As of August 1, 2008, the socio-development
17 component rate shall be equal to 6.6% of the facility's nursing
18 component rate as of January 1, 2006, multiplied by a factor of
19 3.53. For services provided on or after April 1, 2011, or the
20 first day of the month that begins at least 45 days after the
21 effective date of this amendatory Act of the 96th General
22 Assembly, whichever is later, the Illinois Department may by
23 rule adjust these socio-development component rates, and may
24 use different adjustment methodologies for those facilities
25 participating, and those not participating, in the Illinois
26 Department's demonstration program pursuant to the provisions

1 of Title 77, Part 300, Subpart T of the Illinois Administrative
2 Code, but in no case may such rates be diminished below those
3 in effect on August 1, 2008.

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

10 For facilities licensed by the Department of Public Health
11 under the Nursing Home Care Act as Intermediate Care for the
12 Developmentally Disabled facilities or Long Term Care for Under
13 Age 22 facilities, the rates taking effect on the first day of
14 the month that begins at least 45 days after the effective date
15 of this amendatory Act of the 95th General Assembly shall
16 include a statewide increase of 2.5%, as defined by the
17 Department.

18 Notwithstanding any other provision of this Section, for
19 facilities licensed by the Department of Public Health under
20 the Nursing Home Care Act as skilled nursing facilities or
21 intermediate care facilities, effective January 1, 2005,
22 facility rates shall be increased by the difference between (i)
23 a facility's per diem property, liability, and malpractice
24 insurance costs as reported in the cost report filed with the
25 Department of Public Aid and used to establish rates effective
26 July 1, 2001 and (ii) those same costs as reported in the

1 facility's 2002 cost report. These costs shall be passed
2 through to the facility without caps or limitations, except for
3 adjustments required under normal auditing procedures.

4 Rates established effective each July 1 shall govern
5 payment for services rendered throughout that fiscal year,
6 except that rates established on July 1, 1996 shall be
7 increased by 6.8% for services provided on or after January 1,
8 1997. Such rates will be based upon the rates calculated for
9 the year beginning July 1, 1990, and for subsequent years
10 thereafter until June 30, 2001 shall be based on the facility
11 cost reports for the facility fiscal year ending at any point
12 in time during the previous calendar year, updated to the
13 midpoint of the rate year. The cost report shall be on file
14 with the Department no later than April 1 of the current rate
15 year. Should the cost report not be on file by April 1, the
16 Department shall base the rate on the latest cost report filed
17 by each skilled care facility and intermediate care facility,
18 updated to the midpoint of the current rate year. In
19 determining rates for services rendered on and after July 1,
20 1985, fixed time shall not be computed at less than zero. The
21 Department shall not make any alterations of regulations which
22 would reduce any component of the Medicaid rate to a level
23 below what that component would have been utilizing in the rate
24 effective on July 1, 1984.

25 (2) Shall take into account the actual costs incurred by
26 facilities in providing services for recipients of skilled

1 nursing and intermediate care services under the medical
2 assistance program.

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

5 (4) Shall take into account the actual costs incurred by
6 facilities in meeting licensing and certification standards
7 imposed and prescribed by the State of Illinois, any of its
8 political subdivisions or municipalities and by the U.S.
9 Department of Health and Human Services pursuant to Title XIX
10 of the Social Security Act.

11 The Department of Healthcare and Family Services shall
12 develop precise standards for payments to reimburse nursing
13 facilities for any utilization of appropriate rehabilitative
14 personnel for the provision of rehabilitative services which is
15 authorized by federal regulations, including reimbursement for
16 services provided by qualified therapists or qualified
17 assistants, and which is in accordance with accepted
18 professional practices. Reimbursement also may be made for
19 utilization of other supportive personnel under appropriate
20 supervision.

21 The Department shall develop enhanced payments to offset
22 the additional costs incurred by a facility serving exceptional
23 need residents and shall allocate at least \$8,000,000 of the
24 funds collected from the assessment established by Section 5B-2
25 of this Code for such payments. For the purpose of this
26 Section, "exceptional needs" means, but need not be limited to,

1 ventilator care, tracheotomy care, bariatric care, complex
2 wound care, and traumatic brain injury care.

3 (5) Beginning July 1, 2012 the methodologies for
4 reimbursement of nursing facility services as provided under
5 this Section 5-5.4 shall no longer be applicable for bills
6 payable for State fiscal years 2012 and thereafter.

7 (Source: P.A. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707,
8 eff. 1-11-08; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09;
9 96-339, eff. 7-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10;
10 96-1530, eff. 2-16-11.)".