

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 5-5.2 as follows:

6 (305 ILCS 5/5-5.2) (from Ch. 23, par. 5-5.2)

7 Sec. 5-5.2. Payment.

8 (a) All nursing facilities that are grouped pursuant to
9 Section 5-5.1 of this Act shall receive the same rate of
10 payment for similar services.

11 (b) It shall be a matter of State policy that the Illinois
12 Department shall utilize a uniform billing cycle throughout the
13 State for the long-term care providers.

14 (c) Notwithstanding any other provisions of this Code, the
15 methodologies for reimbursement of nursing services as
16 provided under this Article shall no longer be applicable for
17 bills payable for nursing services rendered on or after a new
18 reimbursement system based on the Resource Utilization Groups
19 (RUGs) has been fully operationalized, which shall take effect
20 for services provided on or after January 1, 2014.

21 (d) The new nursing services reimbursement methodology
22 utilizing RUG-IV 48 grouper model, which shall be referred to
23 as the RUGs reimbursement system, taking effect January 1,

1 2014, shall be based on the following:

2 (1) The methodology shall be resident-driven,
3 facility-specific, and cost-based.

4 (2) Costs shall be annually rebased and case mix index
5 quarterly updated. The nursing services methodology will
6 be assigned to the Medicaid enrolled residents on record as
7 of 30 days prior to the beginning of the rate period in the
8 Department's Medicaid Management Information System (MMIS)
9 as present on the last day of the second quarter preceding
10 the rate period based upon the Assessment Reference Date of
11 the Minimum Data Set (MDS).

12 (3) Regional wage adjustors based on the Health Service
13 Areas (HSA) groupings and adjusters in effect on April 30,
14 2012 shall be included.

15 (4) Case mix index shall be assigned to each resident
16 class based on the Centers for Medicare and Medicaid
17 Services staff time measurement study in effect on July 1,
18 2013, utilizing an index maximization approach.

19 (5) The pool of funds available for distribution by
20 case mix and the base facility rate shall be determined
21 using the formula contained in subsection (d-1).

22 (d-1) Calculation of base year Statewide RUG-IV nursing
23 base per diem rate.

24 (1) Base rate spending pool shall be:

25 (A) The base year resident days which are
26 calculated by multiplying the number of Medicaid

1 residents in each nursing home as indicated in the MDS
2 data defined in paragraph (4) by 365.

3 (B) Each facility's nursing component per diem in
4 effect on July 1, 2012 shall be multiplied by
5 subsection (A).

6 (C) Thirteen million is added to the product of
7 subparagraph (A) and subparagraph (B) to adjust for the
8 exclusion of nursing homes defined in paragraph (5).

9 (2) For each nursing home with Medicaid residents as
10 indicated by the MDS data defined in paragraph (4),
11 weighted days adjusted for case mix and regional wage
12 adjustment shall be calculated. For each home this
13 calculation is the product of:

14 (A) Base year resident days as calculated in
15 subparagraph (A) of paragraph (1).

16 (B) The nursing home's regional wage adjustor
17 based on the Health Service Areas (HSA) groupings and
18 adjustors in effect on April 30, 2012.

19 (C) Facility weighted case mix which is the number
20 of Medicaid residents as indicated by the MDS data
21 defined in paragraph (4) multiplied by the associated
22 case weight for the RUG-IV 48 grouper model using
23 standard RUG-IV procedures for index maximization.

24 (D) The sum of the products calculated for each
25 nursing home in subparagraphs (A) through (C) above
26 shall be the base year case mix, rate adjusted weighted

1 days.

2 (3) The Statewide RUG-IV nursing base per diem rate on
3 January 1, 2014 shall be the quotient of the paragraph (1)
4 divided by the sum calculated under subparagraph (D) of
5 paragraph (2).

6 (4) Minimum Data Set (MDS) comprehensive assessments
7 for Medicaid residents on the last day of the quarter used
8 to establish the base rate.

9 (5) Nursing facilities designated as of July 1, 2012 by
10 the Department as "Institutions for Mental Disease" shall
11 be excluded from all calculations under this subsection.
12 The data from these facilities shall not be used in the
13 computations described in paragraphs (1) through (4) above
14 to establish the base rate.

15 (e) Notwithstanding any other provision of this Code, the
16 Department shall by rule develop a reimbursement methodology
17 reflective of the intensity of care and services requirements
18 of low need residents in the lowest RUG IV groupers and
19 corresponding regulations. Only that portion of the RUGs
20 Reimbursement System spending pool described in subsection
21 (d-1) attributed to the groupers as of July 1, 2013 for which
22 the methodology in this Section is developed may be diverted
23 for this purpose. The Department shall submit the rules no
24 later than January 1, 2014 for an implementation date no later
25 than January 1, 2015. If the Department does not implement this
26 reimbursement methodology by the required date, the nursing

1 component per diem on January 1, 2015 for residents classified
2 in RUG-IV groups PA1, PA2, BA1, and BA2 shall be the blended
3 rate of the calculated RUG-IV nursing component per diem and
4 the nursing component per diem in effect on July 1, 2012. This
5 blended rate shall be applied only to nursing homes whose
6 resident population is greater than or equal to 70% of the
7 total residents served and whose RUG-IV nursing component per
8 diem rate is less than the nursing component per diem in effect
9 on July 1, 2012. This blended rate shall be in effect until the
10 reimbursement methodology is implemented or until July 1, 2019,
11 whichever is sooner.

12 (e-1) Notwithstanding any other provision of this Article,
13 rates established pursuant to this subsection shall not apply
14 to any and all nursing facilities designated by the Department
15 as "Institutions for Mental Disease" and shall be excluded from
16 the RUGs Reimbursement System applicable to facilities not
17 designated as "Institutions for the Mentally Diseased" by the
18 Department.

19 (e-2) For dates of services beginning January 1, 2014, the
20 RUG-IV nursing component per diem for a nursing home shall be
21 the product of the statewide RUG-IV nursing base per diem rate,
22 the facility average case mix index, and the regional wage
23 adjustor. Transition rates for services provided between
24 January 1, 2014 and December 31, 2014 shall be as follows:

25 (1) The transition RUG-IV per diem nursing rate for
26 nursing homes whose rate calculated in this subsection

1 (e-2) is greater than the nursing component rate in effect
2 July 1, 2012 shall be paid the sum of:

3 (A) The nursing component rate in effect July 1,
4 2012; plus

5 (B) The difference of the RUG-IV nursing component
6 per diem calculated for the current quarter minus the
7 nursing component rate in effect July 1, 2012
8 multiplied by 0.88.

9 (2) The transition RUG-IV per diem nursing rate for
10 nursing homes whose rate calculated in this subsection
11 (e-2) is less than the nursing component rate in effect
12 July 1, 2012 shall be paid the sum of:

13 (A) The nursing component rate in effect July 1,
14 2012; plus

15 (B) The difference of the RUG-IV nursing component
16 per diem calculated for the current quarter minus the
17 nursing component rate in effect July 1, 2012
18 multiplied by 0.13.

19 (f) Notwithstanding any other provision of this Code, on
20 and after July 1, 2012, reimbursement rates associated with the
21 nursing or support components of the current nursing facility
22 rate methodology shall not increase beyond the level effective
23 May 1, 2011 until a new reimbursement system based on the RUGs
24 IV 48 grouper model has been fully operationalized.

25 (g) Notwithstanding any other provision of this Code, on
26 and after July 1, 2012, for facilities not designated by the

1 Department of Healthcare and Family Services as "Institutions
2 for Mental Disease", rates effective May 1, 2011 shall be
3 adjusted as follows:

4 (1) Individual nursing rates for residents classified
5 in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter
6 ending March 31, 2012 shall be reduced by 10%;

7 (2) Individual nursing rates for residents classified
8 in all other RUG IV groups shall be reduced by 1.0%;

9 (3) Facility rates for the capital and support
10 components shall be reduced by 1.7%.

11 (h) Notwithstanding any other provision of this Code, on
12 and after July 1, 2012, nursing facilities designated by the
13 Department of Healthcare and Family Services as "Institutions
14 for Mental Disease" and "Institutions for Mental Disease" that
15 are facilities licensed under the Specialized Mental Health
16 Rehabilitation Act of 2013 shall have the nursing,
17 socio-developmental, capital, and support components of their
18 reimbursement rate effective May 1, 2011 reduced in total by
19 2.7%.

20 (Source: P.A. 97-689, eff. 6-14-12; 98-104, Article 6, Section
21 6-240, eff. 7-22-13; 98-104, Article 11, Section 11-35, eff.
22 7-22-13; revised 9-19-13.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.