



Sen. Donne E. Trotter

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09800SB0741sam001

LRB098 04975 KTG 57387 a

1 AMENDMENT TO SENATE BILL 741

2 AMENDMENT NO. _____. Amend Senate Bill 741 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 5-5.2 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

1 bills payable for nursing services rendered on or after a new
2 reimbursement system based on the Resource Utilization Groups
3 (RUGs) has been fully operationalized, which shall take effect
4 for services provided on or after January 1, 2014.

5 (d) The new nursing services reimbursement methodology
6 utilizing RUG-IV 48 grouper model, which shall be referred to
7 as the RUGs reimbursement system, taking effect January 1,
8 2014, shall be based on the following:

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

11 (2) Costs shall be annually rebased and case mix index
12 quarterly updated. The nursing services methodology will
13 be assigned to the Medicaid enrolled residents on record as
14 of 30 days prior to the beginning of the rate period in the
15 Department's Medicaid Management Information System (MMIS)
16 as present on the last day of the second quarter preceding
17 the rate period.

18 (3) Regional wage adjustors based on the Health Service
19 Areas (HSA) groupings and adjusters in effect on April 30,
20 2012 shall be included.

21 (4) Case mix index shall be assigned to each resident
22 class based on the Centers for Medicare and Medicaid
23 Services staff time measurement study in effect on July 1,
24 2013, utilizing an index maximization approach.

25 (5) The pool of funds available for distribution by
26 case mix and the base facility rate shall be determined

1 using the formula contained in subsection (d-1).

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

4 (1) Base rate spending pool shall be:

5 (A) The base year resident days which are
6 calculated by multiplying the number of Medicaid
7 residents in each nursing home as indicated in the MDS
8 data defined in paragraph (4) by 365.

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

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

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

20 (A) Base year resident days as calculated in
21 subparagraph (A) of paragraph (1).

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

25 (C) Facility weighted case mix which is the number
26 of Medicaid residents as indicated by the MDS data

1 defined in paragraph (4) multiplied by the associated
2 case weight for the RUG-IV 48 grouper model using
3 standard RUG-IV procedures for index maximization.

4 (D) The sum of the products calculated for each
5 nursing home in subparagraphs (A) through (C) above
6 shall be the base year case mix, rate adjusted weighted
7 days.

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

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

15 (5) Nursing facilities designated as of July 1, 2012 by
16 the Department as "Institutions for Mental Disease" shall
17 be excluded from all calculations under this subsection.
18 The data from these facilities shall not be used in the
19 computations described in paragraphs (1) through (4) above
20 to establish the base rate.

21 (e) Notwithstanding any other provision of this Code, the
22 Department shall by rule develop a reimbursement methodology
23 reflective of the intensity of care and services requirements
24 of low need residents in the lowest RUG IV groupers and
25 corresponding regulations. Only that portion of the RUGs
26 Reimbursement System spending pool described in subsection

1 (d-1) attributed to the groupers as of July 1, 2013 for which
2 the methodology in this Section is developed may be diverted
3 for this purpose. The Department shall submit the rules no
4 later than January 1, 2014 for an implementation date no later
5 than January 1, 2015. If the Department does not implement this
6 reimbursement methodology by the required date, the nursing
7 component per diem on January 1, 2015 for residents classified
8 in RUG-IV groups PA1, PA2, BA1, and BA2 shall be the blended
9 rate of the calculated RUG-IV nursing component per diem and
10 the nursing component per diem in effect on July 1, 2012. This
11 blended rate shall be applied only to nursing homes whose
12 resident population is greater than or equal to 70% of the
13 total residents served and whose RUG-IV nursing component per
14 diem rate is less than the nursing component per diem in effect
15 on July 1, 2012. This blended rate shall be in effect until the
16 reimbursement methodology is implemented or until July 1, 2019,
17 whichever is sooner.

18 (e-1) Notwithstanding any other provision of this Article,
19 rates established pursuant to this subsection shall not apply
20 to any and all nursing facilities designated by the Department
21 as "Institutions for Mental Disease" and shall be excluded from
22 the RUGs Reimbursement System applicable to facilities not
23 designated as "Institutions for the Mentally Diseased" by the
24 Department.

25 (e-2) For dates of services beginning January 1, 2014, the
26 RUG-IV nursing component per diem for a nursing home shall be

1 the product of the statewide RUG-IV nursing base per diem rate,
2 the facility average case mix index, and the regional wage
3 adjustor. Transition rates for services provided between
4 January 1, 2014 and December 31, 2014 shall be as follows:

5 (1) The transition RUG-IV per diem nursing rate for
6 nursing homes whose rate calculated in this subsection
7 (e-2) is greater than the nursing component rate in effect
8 July 1, 2012 shall be paid the sum of:

9 (A) The nursing component rate in effect July 1,
10 2012; plus

11 (B) The difference of the RUG-IV nursing component
12 per diem calculated for the current quarter minus the
13 nursing component rate in effect July 1, 2012
14 multiplied by 0.88.

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

19 (A) The nursing component rate in effect July 1,
20 2012; plus

21 (B) The difference of the RUG-IV nursing component
22 per diem calculated for the current quarter minus the
23 nursing component rate in effect July 1, 2012
24 multiplied by 0.13.

25 (e-3) Notwithstanding any other provisions of this Code, on
26 and after January 1, 2014, the per diem reimbursement rate for

1 each individual resident receiving ventilator services,
2 including those receiving weaning services, shall include the
3 nursing, support, and capital components in effect at the time
4 the service is provided plus a service fee of \$34 per resident
5 per day and a supply fee of \$174 per resident per day.

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

12 (g) Notwithstanding any other provision of this Code, on
13 and after July 1, 2012, for facilities not designated by the
14 Department of Healthcare and Family Services as "Institutions
15 for Mental Disease", rates effective May 1, 2011 shall be
16 adjusted as follows:

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

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

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

24 (h) Notwithstanding any other provision of this Code, on
25 and after July 1, 2012, nursing facilities designated by the
26 Department of Healthcare and Family Services as "Institutions

1 for Mental Disease" and "Institutions for Mental Disease" that
2 are facilities licensed under the Specialized Mental Health
3 Rehabilitation Act of 2013 shall have the nursing,
4 socio-developmental, capital, and support components of their
5 reimbursement rate effective May 1, 2011 reduced in total by
6 2.7%.

7 (Source: P.A. 97-689, eff. 6-14-12; 98-104, Article 6, Section
8 6-240, eff. 7-22-13; 98-104, Article 11, Section 11-35, eff.
9 7-22-13; revised 9-19-13.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law."