



Sen. Donne E. Trotter

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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 (3-1) Beginning January 1, 2015 and every quarter  
13 thereafter, the base per diem rate set by the calculations  
14 contained in this Section, which is \$83.49, shall be  
15 adjusted by the addition of the quotient of \$32,000,000 set  
16 aside for this purpose and any additional moneys as  
17 provided in paragraph (4) of subsection (e) and subsection  
18 (e-3) divided by the sum calculated under subparagraph (D)  
19 of paragraph (2).

20 (4) Minimum Data Set (MDS) comprehensive assessments  
21 for Medicaid residents on March 31, 2012 ~~the last day of~~  
22 ~~the quarter used to establish the base rate.~~

23 (5) Nursing facilities designated as of July 1, 2012 by  
24 the Department as "Institutions for Mental Disease" shall  
25 be excluded from all calculations under this subsection.  
26 The data from these facilities shall not be used in the

1           computations described in paragraphs (1) through (4) above  
2           to establish the base rate.

3           (e) Notwithstanding any other provision of this Code, the  
4           Department shall by rule develop a reimbursement methodology  
5           reflective of the intensity of care and services requirements  
6           of low need residents in the lowest RUG IV groupers and  
7           corresponding regulations. Only that portion of the RUGs  
8           Reimbursement System spending pool described in subsection  
9           (d-1) attributed to the groupers as of July 1, 2013 for which  
10          the methodology in this Section is developed may be diverted  
11          for this purpose. The Department shall submit the rules no  
12          later than January 1, 2014 for an implementation date no later  
13          than January 1, 2015 which shall establish at a minimum the  
14          following add-on adjustments to the facility's RUG-IV rate:—

15                 (1) at a minimum a \$208 per day add-on for each  
16                 resident qualifying for ventilator care adjustment as  
17                 outlined in the administrative rules of the Department of  
18                 Healthcare and Family Services;

19                 (2) at a minimum a \$5 per day add-on for each resident  
20                 residing in a dedicated Alzheimer's unit with an  
21                 Alzheimer's or a non-Alzheimer's dementia diagnosis as  
22                 scored on the MDS 3.0;

23                 (3) at a minimum a \$2.50 per day add-on for each  
24                 resident falling in the bottom 4 RUG-IV groupers with an  
25                 Alzheimer's or a non-Alzheimer's dementia diagnosis not  
26                 residing in a dedicated Alzheimer's unit as scored on the

1       MDS 3.0; and

2           (4) at a minimum a \$3.00 per day add-on for each  
3       resident with a diagnosis of a serious mental illness. If  
4       for any quarter the amount needed for the serious mental  
5       illness add-on is less than \$2,000,000, the difference  
6       shall be added to the base rate adjustment as provided in  
7       paragraph (3-1) of subsection (d-1).

8       For the purpose of the add-on calculations, a dedicated  
9       Alzheimer's unit must meet the criteria set forth in Subpart U  
10       of Title 77, Part 300 of the Illinois Administrative Code.  
11       "Serious mental illness" means a primary or secondary SMI  
12       diagnosis in one of MDS 3.0 items S1200 A through I.  
13       "Alzheimer's" and "non-Alzheimer's dementia" means a diagnosis  
14       in MDS 3.0 item I4200 or I4800.

15       If the Department does not implement this reimbursement  
16       methodology by the required date, the nursing component per  
17       diem on January 1, 2015 for residents classified in RUG-IV  
18       groups PA1, PA2, BA1, and BA2 shall be the blended rate of the  
19       calculated RUG-IV nursing component per diem and the nursing  
20       component per diem in effect on July 1, 2012. This blended rate  
21       shall be applied only to nursing homes whose resident  
22       population is greater than or equal to 70% of the total  
23       residents served and whose RUG-IV nursing component per diem  
24       rate is less than the nursing component per diem in effect on  
25       July 1, 2012. This blended rate shall be in effect until the  
26       reimbursement methodology is implemented or until July 1, 2019,

1 whichever is sooner.

2 (e-1) Notwithstanding any other provision of this Article,  
3 rates established pursuant to this subsection shall not apply  
4 to any and all nursing facilities designated by the Department  
5 as "Institutions for Mental Disease" and shall be excluded from  
6 the RUGs Reimbursement System applicable to facilities not  
7 designated as "Institutions for the Mentally Diseased" by the  
8 Department.

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

15 (1) The transition RUG-IV per diem nursing rate for  
16 nursing homes whose rate calculated in this subsection  
17 (e-2) is greater 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 0.88.

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

1 (e-2) is less 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 0.13.

9 (e-3) Notwithstanding any other provision of this Code, an  
10 amount equal to \$16,000,000 shall be set aside for the  
11 establishment of a quality incentive initiative effective  
12 January 1, 2015. In any quarter in which quality incentive  
13 awards do not equal \$4,000,000, the difference shall be added  
14 to the base rate adjustment as provided in paragraph (3-1) of  
15 subsection (d-1).

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

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



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

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

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

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

17          (Source: P.A. 97-689, eff. 6-14-12; 98-104, Article 6, Section  
18          6-240, eff. 7-22-13; 98-104, Article 11, Section 11-35, eff.  
19          7-22-13; revised 9-19-13.)

20          Section 99. Effective date. This Act takes effect upon  
21          becoming law."