

1 AN ACT in relation to 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 5-5.4 as follows:

6 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

7 Sec. 5-5.4. Nursing homes; standards of payment;  
8 Department of Public Aid. The Department of Public Aid shall  
9 develop standards of payment of skilled nursing and  
10 intermediate care services in facilities providing such  
11 services under this Article which:

12 (1) Provide ~~Provides~~ for the determination of a  
13 facility's payment for skilled nursing and intermediate care  
14 services on a prospective basis. The amount of the payment  
15 rate for all nursing facilities certified under the medical  
16 assistance program shall be prospectively established  
17 annually on the basis of historical, financial, and  
18 statistical data reflecting actual costs from prior years,  
19 which shall be applied to the current rate year and updated  
20 for inflation, except that the capital cost element for newly  
21 constructed facilities shall be based upon projected budgets.  
22 The annually established payment rate shall take effect on  
23 July 1 in 1984 and subsequent years. Rate increases shall be  
24 provided annually thereafter on July 1 in 1984 and on each  
25 subsequent July 1 in the following years, except that no rate  
26 increase and no update for inflation shall be provided on or  
27 after July 1, 1994 and before July 1, 2002, unless  
28 specifically provided for in this Section.

29 For facilities licensed by the Department of Public  
30 Health under the Nursing Home Care Act as Intermediate Care  
31 for the Developmentally Disabled facilities or Long Term Care

1 for Under Age 22 facilities, the rates taking effect on July  
2 1, 1998 shall include an increase of 3%. For facilities  
3 licensed by the Department of Public Health under the Nursing  
4 Home Care Act as Skilled Nursing facilities or Intermediate  
5 Care facilities, the rates taking effect on July 1, 1998  
6 shall include an increase of 3% plus \$1.10 per resident-day,  
7 as defined by the Department.

8 For facilities licensed by the Department of Public  
9 Health under the Nursing Home Care Act as Intermediate Care  
10 for the Developmentally Disabled facilities or Long Term Care  
11 for Under Age 22 facilities, the rates taking effect on July  
12 1, 1999 shall include an increase of 1.6% plus \$3.00 per  
13 resident-day, as defined by the Department. For facilities  
14 licensed by the Department of Public Health under the Nursing  
15 Home Care Act as Skilled Nursing facilities or Intermediate  
16 Care facilities, the rates taking effect on July 1, 1999  
17 shall include an increase of 1.6% and, for services provided  
18 on or after October 1, 1999, shall be increased by \$4.00 per  
19 resident-day, as defined by the Department.

20 For facilities licensed by the Department of Public  
21 Health under the Nursing Home Care Act as Intermediate Care  
22 for the Developmentally Disabled facilities or Long Term Care  
23 for Under Age 22 facilities, the rates taking effect on July  
24 1, 2000 shall include an increase of 2.5% per resident-day,  
25 as defined by the Department. For facilities licensed by the  
26 Department of Public Health under the Nursing Home Care Act  
27 as Skilled Nursing facilities or Intermediate Care  
28 facilities, the rates taking effect on July 1, 2000 shall  
29 include an increase of 2.5% per resident-day, as defined by  
30 the Department.

31 For facilities licensed by the Department of Public  
32 Health under the Nursing Home Care Act as Intermediate Care  
33 for the Developmentally Disabled facilities or Long Term Care  
34 for Under Age 22 facilities, the rates taking effect on March

1 1, 2001 shall include a statewide increase of 7.85%, as  
2 defined by the Department.

3 For facilities licensed by the Department of Public  
4 Health under the Nursing Home Care Act as Intermediate Care  
5 for the Developmentally Disabled facilities or Long Term Care  
6 for Under Age 22 facilities, the rates taking effect on April  
7 1, 2002 shall include a statewide increase of 2.0%, as  
8 defined by the Department.

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

19 Rates established effective each July 1 shall govern  
20 payment for services rendered throughout that fiscal year,  
21 except that rates established on July 1, 1996 shall be  
22 increased by 6.8% for services provided on or after January  
23 1, 1997. Such rates will be based upon the rates calculated  
24 for the year beginning July 1, 1990, and for subsequent years  
25 thereafter until June 30, 2001 shall be based on the facility  
26 cost reports for the facility fiscal year ending at any point  
27 in time during the previous calendar year, updated to the  
28 midpoint of the rate year. The cost report shall be on file  
29 with the Department no later than April 1 of the current rate  
30 year. Should the cost report not be on file by April 1, the  
31 Department shall base the rate on the latest cost report  
32 filed by each skilled care facility and intermediate care  
33 facility, updated to the midpoint of the current rate year.  
34 In determining rates for services rendered on and after July

1 1, 1985, fixed time shall not be computed at less than zero.  
2 The Department shall not make any alterations of regulations  
3 which would reduce any component of the Medicaid rate to a  
4 level below what that component would have been utilizing in  
5 the rate effective on July 1, 1984.

6 (2) Shall take into account the actual costs incurred by  
7 facilities in providing services for recipients of skilled  
8 nursing and intermediate care services under the medical  
9 assistance program.

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

12 (4) Shall take into account the actual costs incurred by  
13 facilities in meeting licensing and certification standards  
14 imposed and prescribed by the State of Illinois, any of its  
15 political subdivisions or municipalities and by the U.S.  
16 Department of Health and Human Services pursuant to Title XIX  
17 of the Social Security Act.

18 The Department of Public Aid shall develop precise  
19 standards for payments to reimburse nursing facilities for  
20 any utilization of appropriate rehabilitative personnel for  
21 the provision of rehabilitative services which is authorized  
22 by federal regulations, including reimbursement for services  
23 provided by qualified therapists or qualified assistants, and  
24 which is in accordance with accepted professional practices.  
25 Reimbursement also may be made for utilization of other  
26 supportive personnel under appropriate supervision.

27 (Source: P.A. 91-24, eff. 7-1-99; 91-712, eff. 7-1-00; 92-10,  
28 eff. 6-11-01; 92-31, eff. 6-28-01; revised 12-13-01.)