

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. Standards of Payment - Department of Public
8 Aid. The Department of Public Aid shall develop standards of
9 payment of skilled nursing and intermediate care services in
10 facilities providing such services under this Article which:

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

28 For facilities licensed by the Department of Public
29 Health under the Nursing Home Care Act as Intermediate Care
30 for the Developmentally Disabled facilities or Long Term Care
31 for Under Age 22 facilities, the rates taking effect on July

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

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

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

30 For facilities licensed by the Department of Public
 31 Health under the Nursing Home Care Act as skilled nursing
 32 facilities or intermediate care facilities, a new payment
 33 methodology must be implemented for the nursing component of
 34 the rate effective July 1, 2003. The Department of Public Aid

1 shall develop the new payment methodology using the Minimum
2 Data Set (MDS) as the instrument to collect information
3 concerning nursing home resident condition necessary to
4 compute the rate. The Department of Public Aid shall develop
5 the new payment methodology to meet the unique needs of
6 Illinois nursing home residents while remaining subject to
7 the appropriations provided by the General Assembly. A
8 transition period from the payment methodology in effect on
9 June 30, 2003 to the payment methodology in effect on July 1,
10 2003 shall be provided for a period not exceeding 2 years
11 after implementation of the new payment methodology as
12 follows:

13 (A) For a facility that would receive a lower
14 nursing component rate per patient day under the new
15 system than the facility received effective on the date
16 immediately preceding the date that the Department
17 implements the new payment methodology, the nursing
18 component rate per patient day for the facility shall be
19 held at the level in effect on the date immediately
20 preceding the date that the Department implements the new
21 payment methodology until a higher nursing component rate
22 of reimbursement is achieved by that facility.

23 (B) For a facility that would receive a higher
24 nursing component rate per patient day under the payment
25 methodology in effect on July 1, 2003 than the facility
26 received effective on the date immediately preceding the
27 date that the Department implements the new payment
28 methodology, the nursing component rate per patient day
29 for the facility shall be adjusted.

30 (C) Notwithstanding paragraphs (A) and (B), the
31 nursing component rate per patient day for the facility
32 shall be adjusted subject to appropriations provided by
33 the General Assembly.

34 For facilities licensed by the Department of Public

1 Health under the Nursing Home Care Act as Intermediate Care
2 for the Developmentally Disabled facilities or Long Term Care
3 for Under Age 22 facilities, the rates taking effect on March
4 1, 2001 shall include a statewide increase of 7.85%, as
5 defined by the Department.

6 For facilities licensed by the Department of Public
7 Health under the Nursing Home Care Act as Intermediate Care
8 for the Developmentally Disabled facilities or Long Term Care
9 for Under Age 22 facilities, the rates taking effect on April
10 1, 2002 shall include a statewide increase of 2.0%, as
11 defined by the Department.

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

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

1 filed by each skilled care facility and intermediate care
2 facility, updated to the midpoint of the current rate year.
3 In determining rates for services rendered on and after July
4 1, 1985, fixed time shall not be computed at less than zero.
5 The Department shall not make any alterations of regulations
6 which would reduce any component of the Medicaid rate to a
7 level below what that component would have been utilizing in
8 the rate effective on July 1, 1984.

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

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

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

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

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