

1 AMENDMENT TO HOUSE BILL 5567

2 AMENDMENT NO. _____. Amend House Bill 5567 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 5-5.4 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~~

1 provided--annually--thereafter--on-July-1-in-1984-and-on-each
2 subsequent-July-1-in-the-following-years,-except-that No rate
3 increase and no update for inflation shall be provided on or
4 after July 1, 1994 and before July 1, 2002, unless
5 specifically provided for in this Section.

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 July
10 1, 1998 shall include an increase of 3%. For facilities
11 licensed by the Department of Public Health under the Nursing
12 Home Care Act as Skilled Nursing facilities or Intermediate
13 Care facilities, the rates taking effect on July 1, 1998
14 shall include an increase of 3% plus \$1.10 per resident-day,
15 as defined by the Department.

16 For facilities licensed by the Department of Public
17 Health under the Nursing Home Care Act as Intermediate Care
18 for the Developmentally Disabled facilities or Long Term Care
19 for Under Age 22 facilities, the rates taking effect on July
20 1, 1999 shall include an increase of 1.6% plus \$3.00 per
21 resident-day, as defined by the Department. For facilities
22 licensed by the Department of Public Health under the Nursing
23 Home Care Act as Skilled Nursing facilities or Intermediate
24 Care facilities, the rates taking effect on July 1, 1999
25 shall include an increase of 1.6% and, for services provided
26 on or after October 1, 1999, shall be increased by \$4.00 per
27 resident-day, as defined by the Department.

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
32 1, 2000 shall include an increase of 2.5% per resident-day,
33 as defined by the Department. For facilities licensed by the
34 Department of Public Health under the Nursing Home Care Act

1 as Skilled Nursing facilities or Intermediate Care
2 facilities, the rates taking effect on July 1, 2000 shall
3 include an increase of 2.5% per resident-day, as defined by
4 the Department.

5 For facilities licensed by the Department of Public
6 Health under the Nursing Home Care Act as skilled nursing
7 facilities or intermediate care facilities, a new payment
8 methodology must be implemented for the nursing component of
9 the rate effective July 1, 2003. The Department of Public Aid
10 shall develop the new payment methodology using the Minimum
11 Data Set (MDS) as the instrument to collect information
12 concerning nursing home resident condition necessary to
13 compute the rate. The Department of Public Aid shall develop
14 the new payment methodology to meet the unique needs of
15 Illinois nursing home residents while remaining subject to
16 the appropriations provided by the General Assembly. A
17 transition period from the payment methodology in effect on
18 June 30, 2003 to the payment methodology in effect on July 1,
19 2003 shall be provided for a period not exceeding 2 years
20 after implementation of the new payment methodology as
21 follows:

22 (A) For a facility that would receive a lower
23 nursing component rate per patient day under the new
24 system than the facility received effective on the date
25 immediately preceding the date that the Department
26 implements the new payment methodology, the nursing
27 component rate per patient day for the facility shall be
28 held at the level in effect on the date immediately
29 preceding the date that the Department implements the new
30 payment methodology until a higher nursing component rate
31 of reimbursement is achieved by that facility.

32 (B) For a facility that would receive a higher
33 nursing component rate per patient day under the payment
34 methodology in effect on July 1, 2003 than the facility

1 received effective on the date immediately preceding the
2 date that the Department implements the new payment
3 methodology, the nursing component rate per patient day
4 for the facility shall be adjusted.

5 (C) Notwithstanding paragraphs (A) and (B), the
6 nursing component rate per patient day for the facility
7 shall be adjusted subject to appropriations provided by
8 the General Assembly.

9 For facilities licensed by the Department of Public
10 Health under the Nursing Home Care Act as Intermediate Care
11 for the Developmentally Disabled facilities or Long Term Care
12 for Under Age 22 facilities, the rates taking effect on March
13 1, 2001 shall include a statewide increase of 7.85%, as
14 defined by the Department.

15 For facilities licensed by the Department of Public
16 Health under the Nursing Home Care Act as Intermediate Care
17 for the Developmentally Disabled facilities or Long Term Care
18 for Under Age 22 facilities, the rates taking effect on April
19 1, 2002 shall include a statewide increase of 2.0%, as
20 defined by the Department.

21 For facilities licensed by the Department of Public
22 Health under the Nursing Home Care Act as skilled nursing
23 facilities or intermediate care facilities, the rates taking
24 effect on July 1, 2001, and each subsequent year thereafter,
25 shall be computed using the most recent cost reports on file
26 with the Department of Public Aid no later than April 1, 2000
27 updated for inflation to January 1, 2001. For rates
28 effective July 1, 2001 only, rates shall be the greater of
29 the rate computed for July 1, 2001 or the rate effective on
30 June 30, 2001.

31 Rates established effective each July 1 shall govern
32 payment for services rendered throughout that fiscal year,
33 except that rates established on July 1, 1996 shall be
34 increased by 6.8% for services provided on or after January

1 1, 1997. Such rates will be based upon the rates calculated
2 for the year beginning July 1, 1990, and for subsequent years
3 thereafter until June 30, 2001 shall be based on the facility
4 cost reports for the facility fiscal year ending at any point
5 in time during the previous calendar year, updated to the
6 midpoint of the rate year. The cost report shall be on file
7 with the Department no later than April 1 of the current rate
8 year. Should the cost report not be on file by April 1, the
9 Department shall base the rate on the latest cost report
10 filed by each skilled care facility and intermediate care
11 facility, updated to the midpoint of the current rate year.
12 In determining rates for services rendered on and after July
13 1, 1985, fixed time shall not be computed at less than zero.
14 The Department shall not make any alterations of regulations
15 which would reduce any component of the Medicaid rate to a
16 level below what that component would have been utilizing in
17 the rate effective on July 1, 1984.

18 (2) Shall take into account the actual costs incurred by
19 facilities in providing services for recipients of skilled
20 nursing and intermediate care services under the medical
21 assistance program.

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

24 (4) Shall take into account the actual costs incurred by
25 facilities in meeting licensing and certification standards
26 imposed and prescribed by the State of Illinois, any of its
27 political subdivisions or municipalities and by the U.S.
28 Department of Health and Human Services pursuant to Title XIX
29 of the Social Security Act.

30 The Department of Public Aid shall develop precise
31 standards for payments to reimburse nursing facilities for
32 any utilization of appropriate rehabilitative personnel for
33 the provision of rehabilitative services which is authorized
34 by federal regulations, including reimbursement for services

1 provided by qualified therapists or qualified assistants, and
2 which is in accordance with accepted professional practices.
3 Reimbursement also may be made for utilization of other
4 supportive personnel under appropriate supervision.

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