

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) Provides for the determination of a facility's
12 payment for skilled nursing and intermediate care services on
13 a prospective basis. The amount of the payment rate for all
14 nursing facilities certified under the medical assistance
15 program shall be prospectively established annually on the
16 basis of historical, financial, and statistical data
17 reflecting actual costs from prior years, which shall be
18 applied to the current rate year and updated for inflation,
19 except that the capital cost element for newly constructed
20 facilities shall be based upon projected budgets. The
21 annually established payment rate shall take effect on July 1
22 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, 2001, 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 A Task Force on Long Term Care Funding is created for the
 31 main purpose of examining new Medicaid reimbursement formulas
 32 that more directly recognize the cost of care and patient
 33 acuity levels for geriatric facilities, intermediate care
 34 facilities for the developmentally disabled, skilled

1 pediatric facilities, and sheltered care facilities; the Task
2 Force is not limited to that purpose, however. The Task Force
3 shall make a report and recommendations to the Director of
4 Public Aid, the Secretary of Human Services, and the General
5 Assembly no later than April 1, 2002. The Task Force shall
6 consist of (i) one member appointed by the President of the
7 Senate, one member appointed by the Speaker of the House of
8 Representatives, one member appointed by the Minority Leader
9 of the Senate, and one member appointed by the Minority
10 Leader of the House of Representatives and (ii) the following
11 members appointed by the Director of Public Aid: a
12 representative designated by the Department of Public Aid, a
13 representative designated by the Department of Human
14 Services, a representative designated by the Department on
15 Aging, a representative designated by the AARP, a
16 representative designated by the Illinois Health Care
17 Association, a representative designated by the Illinois
18 Council on Long Term Care, a representative designated by
19 Life Services Network, a representative designated by the
20 County Nursing Home Association of Illinois, a representative
21 designated by the Illinois Nursing Home Administrators
22 Association, a representative designated by the Long Term
23 Care Nurses Association, and a representative from organized
24 labor that represents individuals employed in long term care
25 settings. The Director of Public Aid shall appoint the
26 representative from the Department of Public Aid as a
27 Co-Chairperson of the Task Force and shall appoint one of the
28 other members of the Task Force to serve as the other
29 Co-Chairperson. The second Co-Chairperson shall be a
30 representative from the private-sector membership on the Task
31 Force. The Department of Public Aid shall provide staff to
32 the Task Force. All Task Force members shall serve without
33 compensation but may be reimbursed for their necessary
34 expenses incurred in performing their duties. This paragraph

1 is inoperative after June 30, 2002.

2 Rates established effective each July 1 shall govern
3 payment for services rendered throughout that fiscal year,
4 except that rates established on July 1, 1996 shall be
5 increased by 6.8% for services provided on or after January
6 1, 1997. Such rates will be based upon the rates calculated
7 for the year beginning July 1, 1990, and for subsequent years
8 thereafter shall be based on the facility cost reports for
9 the facility fiscal year ending at any point in time during
10 the previous calendar year, updated to the midpoint of the
11 rate year. The cost report shall be on file with the
12 Department no later than April 1 of the current rate year.
13 Should the cost report not be on file by April 1, the
14 Department shall base the rate on the latest cost report
15 filed by each skilled care facility and intermediate care
16 facility, updated to the midpoint of the current rate year.
17 In determining rates for services rendered on and after July
18 1, 1985, fixed time shall not be computed at less than zero.
19 The Department shall not make any alterations of regulations
20 which would reduce any component of the Medicaid rate to a
21 level below what that component would have been utilizing in
22 the rate effective on July 1, 1984.

23 (2) Shall take into account the actual costs incurred by
24 facilities in providing services for recipients of skilled
25 nursing and intermediate care services under the medical
26 assistance program.

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

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

1 The Department of Public Aid shall develop precise
2 standards for payments to reimburse nursing facilities for
3 any utilization of appropriate rehabilitative personnel for
4 the provision of rehabilitative services which is authorized
5 by federal regulations, including reimbursement for services
6 provided by qualified therapists or qualified assistants, and
7 which is in accordance with accepted professional practices.
8 Reimbursement also may be made for utilization of other
9 supportive personnel under appropriate supervision.
10 (Source: P.A. 90-9, eff. 7-1-97; 90-588, eff. 7-1-98; 91-24,
11 eff. 7-1-99; 91-712, eff. 7-1-00.)

12 Section 99. Effective date. This Act takes effect on
13 July 1, 2001.