

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
SUBCHAPTER d: MEDICAL PROGRAMS

PART 147
REIMBURSEMENT FOR NURSING COSTS FOR GERIATRIC FACILITIES

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 52 147.TABLE K Rehabilitation Services (Repealed)
 53 147.TABLE L Personal Information (Repealed)
 54

55 AUTHORITY: Implementing and authorized by Articles III, IV, V, VI and Section 12-13 of the
 56 Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V, VI and 12-13].
 57

58 SOURCE: Recodified from 89 Ill. Adm. Code 140.900 thru 140.912 and 140.Table H and
 59 140.Table I at 12 Ill. Reg. 6956; amended at 13 Ill. Reg. 559, effective January 1, 1989; amended
 60 at 13 Ill. Reg. 7043, effective April 24, 1989; emergency amendment at 13 Ill. Reg. 10999,
 61 effective July 1, 1989, for a maximum of 150 days; emergency expired November 28, 1989;
 62 amended at 13 Ill. Reg. 16796, effective October 13, 1989; amended at 14 Ill. Reg. 210, effective
 63 December 21, 1989; emergency amendment at 14 Ill. Reg. 6915, effective April 19, 1990, for a
 64 maximum of 150 days; emergency amendment at 14 Ill. Reg. 9523, effective June 4, 1990, for a
 65 maximum of 150 days; emergency expired November 1, 1990; emergency amendment at 14 Ill.
 66 Reg. 14203, effective August 16, 1990, for a maximum of 150 days; emergency expired January
 67 13, 1991; emergency amendment at 14 Ill. Reg. 15578, effective September 11, 1990, for a
 68 maximum of 150 days; emergency expired February 8, 1991; amended at 14 Ill. Reg. 16669,
 69 effective September 27, 1990; amended at 15 Ill. Reg. 2715, effective January 30, 1991;
 70 amended at 15 Ill. Reg. 3058, effective February 5, 1991; amended at 15 Ill. Reg. 6238, effective
 71 April 18, 1991; amended at 15 Ill. Reg. 7162, effective April 30, 1991; amended at 15 Ill. Reg.
 72 9001, effective June 17, 1991; amended at 15 Ill. Reg. 13390, effective August 28, 1991;
 73 emergency amendment at 15 Ill. Reg. 16435, effective October 22, 1991, for a maximum of 150
 74 days; amended at 16 Ill. Reg. 4035, effective March 4, 1992; amended at 16 Ill. Reg. 6479,
 75 effective March 20, 1992; emergency amendment at 16 Ill. Reg. 13361, effective August 14,
 76 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 14233, effective August 31, 1992;
 77 amended at 16 Ill. Reg. 17332, effective November 6, 1992; amended at 17 Ill. Reg. 1128,
 78 effective January 12, 1993; amended at 17 Ill. Reg. 8486, effective June 1, 1993; amended at 17
 79 Ill. Reg. 13498, effective August 6, 1993; emergency amendment at 17 Ill. Reg. 15189, effective
 80 September 2, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 2405, effective January
 81 25, 1994; amended at 18 Ill. Reg. 4271, effective March 4, 1994; amended at 19 Ill. Reg. 7944,
 82 effective June 5, 1995; amended at 20 Ill. Reg. 6953, effective May 6, 1996; amended at 21 Ill.
 83 Reg. 12203, effective August 22, 1997; amended at 26 Ill. Reg. 3093, effective February 15,
 84 2002; emergency amendment at 27 Ill. Reg. 10863, effective July 1, 2003, for a maximum of 150
 85 days; amended at 27 Ill. Reg. 18680, effective November 26, 2003; expedited correction at 28 Ill.
 86 Reg. 4992, effective November 26, 2003; emergency amendment at 29 Ill. Reg. 10266, effective

87 July 1, 2005, for a maximum of 150 days; amended at 29 Ill. Reg. 18913, effective November 4,
88 2005; amended at 30 Ill. Reg. 15141, effective September 11, 2006; expedited correction at 31
89 Ill. Reg. 7409, effective September 11, 2006; amended at 31 Ill. Reg. 8654, effective June 11,
90 2007; emergency amendment at 32 Ill. Reg. 415, effective January 1, 2008, for a maximum of
91 150 days; emergency amendment suspended at 32 Ill. Reg. 3114, effective February 13, 2008;
92 emergency suspension withdrawn in part at 32 Ill. Reg. 4399, effective February 26, 2008 and 32
93 Ill. Reg. 4402, effective March 11, 2008 and 32 Ill. Reg. 9765, effective June 17, 2008; amended
94 at 32 Ill. Reg. 8614, effective May 29, 2008; amended at 33 Ill. Reg. 9337, effective July 1,
95 2009; emergency amendment at 33 Ill. Reg. 14350, effective October 1, 2009, for a maximum of
96 150 days; emergency amendment modified in response to the objection of the Joint Committee
97 on Administrative Rules at 34 Ill. Reg. 1421, effective January 5, 2010, for the remainder of the
98 150 days; emergency expired February 27, 2010; amended at 34 Ill. Reg. 3786, effective March
99 14, 2010; amended at 35 Ill. Reg. 19514, effective December 1, 2011; amended at 36 Ill. Reg.
100 7077, effective April 27, 2012; emergency amendment at 38 Ill. Reg. 1205, effective January 1,
101 2014, for a maximum of 150 days; Sections 147.335(a)(7)(B) and 147.355(b) of the emergency
102 amendment suspended by the Joint Committee on Administrative Rules at 38 Ill. Reg. 3385,
103 effective January 14, 2014; suspension withdrawn at 38 Ill. Reg. 5898, effective March 7, 2014;
104 emergency amendment modified in response to JCAR Objection at 38 Ill. Reg. 6707, effective
105 March 7, 2014, for the remainder of the 150 days; amended at 38 Ill. Reg. 12173, effective May
106 30, 2014; emergency amendment at 38 Ill. Reg. 15723, effective July 7, 2014, for a maximum of
107 150 days; amended at 38 Ill. Reg. 23778, effective December 2, 2014; amended at 45 Ill. Reg.
108 8326, effective June 28, 2021; emergency amendment at 46 Ill. Reg. 12156, effective July 1,
109 2022, for a maximum of 150 days; amended at 46 Ill. Reg. 19682, effective November 28, 2022;
110 amended at 49 Ill. Reg. _____, effective _____.

111

112 **Section 147.310 Implementation of a Case Mix System**

113

114 P.A. 98-0104 requires the Department to implement, effective January 1, 2014, an evidence-
115 based payment methodology for the reimbursement of nursing services. The methodology shall
116 take into consideration the needs of individual residents, as assessed and reported by the most
117 current version of the nursing facility Minimum Data Set (MDS), adopted and in use by the
118 federal government.

119

- 120 a) This Section establishes the method and criteria used to determine the resident
121 reimbursement classification based upon the assessments of residents in nursing
122 facilities. All formulas, data sources, data sources, and collection periods specific
123 to the base rate, add-ons, pass through allocations, incentives and adjustments
124 specified in this section shall be published in sufficient detail to make an
125 appropriate estimation of appropriate payment in the Department's rate handbook
126 no later than July 20, 2022, and posted on the Department's website. Within 24
127 hours of publishing, the Department shall issue a provider notice to direct them to
128 the website. Each nursing facility shall be notified in advance of the beginning of
129 each quarter of its nursing component rate and all add-ons and adjustments stated

130 as a per diem except retention, promotion, and quality incentive add-ons, which
131 shall be stated as a quarterly lump sum payment. The notice shall clearly state the
132 amount attributed to each add-on or adjustment and in the case of the variable
133 staffing add-on any adjustment resulting from the application of 147.310(c)(3)(I).
134 The notice shall also clearly state the percent of Medicaid bed days used to
135 determine eligibility for the Medicaid Access Adjustment.

- 136
- 137 1) Effective January 1, 2014, resident reimbursement classification shall be
138 established utilizing the 48-group, Resource Utilization Groups IV (RUG-
139 IV) classification scheme and weights as published by the United States
140 Department of Health and Human Services, Centers for Medicare and
141 Medicaid Services (CMS).
142
 - 143 2) Effective July 1, 2022, resident reimbursement classification shall be
144 established utilizing the Patient Driven Payment Model (PDPM) nursing
145 component classification methodology and associated weights, as
146 published by the United States Department of Health and Human Services,
147 Centers for Medicare and Medicaid Services (CMS), as of March 1, 2022,
148 multiplied by 0.7858 and rounded to the nearest four decimal places.
149
 - 150 3) An Illinois specific default group of AA1 is established in subsection
151 (c)(5) of this Section and with an assigned weight equal to the weight
152 assigned to group PA1.
153

154 b) The statewide nursing base per diem rate effective on:

- 155 1) January 1, 2014 shall be \$83.49.
156
- 157 2) July 1, 2014 shall be increased by \$1.76, and is \$85.25.
158
- 159 3) July 1, 2022 shall be increased by \$7.00 to \$92.25.
160

161 c) Nursing Component Per Diem:

- 162 1) For services provided on or after January 1, 2014, the Department shall
163 compute and pay a facility-specific nursing component of the per diem
164 rate as the arithmetic mean of the resident-specific nursing components
165 assigned to Medicaid-enrolled residents on record, as of 30 days prior to
166 the beginning of the rate period, in the Department's Medicaid
167 Management Information System (MMIS), or any successor system, as
168 present in the facility on the last day of the second quarter preceding the
169 rate period.
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- A) Effective January 1, 2014, and until September 30, 2023, the RUG-IV nursing component per diem for a nursing facility shall be the product of the statewide nursing base per diem rate, the facility average case mix index as identified in subsection (a)(1) to be calculated quarterly, and the regional wage adjustor, and then add the Medicaid access adjustment as defined in subsection (c)(4).
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- B) Effective July 1, 2022, the PDPM nursing component per diem for a nursing facility shall be the product of the statewide nursing base per diem rate, the facility average case mix index as identified in subsection (a)(2), to be calculated quarterly, and the regional wage adjustor, and then add the Medicaid access adjustment as defined in subsection (c)(4).
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- C) Transition rates for services provided between July 1, 2022, and October 1, 2023, shall be the greater of the PDPM nursing component per diem, defined in subsection (c)(1)(B) or:
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193
- i) for the quarter beginning July 1, 2022, the RUG-IV nursing component per diem, defined in subparagraph (c)(1)(A).
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- ii) for the quarter beginning October 1, 2022, the sum of the RUG-IV nursing component per diem as defined in (c)(1)(A) multiplied by 0.80 and the PDPM nursing component per diem as defined in (c)(1)(B) multiplied by 0.20.
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- iii) for the quarter beginning on January 1, 2023, the sum of the RUG-IV nursing component per diem as defined in (c)(1)(A) multiplied by 0.60 and the PDPM nursing component per diem as defined in (c)(1)(B) multiplied by 0.40.
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- iv) for the quarter beginning on April 1, 2023, the sum of the RUG-IV nursing component per diem as defined in (c)(1)(A) multiplied by 0.40 and the PDPM nursing component per diem as defined in (c)(1)(B) multiplied by 0.60.
- 212
213
214
- v) for the quarter beginning on July 1, 2023, the sum of the RUG-IV nursing component per diem as defined in (c)(1)(A) multiplied by 0.20 and the PDPM nursing

- 215 component per diem as defined in (c)(1)(B) multiplied by
216 0.80.
217
- 218 D) For the quarter beginning on October 1, 2023, and each subsequent
219 quarter, nursing facilities shall be paid 100% of the PDPM nursing
220 component per diem as defined in (c)(1)(B).
221
- 222 2) Effective for dates of service on or after July 1, 2014, a per diem add-on to
223 the RUGS methodology will be included as follows:
224
- 225 A) \$0.63 for each resident who scores I4200 Alzheimer's Disease or
226 I4800 non-Alzheimer's Dementia.
227
- 228 B) \$2.67 for each resident who scores "1" or "2" in any items S1200A
229 through S1200I and also scores in the RUG groups PA1, PA2,
230 BA1 and BA2.
231
- 232 3) Effective for dates of service on or after July 1, 2022, a variable per diem
233 staffing per diem add-on shall be paid to facilities with at least 70% of the
234 staffing indicated by the Centers for Medicare and Medicaid Services'
235 Staff Time and Resource Intensity Verification Study (STRIVE study)
236 (2021), available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/TimeStudy>. The add-on will be based on
237 information from the most recent available federal staffing report,
238 currently the Payroll Based Journal (PBJ), adjusted for acuity using the
239 same quarter's MDS. Specifically, that percentage will reflect "Reported
240 total nurse staffing hours per resident per day" divided by "Case-mix total
241 nurse staffing hours per resident per day" from the Provider Information
242 files published on <https://data.cms.gov/provider-data> and available through
243 the Federal COMPARE website, [https://data.cms.gov/provider-
244 data/search?theme=Nursing%20homes%20including%20rehab%20service
245 s](https://data.cms.gov/provider-data/search?theme=Nursing%20homes%20including%20rehab%20services).
246
247
- 248 A) Facilities at 70% of the staffing indicated by the STRIVE study
249 shall be paid a per diem of \$9, increasing by equivalent steps for
250 each whole percentage point of improvement until the facilities
251 reach a per diem of \$14.88.
252
- 253 B) Facilities at 80% of the staffing indicated by the STRIVE study
254 shall be paid a per diem of \$14.88, increasing by equivalent steps
255 for each whole percentage point of improvement until the facilities
256 reach a per diem of \$23.80.
257

- 258 C) Facilities at 92% of the staffing indicated by the STRIVE study
259 shall be paid a per diem of \$23.80, increasing by equivalent steps
260 for each whole percentage point of improvement until the facilities
261 reach a per diem of \$29.75.
262
- 263 D) Facilities at 100% of the staffing indicated by the STRIVE study
264 shall be paid a per diem of \$29.75, increasing by equivalent steps
265 for each whole percentage point of improvement until the facilities
266 reach a per diem of \$35.70.
267
- 268 E) Facilities at 110% of the staffing indicated by the STRIVE study
269 shall be paid a per diem of \$35.70, increasing by equivalent steps
270 for each whole percentage point of improvement until the facilities
271 reach a per diem of \$38.68.
272
- 273 F) Facilities at or above 125% of the staffing indicated by the
274 STRIVE study shall be paid a per diem of \$38.68.
275
- 276 G) For the transition period quarters beginning July 1, 2022, and
277 October 1, 2022, no facility's variable per diem staffing add-on
278 shall be calculated at a rate lower than 85% for the staffing
279 indicated by the STRIVE study. For the quarter beginning January
280 1, 2023, all facilities shall begin at their actual staffing indicated
281 for that period.
282
- 283 H) No facility below 70% of the staffing indicated by the STRIVE
284 study shall receive a variable per diem staffing add-on after
285 December 31, 2022.
286
- 287 I) Beginning April 1, 2023, no nursing facility's variable per diem
288 staffing add-on shall be reduced by more than 5 percent in 2
289 consecutive quarters.
290
- 291 J) When the Centers for Medicare and Medicaid Services waives or
292 modifies PBJ submission rules for any provider due to extenuating
293 circumstances outside the provider's control, the Department shall
294 assign the previous quarter's rate if comparable or substitute data is
295 not available directly from the provider in time for the current
296 quarter's rate determination.
297
- 298 K) If the Department is notified by a facility prior to or within an
299 applicable rate quarter of missing or inaccurate Payroll Based

300 Journal data or an incorrect calculation of staffing, the Department
301 must make a correction as soon as the error is verified.

302
303 L) Payment determinations in this Section may be appealed under the
304 terms under Section 140.830(b) and Section 140.830(c).

305
306 4) Effective July 1, 2022, and until December 31, 2027, a Medicaid Access
307 Adjustment shall be paid to all facilities with annual Medicaid bed days of
308 at least 70% of all occupied bed days.

309
310 A) Effective July 1, 2022 through December 31, 2022, the~~The~~
311 adjustment shall be \$4 per day and adjusted for the facility average
312 PDPM case mix index for Medicaid, as identified in subsection
313 (a)(2), calculated on a quarterly basis.

314
315 B) Effective January 1, 2023, the adjustment shall be \$4.75 per day
316 and adjusted for the facility average PDPM case mix index for
317 Medicaid, as identified in subsection (a)(2), calculated on a
318 quarterly basis.

319
320 ~~C~~B) The qualifying Medicaid percentage shall be calculated quarterly
321 based upon a rolling 12-month period of historical data ending 9
322 months prior. For each new quarter beginning July 1, 2022, a
323 facility's percentage of Medicaid bed days shall be paid Medicaid
324 resident days per annum as determined by adding the number of
325 Medicaid, Medicaid MLTSS and MMAI days (inclusive of hospice
326 and provisional days, if applicable) divided by the number of total
327 occupied days found in the most recent 12 months of Long Term
328 Care Provider Assessment Reports for the facility that are available
329 to the Department.

330
331 ~~D~~E) If a facility's Medicaid percentage increases by 15% points or more
332 and the facility's most recent Medicaid percentage for a quarter is
333 at least 70%, that facility may be eligible to receive the payments
334 described in this section. If a facility's Medicaid percentage
335 decreases by 15% points or more and that facility's most recent
336 Medicaid percentage for a quarter is no longer at least 70%, that
337 facility may no longer be eligible to receive the payments
338 described in this section.

339
340 ~~E~~D) Payment determinations in this Section may be appealed under the
341 terms under Section 140.830(b) and Section 140.830(c)

342

- 343 5) A resident for whom resident identification information is missing, or
344 inaccurate, or for whom there is no current MDS record for that quarter,
345 shall be assigned to default group AA1. A resident for whom an MDS
346 assessment does not meet the federal CMS edit requirements as described
347 in the Long Term Care Resident Assessment Instrument (RAI) Users
348 Manual or for whom an MDS assessment has not been submitted within
349 14 calendar days after the time requirements in Section 147.315 shall be
350 assigned to default group AA1.
351
- 352 6) The assessment used for the purpose of rate calculation shall be identified
353 as an Omnibus Budget Reconciliation Act (OBRA) assessment on the
354 MDS following the guidance in the RAI Manual.
355
- 356 7) The MDS used for the purpose of rate calculation shall be determined by
357 the Assessment Reference Date (ARD) identified on the MDS assessment.
358
- 359 8) Effective January 1, 2020, the regional wage adjustor referenced in
360 subsection (c)(1) cannot be lower than 0.95.
361
- 362 9) Effective July 1, 2020, the regional wage adjustor referenced in subsection
363 (c)(1) cannot be lower than 1.0.
364
- 365 10) Effective July 1, 2022, the regional wage adjustor referenced in subsection
366 (c)(1) cannot be lower than 1.06.
367
- 368 d) The Department shall provide each nursing facility with information that
369 identifies the PDPM group to which each resident has been assigned, and until
370 September 30, 2023 the Department shall continue to provide each RUG-IV
371 group to which each resident has been assigned.
372
- 373 e) Rate determination in this Section may be appealed under the terms under Section
374 140.830.
375

376 (Source: Amended at 49 Ill. Reg. _____, effective _____)