



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4962

by Rep. Anna Moeller

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.01a

Amends the Medical Assistance Article of the Illinois Public Aid Code. In provisions concerning the supportive living facilities program, provides that sites for the operation of the program shall be selected by the Department of Healthcare and Family Services based upon criteria that may include the need for services in a geographic area, the availability of funding, the site's ability to meet the standards, and a need to increase access for Medicaid enrollees who need an alternative to nursing home care. Requires the Department to determine need utilizing the most recently available statewide report every 3 years, and to also consider the occupancy rates, vacancies, and waiting lists in surrounding operational supportive living program sites, and public comments. Provides that based on need, the Department shall make the final determination to establish geographic areas utilizing county or zip code-based geographic areas within a rate setting region as the basis for opening a competitive application process. Contains provisions on the analysis and other information required in the statewide report; primary market areas for supportive living program sites; and other matters. Effective immediately.

LRB104 18551 KTG 31994 b

1 AN ACT concerning 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 5-5.01a as follows:

6 (305 ILCS 5/5-5.01a)

7 Sec. 5-5.01a. Supportive living facilities program.

8 (a) The Department shall establish and provide oversight  
9 for a program of supportive living facilities that seek to  
10 promote resident independence, dignity, respect, and  
11 well-being in the most cost-effective manner.

12 A supportive living facility is (i) a free-standing  
13 facility or (ii) a distinct physical and operational entity  
14 within a mixed-use building that meets the criteria  
15 established in subsection (d). A supportive living facility  
16 integrates housing with health, personal care, and supportive  
17 services and is a designated setting that offers residents  
18 their own separate, private, and distinct living units.

19 ~~Sites for the operation of the program shall be selected~~  
20 ~~by the Department based upon criteria that may include the~~  
21 ~~need for services in a geographic area, the availability of~~  
22 ~~funding, and the site's ability to meet the standards.~~

23 (b) Beginning July 1, 2014, subject to federal approval,

1 the Medicaid rates for supportive living facilities shall be  
2 equal to the supportive living facility Medicaid rate  
3 effective on June 30, 2014 increased by 8.85%. Once the  
4 assessment imposed at Article V-G of this Code is determined  
5 to be a permissible tax under Title XIX of the Social Security  
6 Act, the Department shall increase the Medicaid rates for  
7 supportive living facilities effective on July 1, 2014 by  
8 9.09%. The Department shall apply this increase retroactively  
9 to coincide with the imposition of the assessment in Article  
10 V-G of this Code in accordance with the approval for federal  
11 financial participation by the Centers for Medicare and  
12 Medicaid Services.

13 The Medicaid rates for supportive living facilities  
14 effective on July 1, 2017 must be equal to the rates in effect  
15 for supportive living facilities on June 30, 2017 increased by  
16 2.8%.

17 The Medicaid rates for supportive living facilities  
18 effective on July 1, 2018 must be equal to the rates in effect  
19 for supportive living facilities on June 30, 2018.

20 Subject to federal approval, the Medicaid rates for  
21 supportive living services on and after July 1, 2019 must be at  
22 least 54.3% of the average total nursing facility services per  
23 diem for the geographic areas defined by the Department while  
24 maintaining the rate differential for dementia care and must  
25 be updated whenever the total nursing facility service per  
26 diems are updated. Beginning July 1, 2022, upon the

1 implementation of the Patient Driven Payment Model, Medicaid  
2 rates for supportive living services must be at least 54.3% of  
3 the average total nursing services per diem rate for the  
4 geographic areas. For purposes of this provision, the average  
5 total nursing services per diem rate shall include all add-ons  
6 for nursing facilities for the geographic area provided for in  
7 Section 5-5.2. The rate differential for dementia care must be  
8 maintained in these rates and the rates shall be updated  
9 whenever nursing facility per diem rates are updated.

10 Subject to federal approval, beginning January 1, 2024,  
11 the dementia care rate for supportive living services must be  
12 no less than the non-dementia care supportive living services  
13 rate multiplied by 1.5.

14 (b-5) Subject to federal approval, beginning January 1,  
15 2025, Medicaid rates for supportive living services must be at  
16 least 54.75% of the average total nursing facility per diem  
17 rate for the geographic areas defined by the Department and  
18 shall include all add-ons for nursing facilities for the  
19 geographic area provided for in Section 5-5.2.

20 (c) The Department may adopt rules to implement this  
21 Section. Rules that establish or modify the services,  
22 standards, and conditions for participation in the program  
23 shall be adopted by the Department in consultation with the  
24 Department on Aging, the Department of Rehabilitation  
25 Services, and the Department of Mental Health and  
26 Developmental Disabilities (or their successor agencies).

1           (d) Subject to federal approval by the Centers for  
2 Medicare and Medicaid Services, the Department shall accept  
3 for consideration of certification under the program any  
4 application for a site or building where distinct parts of the  
5 site or building are designated for purposes other than the  
6 provision of supportive living services, but only if:

7           (1) those distinct parts of the site or building are  
8 not designated for the purpose of providing assisted  
9 living services as required under the Assisted Living and  
10 Shared Housing Act;

11           (2) those distinct parts of the site or building are  
12 completely separate from the part of the building used for  
13 the provision of supportive living program services,  
14 including separate entrances;

15           (3) those distinct parts of the site or building do  
16 not share any common spaces with the part of the building  
17 used for the provision of supportive living program  
18 services; and

19           (4) those distinct parts of the site or building do  
20 not share staffing with the part of the building used for  
21 the provision of supportive living program services.

22           (e) Facilities or distinct parts of facilities which are  
23 selected as supportive living facilities and are in good  
24 standing with the Department's rules are exempt from the  
25 provisions of the Nursing Home Care Act and the Illinois  
26 Health Facilities Planning Act.

1 (f) Section 9817 of the American Rescue Plan Act of 2021  
2 (Public Law 117-2) authorizes a 10% enhanced federal medical  
3 assistance percentage for supportive living services for a  
4 12-month period from April 1, 2021 through March 31, 2022.  
5 Subject to federal approval, including the approval of any  
6 necessary waiver amendments or other federally required  
7 documents or assurances, for a 12-month period the Department  
8 must pay a supplemental \$26 per diem rate to all supportive  
9 living facilities with the additional federal financial  
10 participation funds that result from the enhanced federal  
11 medical assistance percentage from April 1, 2021 through March  
12 31, 2022. The Department may issue parameters around how the  
13 supplemental payment should be spent, including quality  
14 improvement activities. The Department may alter the form,  
15 methods, or timeframes concerning the supplemental per diem  
16 rate to comply with any subsequent changes to federal law,  
17 changes made by guidance issued by the federal Centers for  
18 Medicare and Medicaid Services, or other changes necessary to  
19 receive the enhanced federal medical assistance percentage.

20 (g) Sites for the operation of the program shall be  
21 selected by the Department based upon criteria that may  
22 include the need for services in a geographic area, the  
23 availability of funding, the site's ability to meet the  
24 standards, and a need to increase access for Medicaid  
25 enrollees who need an alternative to nursing home care.

26 (1) As used in this subsection, "need" means a

1 demonstrated deficiency of supportive living program  
2 operational sites, including dementia care support units,  
3 within a specific geographic area allowing a  
4 Medicaid-eligible population 65 years of age and older to  
5 have an alternative to nursing facility care. The  
6 Department shall determine need utilizing the most  
7 recently available statewide report, described in  
8 paragraph (2), to be conducted every 3 years by the  
9 Department, and shall also take into consideration the  
10 occupancy rates, vacancies, and waiting lists in  
11 surrounding operational supportive living program sites,  
12 and public comments. In the 90-day period following  
13 publication of the statewide market study report,  
14 stakeholders must have the opportunity to provide public  
15 comment to the Department regarding the selection of  
16 target geographic areas and other points for consideration  
17 for both traditional conventional supportive living  
18 operational sites as well as dementia care support sites.  
19 Based on need, the Department shall make the final  
20 determination to establish geographic areas utilizing  
21 county or zip code-based geographic areas within a rate  
22 setting region as the basis for opening a competitive  
23 application process. All sites selected in each  
24 competitive application year must have begun to meet  
25 initial milestones established by the Department before  
26 the next statewide market study report is published. No

1 additional rounds of sites for operation shall be  
2 established without a statewide market study report  
3 published by the Department. The Department must propose  
4 rules implementing this Section no later than 180 days  
5 after the effective date of this amendatory Act of the  
6 104th General Assembly.

7 (2) Beginning January 1, 2027, and every 3 years  
8 thereafter, the Department must publish on its website a  
9 statewide market study report which must be utilized by  
10 the Department in determining when to solicit applications  
11 for supportive living program sites in certain geographic  
12 areas in accordance with this subsection. The statewide  
13 market study report shall set forth the following:

14 (A) The statewide market study report must define  
15 a primary market area as a county, zip code, or  
16 multiple contiguous zip codes. A primary market area  
17 must not exceed a radius of:

18 (i) 4 miles in Cook County (including the City  
19 of Chicago);

20 (ii) 12 miles in Alexander, Bond, Boone,  
21 Calhoun, Champaign, Clinton, DeKalb, DuPage,  
22 Fulton, Grundy, Henry, Jackson, Jersey, Johnson,  
23 Kane, Kankakee, Kendall, Lake, Macon, Macoupin,  
24 Madison, Marshall, McHenry, McLean, Menard,  
25 Mercer, Monroe, Peoria, Piatt, Rock Island,  
26 Sangamon, Stark, St. Clair, Tazewell, Vermilion,

1 Will, Williamson, Winnebago, Woodford, or counties  
2 with a population which exceeds 30,000; or  
3 (iii) 25 miles in all other counties.

4 (B) The statewide market study report shall  
5 identify the eligible population by analyzing age,  
6 income, and acuity.

7 (i) Required age cohorts are: 65 years old  
8 through 74 years old, 75 years old through 84  
9 years old, and 85 years old and older.

10 (ii) Acuity as determined by using the  
11 self-care difficulty rate published by Association  
12 of University Centers on Disabilities' National  
13 Center on Disability in Public Health, or the  
14 prevalence of Alzheimer's and related dementia in  
15 individuals 65 and older published by the current  
16 Illinois Alzheimer's Disease State Plan.

17 (iii) Annual income qualification of \$35,000  
18 or less. The income limit must be updated for  
19 changes in the federal poverty level used for  
20 Medicaid eligibility determination and asset  
21 levels. When updating, the sum of income and  
22 assets must be rounded up to the nearest \$5,000.  
23 For example, for 2025 a one-person Aid to the  
24 Aged, Blind, or Disabled income level of \$1,304  
25 per month annualized to \$15,648 plus the \$17,500  
26 asset level equals \$33,148, which is rounded up to

1           \$35,000.

2           (C) The statewide market study report must apply a  
3 20% capture rate to determine the eligible population.

4           (D) The statewide market study report must also  
5 account for existing units at supportive living  
6 program sites, including those that are approved but  
7 not yet certified, and must consider whether existing  
8 providers are fully utilized. In determining whether  
9 the existing providers are utilized, the statewide  
10 market study report shall consider occupancy based on  
11 the most recent cost reports.

12           (E) The Department must prioritize expansion in  
13 the primary market areas where there are currently no  
14 supportive living program sites and within the  
15 following counties based on the number of units  
16 needed:

17           (i) Need must exceed 65 supportive living  
18 program units in the City of Chicago, and the  
19 counties of Alexander, Bond, Boone, Calhoun,  
20 Champaign, Clinton, Cook, DeKalb, DuPage, Fulton,  
21 Grundy, Kane, Kankakee, Kendall, Henry, Jackson,  
22 Jersey, Johnson, Lake, Macon, Macoupin, Madison,  
23 Marshall, McHenry, McLean, Menard, Mercer, Monroe,  
24 Peoria, Piatt, Rock Island, Sangamon, St. Clair,  
25 Stark, Tazewell, Vermilion, Will, Williamson,  
26 Winnebago, and Woodford.

1           (ii) For all other counties, the need must  
2           exceed 40 supportive living program units.

3           (iii) The Department may accept applications  
4           for expansion from existing supportive living  
5           program providers in areas where the need is 18  
6           supportive living program units or greater and can  
7           be met by expansion of an existing supportive  
8           living program provider location.

9           (iv) Primary market areas with existing  
10           supportive living program providers that have  
11           occupancy below 90% as shown on the most recent  
12           cost reports are ineligible for expansion.

13           (F) The Department must also consider the  
14           currently approved waiver capacity. Any expansion of  
15           the supportive living program must not exceed approved  
16           waiver capacity.

17           (G) The Department must also consider public  
18           comments prior to making any final determination  
19           regarding whether to request applications for a  
20           particular geographic area.

21           (3) Within 6 months of publication of the first  
22           statewide market study report, the approved, but not yet  
23           certified, supportive living program sites must submit to  
24           the Department:

25           (A) a written update with milestones toward  
26           operations; or

1           (B) an application for a change of location  
2           outside the originally identified market area.

3           (4) Approved, but not yet certified, supportive living  
4           program sites must begin construction within 24 months of  
5           the date of submission of the written update or approval  
6           of the application for the change of location.

7           (5) The Department may accept applications from  
8           approved, but not yet certified, supportive living program  
9           sites for a change of location outside the originally  
10           identified market area when the current statewide market  
11           study report demonstrates a need outside the original  
12           market area as outlined in paragraph (2). The Department  
13           must not accept any applications where the number of  
14           units, including conventional and dementia care settings,  
15           exceeds the number of units needed as identified by the  
16           statewide market study report.

17           (6) The Department must not accept any applications  
18           for a change of location from approved, but not yet  
19           certified, supportive living program sites when the  
20           proposed location is outside the original market area and  
21           within 8 miles of an existing supportive living program  
22           site in Cook County, 12 miles of an existing supportive  
23           living program site in Alexander, Bond, Boone, Calhoun,  
24           Champaign, Clinton, DeKalb, DuPage, Fulton, Grundy, Henry,  
25           Jackson, Jersey, Johnson, Kane, Kankakee, Kendall, Lake,  
26           Macon, Macoupin, Madison, Marshall, McHenry, McLean,

1 Menard, Mercer, Monroe, Peoria, Piatt, Rock Island,  
2 Sangamon, Stark, St. Clair, Tazewell, Vermilion, Will,  
3 Williamson, Winnebago, or 25 miles of an existing  
4 supportive living program site in all other counties.

5 (7) Current supportive living program providers may  
6 apply to the Department to convert a set number of  
7 conventional apartments, not to exceed 20 apartments, into  
8 dementia care settings. The application for such a request  
9 must demonstrate a need for dementia care settings at the  
10 provider's location supported by the most recently  
11 available statewide market study report, and that the  
12 conversion of units will not displace any person eligible  
13 for supportive living services who is currently residing  
14 in a supportive living program unit from the provider's  
15 location. All dementia care unit conversions must meet the  
16 criteria specific to certification as outlined in 89 Ill.  
17 Adm. Code 146 Subparts B and Subpart E. The Department may  
18 grant a waiver from specified provisions of 89 Ill. Adm.  
19 Code 146 Subpart B and E, if the applicant or supportive  
20 living program provider can demonstrate that an  
21 alternative is available to ensure the residents' health,  
22 safety, and welfare.

23 ~~All applications for the expansion of supportive living~~  
24 ~~dementia care settings involving sites not approved by the~~  
25 ~~Department by January 1, 2024 may allow new elderly~~  
26 ~~non dementia units in addition to new dementia care units. The~~

1 ~~Department may approve such applications only if the~~  
2 ~~application has: (1) no more than one non-dementia care unit~~  
3 ~~for each dementia care unit and (2) the site is not located~~  
4 ~~within 4 miles of an existing supportive living program site~~  
5 ~~in Cook County (including the City of Chicago), not located~~  
6 ~~within 12 miles of an existing supportive living program site~~  
7 ~~in Alexander, Bond, Boone, Calhoun, Champaign, Clinton,~~  
8 ~~DeKalb, DuPage, Fulton, Grundy, Henry, Jackson, Jersey,~~  
9 ~~Johnson, Kane, Kankakee, Kendall, Lake, Macon, Macoupin,~~  
10 ~~Madison, Marshall, McHenry, McLean, Menard, Mercer, Monroe,~~  
11 ~~Peoria, Piatt, Rock Island, Sangamon, Stark, St. Clair,~~  
12 ~~Fazewell, Vermilion, Will, Williamson, Winnebago, or Woodford~~  
13 ~~counties, or not located within 25 miles of an existing~~  
14 ~~supportive living program site in any other county.~~

15 (h) Beginning January 1, 2025, subject to federal  
16 approval, for a person who is a resident of a supportive living  
17 facility under this Section, the monthly personal needs  
18 allowance shall be \$120 per month.

19 (i) As stated in the supportive living program home and  
20 community-based service waiver approved by the federal Centers  
21 for Medicare and Medicaid Services, and beginning July 1,  
22 2025, the Department must maintain the rate add-on implemented  
23 on January 1, 2023 for the provision of 2 meals per day at no  
24 less than \$6.15 per day.

25 (j) Subject to federal approval, the Department shall  
26 allow a certified medication aide to administer medication in

1 a supportive living facility. For purposes of this subsection,  
2 "certified medication aide" means a person who has met the  
3 qualifications for certification under Section 79 of the  
4 Assisted Living and Shared Housing Act and assists with  
5 medication administration while under the supervision of a  
6 registered professional nurse as authorized by Section 50-75  
7 of the Nurse Practice Act. The Department may adopt rules to  
8 implement this subsection.

9 (Source: P.A. 103-102, Article 20, Section 20-5, eff. 1-1-24;  
10 103-102, Article 100, Section 100-5, eff. 1-1-24; 103-593,  
11 Article 15, Section 15-5, eff. 6-7-24; 103-593, Article 100,  
12 Section 100-5, eff. 6-7-24; 103-593, Article 165, Section  
13 165-5, eff. 6-7-24; 103-605, eff. 7-1-24; 103-886, eff.  
14 8-9-24; 104-9, eff. 6-16-25; 104-417, eff. 8-15-25; revised  
15 9-12-25.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.