



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB3365

Introduced 2/4/2026, by Sen. Julie A. Morrison

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5F-10  
305 ILCS 5/5F-15  
305 ILCS 5/5F-35

Amends the Medicare-Medicaid Alignment Initiative (MMAI) Nursing Home Residents' Managed Care Rights Law of the Illinois Public Aid Code. Provides that the Article applies to a fully integrated dual eligible special needs plan and any managed care plan for persons who are dually eligible for Medicare and Medicaid. Adds to the definition of "Demonstration Project", a fully integrated dual eligible special needs plan and any managed care plan for persons who are dually eligible for Medicare and Medicaid. Provides that the Department of Healthcare and Family Services shall provide each managed care organization with the quarterly facility-specific nursing component (instead of RUG-IV nursing component) per diem along with any add-ons for enhanced care services, support component per diem, and capital component per diem effective for each nursing home under contract with the managed care organization. Effective immediately.

LRB104 18483 SSS 31925 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 Sections 5F-10, 5F-15, and 5F-35 as follows:

6 (305 ILCS 5/5F-10)

7 Sec. 5F-10. Scope. This Article applies to policies and  
8 contracts amended, delivered, issued, or renewed on or after  
9 the effective date of this amendatory Act of the 98th General  
10 Assembly for the nursing home component of the  
11 Medicare-Medicaid Alignment Initiative and the Managed  
12 Long-Term Services and Support Program, a fully integrated  
13 dual eligible special needs plan, or any managed care plan for  
14 persons who are dually eligible for Medicare and Medicaid.

15 This Article does not diminish a managed care organization's  
16 duties and responsibilities under other federal or State laws  
17 or rules adopted under those laws and the 3-way  
18 Medicare-Medicaid Alignment Initiative contract and the  
19 Managed Long-Term Services and Support Program contract.

20 (Source: P.A. 98-651, eff. 6-16-14; 99-719, eff. 1-1-17.)

21 (305 ILCS 5/5F-15)

22 Sec. 5F-15. Definitions. As used in this Article:

1 "Appeal" means any of the procedures that deal with the  
2 review of adverse organization determinations on the health  
3 care services the enrollee believes he or she is entitled to  
4 receive, including delay in providing, arranging for, or  
5 approving the health care services, such that a delay would  
6 adversely affect the health of the enrollee or on any amounts  
7 the enrollee must pay for a service, as defined under 42 CFR  
8 422.566(b). These procedures include reconsiderations by the  
9 managed care organization and, if necessary, an independent  
10 review entity as provided by the Health Carrier External  
11 Review Act, hearings before administrative law judges, review  
12 by the Medicare Appeals Council, and judicial review.

13 "Demonstration Project" means the nursing home component  
14 of the Medicare-Medicaid Alignment Initiative Demonstration  
15 Project, a fully integrated dual eligible special needs plan,  
16 or any managed care plan for persons who are dually eligible  
17 for Medicare and Medicaid.

18 "Department" means the Department of Healthcare and Family  
19 Services.

20 "Enrollee" means an individual who resides in a nursing  
21 home or is qualified to be admitted to a nursing home and is  
22 enrolled with a managed care organization participating in the  
23 Demonstration Project.

24 "Health care services" means the diagnosis, treatment, and  
25 prevention of disease and includes medication, primary care,  
26 nursing or medical care, mental health treatment, psychiatric

1 rehabilitation, memory loss services, physical, occupational,  
2 and speech rehabilitation, enhanced care, medical supplies and  
3 equipment and the repair of such equipment, and assistance  
4 with activities of daily living.

5 "Managed care organization" or "MCO" means an entity that  
6 meets the definition of health maintenance organization as  
7 defined in the Health Maintenance Organization Act, is  
8 licensed, regulated and in good standing with the Department  
9 of Insurance, and is authorized to participate in the nursing  
10 home component of the Medicare-Medicaid Alignment Initiative  
11 Demonstration Project by a 3-way contract with the Department  
12 of Healthcare and Family Services and the Centers for Medicare  
13 and Medicaid Services.

14 "Medical professional" means a physician, physician  
15 assistant, or nurse practitioner.

16 "Medically necessary" means health care services that a  
17 medical professional, exercising prudent clinical judgment,  
18 would provide to a patient for the purpose of preventing,  
19 evaluating, diagnosing, or treating an illness, injury, or  
20 disease or its symptoms, and that are: (i) in accordance with  
21 the generally accepted standards of medical practice; (ii)  
22 clinically appropriate, in terms of type, frequency, extent,  
23 site, and duration, and considered effective for the patient's  
24 illness, injury, or disease; and (iii) not primarily for the  
25 convenience of the patient, a medical professional, other  
26 health care provider, caregiver, family member, or other

1 interested party.

2 "Nursing home" means a facility licensed under the Nursing  
3 Home Care Act.

4 "Nurse practitioner" means an individual properly licensed  
5 as a nurse practitioner under the Nurse Practice Act.

6 "Physician" means an individual licensed to practice in  
7 all branches of medicine under the Medical Practice Act of  
8 1987.

9 "Physician assistant" means an individual properly  
10 licensed under the Physician Assistant Practice Act of 1987.

11 "Resident" means an enrollee who is receiving personal or  
12 medical care, including, but not limited to, mental health  
13 treatment, psychiatric rehabilitation, physical  
14 rehabilitation, and assistance with activities of daily  
15 living, from a nursing home.

16 "RAI Manual" means the most recent Resident Assessment  
17 Instrument Manual, published by the Centers for Medicare and  
18 Medicaid Services.

19 "Resident's representative" means a person designated in  
20 writing by a resident to be the resident's representative or  
21 the resident's guardian, as described by the Nursing Home Care  
22 Act.

23 "SNFist" means a medical professional specializing in the  
24 care of individuals residing in nursing homes employed by or  
25 under contract with a MCO.

26 "Transition period" means a period of time immediately

1 following enrollment into the Demonstration Project or an  
2 enrollee's movement from one managed care organization to  
3 another managed care organization or one care setting to  
4 another care setting.

5 (Source: P.A. 98-651, eff. 6-16-14.)

6 (305 ILCS 5/5F-35)

7 Sec. 5F-35. Reimbursement. The Department shall provide  
8 each managed care organization with the quarterly  
9 facility-specific ~~RUC-IV~~ nursing component per diem along with  
10 any add-ons for enhanced care services, support component per  
11 diem, and capital component per diem effective for each  
12 nursing home under contract with the managed care  
13 organization.

14 (Source: P.A. 98-651, eff. 6-16-14.)

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