



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

**HB1422**

Introduced 2/17/2021, by Rep. Emanuel Chris Welch

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.5

from Ch. 23, par. 5-5.5

Amends the Illinois Public Aid Code. Makes a technical change in a Section concerning Medicaid payment rates for nursing facility and ICF/DD services in nursing facilities.

LRB102 03438 KTG 13451 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 5-5.5 as follows:

6 (305 ILCS 5/5-5.5) (from Ch. 23, par. 5-5.5)

7 Sec. 5-5.5. Elements of Payment Rate.

8 (a) The ~~The~~ Department of Healthcare and Family Services  
9 shall develop a prospective method for determining payment  
10 rates for nursing facility and ICF/DD services in nursing  
11 facilities composed of the following cost elements:

12 (1) Standard Services, with the cost of this component  
13 being determined by taking into account the actual costs  
14 to the facilities of these services subject to cost  
15 ceilings to be defined in the Department's rules.

16 (2) Resident Services, with the cost of this component  
17 being determined by taking into account the actual costs,  
18 needs and utilization of these services, as derived from  
19 an assessment of the resident needs in the nursing  
20 facilities.

21 (3) Ancillary Services, with the payment rate being  
22 developed for each individual type of service. Payment  
23 shall be made only when authorized under procedures

1 developed by the Department of Healthcare and Family  
2 Services.

3 (4) Nurse's Aide Training, with the cost of this  
4 component being determined by taking into account the  
5 actual cost to the facilities of such training.

6 (5) Real Estate Taxes, with the cost of this component  
7 being determined by taking into account the figures  
8 contained in the most currently available cost reports  
9 (with no imposition of maximums) updated to the midpoint  
10 of the current rate year for long term care services  
11 rendered between July 1, 1984 and June 30, 1985, and with  
12 the cost of this component being determined by taking into  
13 account the actual 1983 taxes for which the nursing homes  
14 were assessed (with no imposition of maximums) updated to  
15 the midpoint of the current rate year for long term care  
16 services rendered between July 1, 1985 and June 30, 1986.

17 (b) In developing a prospective method for determining  
18 payment rates for nursing facility and ICF/DD services in  
19 nursing facilities and ICF/DDs, the Department of Healthcare  
20 and Family Services shall consider the following cost  
21 elements:

22 (1) Reasonable capital cost determined by utilizing  
23 incurred interest rate and the current value of the  
24 investment, including land, utilizing composite rates, or  
25 by utilizing such other reasonable cost related methods  
26 determined by the Department. However, beginning with the

1 rate reimbursement period effective July 1, 1987, the  
2 Department shall be prohibited from establishing,  
3 including, and implementing any depreciation factor in  
4 calculating the capital cost element.

5 (2) Profit, with the actual amount being produced and  
6 accruing to the providers in the form of a return on their  
7 total investment, on the basis of their ability to  
8 economically and efficiently deliver a type of service.  
9 The method of payment may assure the opportunity for a  
10 profit, but shall not guarantee or establish a specific  
11 amount as a cost.

12 (c) The Illinois Department may implement the amendatory  
13 changes to this Section made by this amendatory Act of 1991  
14 through the use of emergency rules in accordance with the  
15 provisions of Section 5.02 of the Illinois Administrative  
16 Procedure Act. For purposes of the Illinois Administrative  
17 Procedure Act, the adoption of rules to implement the  
18 amendatory changes to this Section made by this amendatory Act  
19 of 1991 shall be deemed an emergency and necessary for the  
20 public interest, safety and welfare.

21 (d) No later than January 1, 2001, the Department of  
22 Public Aid shall file with the Joint Committee on  
23 Administrative Rules, pursuant to the Illinois Administrative  
24 Procedure Act, a proposed rule, or a proposed amendment to an  
25 existing rule, regarding payment for appropriate services,  
26 including assessment, care planning, discharge planning, and

1 treatment provided by nursing facilities to residents who have  
2 a serious mental illness.

3 (e) On and after July 1, 2012, the Department shall reduce  
4 any rate of reimbursement for services or other payments or  
5 alter any methodologies authorized by this Code to reduce any  
6 rate of reimbursement for services or other payments in  
7 accordance with Section 5-5e.

8 (Source: P.A. 96-1123, eff. 1-1-11; 96-1530, eff. 2-16-11;  
9 97-689, eff. 6-14-12.)