

1 AN ACT in relation to budget implementation.

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) Provide 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 by the Department of Public
15 Health under the Nursing Home Care Act as Intermediate Care
16 for the Developmentally Disabled facilities, Long Term Care
17 for Under Age 22 facilities, Skilled Nursing facilities, or
18 Intermediate Care facilities under the medical assistance
19 program shall be prospectively established annually on the
20 basis of historical, financial, and statistical data
21 reflecting actual costs from prior years, which shall be
22 applied to the current rate year and updated for inflation,
23 except that the capital cost element for newly constructed
24 facilities shall be based upon projected budgets. The
25 annually established payment rate shall take effect on July 1
26 in 1984 and subsequent years. No rate increase and no update
27 for inflation shall be provided on or after July 1, 1994 and
28 before July 1, 2004, unless specifically provided for in this
29 Section.

30 For facilities licensed by the Department of Public
31 Health under the Nursing Home Care Act as Intermediate Care

1 for the Developmentally Disabled facilities or Long Term Care
2 for Under Age 22 facilities, the rates taking effect on July
3 1, 1998 shall include an increase of 3%. For facilities
4 licensed by the Department of Public Health under the Nursing
5 Home Care Act as Skilled Nursing facilities or Intermediate
6 Care facilities, the rates taking effect on July 1, 1998
7 shall include an increase of 3% plus \$1.10 per resident-day,
8 as defined by the Department.

9 For facilities licensed by the Department of Public
10 Health under the Nursing Home Care Act as Intermediate Care
11 for the Developmentally Disabled facilities or Long Term Care
12 for Under Age 22 facilities, the rates taking effect on July
13 1, 1999 shall include an increase of 1.6% plus \$3.00 per
14 resident-day, as defined by the Department. For facilities
15 licensed by the Department of Public Health under the Nursing
16 Home Care Act as Skilled Nursing facilities or Intermediate
17 Care facilities, the rates taking effect on July 1, 1999
18 shall include an increase of 1.6% and, for services provided
19 on or after October 1, 1999, shall be increased by \$4.00 per
20 resident-day, as defined by the Department.

21 For facilities licensed by the Department of Public
22 Health under the Nursing Home Care Act as Intermediate Care
23 for the Developmentally Disabled facilities or Long Term Care
24 for Under Age 22 facilities, the rates taking effect on July
25 1, 2000 shall include an increase of 2.5% per resident-day,
26 as defined by the Department. For facilities licensed by the
27 Department of Public Health under the Nursing Home Care Act
28 as Skilled Nursing facilities or Intermediate Care
29 facilities, the rates taking effect on July 1, 2000 shall
30 include an increase of 2.5% per resident-day, as defined by
31 the Department.

32 For facilities licensed by the Department of Public
33 Health under the Nursing Home Care Act as skilled nursing
34 facilities or intermediate care facilities, a new payment

1 methodology must be implemented for the nursing component of
2 the rate effective July 1, 2003. The Department of Public Aid
3 shall develop the new payment methodology using the Minimum
4 Data Set (MDS) as the instrument to collect information
5 concerning nursing home resident condition necessary to
6 compute the rate. The Department of Public Aid shall develop
7 the new payment methodology to meet the unique needs of
8 Illinois nursing home residents while remaining subject to
9 the appropriations provided by the General Assembly. A
10 transition period from the payment methodology in effect on
11 June 30, 2003 to the payment methodology in effect on July 1,
12 2003 shall be provided for a period not exceeding 2 years
13 after implementation of the new payment methodology as
14 follows:

15 (A) For a facility that would receive a lower
16 nursing component rate per patient day under the new
17 system than the facility received effective on the date
18 immediately preceding the date that the Department
19 implements the new payment methodology, the nursing
20 component rate per patient day for the facility shall be
21 held at the level in effect on the date immediately
22 preceding the date that the Department implements the new
23 payment methodology until a higher nursing component rate
24 of reimbursement is achieved by that facility.

25 (B) For a facility that would receive a higher
26 nursing component rate per patient day under the payment
27 methodology in effect on July 1, 2003 than the facility
28 received effective on the date immediately preceding the
29 date that the Department implements the new payment
30 methodology, the nursing component rate per patient day
31 for the facility shall be adjusted.

32 (C) Notwithstanding paragraphs (A) and (B), the
33 nursing component rate per patient day for the facility
34 shall be adjusted subject to appropriations provided by

1 the General Assembly.

2 For facilities licensed by the Department of Public
3 Health under the Nursing Home Care Act as Intermediate Care
4 for the Developmentally Disabled facilities or Long Term Care
5 for Under Age 22 facilities, the rates taking effect on March
6 1, 2001 shall include a statewide increase of 7.85%, as
7 defined by the Department.

8 For facilities licensed by the Department of Public
9 Health under the Nursing Home Care Act as Intermediate Care
10 for the Developmentally Disabled facilities or Long Term Care
11 for Under Age 22 facilities, the rates taking effect on April
12 1, 2002 shall include a statewide increase of 2.0%, as
13 defined by the Department. This increase terminates on July
14 1, 2002; beginning July 1, 2002 these rates are reduced to
15 the level of the rates in effect on March 31, 2002, as
16 defined by the Department.

17 For facilities licensed by the Department of Public
18 Health under the Nursing Home Care Act as skilled nursing
19 facilities or intermediate care facilities, the rates taking
20 effect on July 1, 2001 shall be computed using the most
21 recent cost reports on file with the Department of Public Aid
22 no later than April 1, 2000, updated for inflation to January
23 1, 2001. For rates effective July 1, 2001 only, rates shall
24 be the greater of the rate computed for July 1, 2001 or the
25 rate effective on June 30, 2001.

26 Notwithstanding any other provision of this Section, for
27 facilities licensed by the Department of Public Health under
28 the Nursing Home Care Act as skilled nursing facilities or
29 intermediate care facilities, the Illinois Department shall
30 determine by rule the rates taking effect on July 1, 2002,
31 which shall be 5.9% less than the rates in effect on June 30,
32 2002.

33 For facilities licensed by the Department of Public
34 Health under the Nursing Home Care Act as Intermediate Care

1 for the Developmentally Disabled facilities or as long-term
2 care facilities for residents under 22 years of age, the
3 rates taking effect on July 1, 2003 shall include a statewide
4 increase of 4%, as defined by the Department.

5 Rates established effective each July 1 shall govern
6 payment for services rendered throughout that fiscal year,
7 except that rates established on July 1, 1996 shall be
8 increased by 6.8% for services provided on or after January
9 1, 1997. Such rates will be based upon the rates calculated
10 for the year beginning July 1, 1990, and for subsequent years
11 thereafter until June 30, 2001 shall be based on the facility
12 cost reports for the facility fiscal year ending at any point
13 in time during the previous calendar year, updated to the
14 midpoint of the rate year. The cost report shall be on file
15 with the Department no later than April 1 of the current rate
16 year. Should the cost report not be on file by April 1, the
17 Department shall base the rate on the latest cost report
18 filed by each skilled care facility and intermediate care
19 facility, updated to the midpoint of the current rate year.
20 In determining rates for services rendered on and after July
21 1, 1985, fixed time shall not be computed at less than zero.
22 The Department shall not make any alterations of regulations
23 which would reduce any component of the Medicaid rate to a
24 level below what that component would have been utilizing in
25 the rate effective on July 1, 1984.

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

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

32 (4) Shall take into account the actual costs incurred by
33 facilities in meeting licensing and certification standards
34 imposed and prescribed by the State of Illinois, any of its

1 political subdivisions or municipalities and by the U.S.
2 Department of Health and Human Services pursuant to Title XIX
3 of the Social Security Act.

4 The Department of Public Aid shall develop precise
5 standards for payments to reimburse nursing facilities for
6 any utilization of appropriate rehabilitative personnel for
7 the provision of rehabilitative services which is authorized
8 by federal regulations, including reimbursement for services
9 provided by qualified therapists or qualified assistants, and
10 which is in accordance with accepted professional practices.
11 Reimbursement also may be made for utilization of other
12 supportive personnel under appropriate supervision.

13 (Source: P.A. 92-10, eff. 6-11-01; 92-31, eff. 6-28-01;
14 92-597, eff. 6-28-02; 92-651, eff. 7-11-02; 92-848, eff.
15 1-1-03; 93-20, eff. 6-20-03.)

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