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1 AMENDMENT TO SENATE BILL 1620

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1620 by replacing  
3 the title with the following:

4 "AN ACT concerning public aid."; and

5 by replacing everything after the enacting clause with the  
6 following:

7 "Section 5. The Illinois Public Aid Code is amended by  
8 changing Section 5-5.4 as follows:

9 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

10 Sec. 5-5.4. Standards of Payment - Department of Public  
11 Aid. The Department of Public Aid shall develop standards of  
12 payment of skilled nursing and intermediate care services in  
13 facilities providing such services under this Article which:

14 (1) Provide for the determination of a facility's payment  
15 for skilled nursing and intermediate care services on a  
16 prospective basis. The amount of the payment rate for all  
17 nursing facilities certified by the Department of Public Health  
18 under the Nursing Home Care Act as Intermediate Care for the  
19 Developmentally Disabled facilities, Long Term Care for Under  
20 Age 22 facilities, Skilled Nursing facilities, or Intermediate  
21 Care facilities under the medical assistance program shall be  
22 prospectively established annually on the basis of historical,  
23 financial, and statistical data reflecting actual costs from

1 prior years, which shall be applied to the current rate year  
2 and updated for inflation, except that the capital cost element  
3 for newly constructed facilities shall be based upon projected  
4 budgets. The annually established payment rate shall take  
5 effect on July 1 in 1984 and subsequent years. No rate increase  
6 and no update for inflation shall be provided on or after July  
7 1, 1994 and before July 1, 2006, unless specifically provided  
8 for in this Section. The changes made by this amendatory Act of  
9 the 93rd General Assembly extending the duration of the  
10 prohibition against a rate increase or update for inflation are  
11 effective retroactive to July 1, 2004.

12 For facilities licensed by the Department of Public Health  
13 under the Nursing Home Care Act as Intermediate Care for the  
14 Developmentally Disabled facilities or Long Term Care for Under  
15 Age 22 facilities, the rates taking effect on July 1, 1998  
16 shall include an increase of 3%. For facilities licensed by the  
17 Department of Public Health under the Nursing Home Care Act as  
18 Skilled Nursing facilities or Intermediate Care facilities,  
19 the rates taking effect on July 1, 1998 shall include an  
20 increase of 3% plus \$1.10 per resident-day, as defined by the  
21 Department. For facilities licensed by the Department of Public  
22 Health under the Nursing Home Care Act as Intermediate Care  
23 Facilities for the Developmentally Disabled or Long Term Care  
24 for Under Age 22 facilities, the rates taking effect on January  
25 1, 2006 shall include an increase of 3%.

26 For facilities licensed by the Department of Public Health  
27 under the Nursing Home Care Act as Intermediate Care for the  
28 Developmentally Disabled facilities or Long Term Care for Under  
29 Age 22 facilities, the rates taking effect on July 1, 1999  
30 shall include an increase of 1.6% plus \$3.00 per resident-day,  
31 as defined by the Department. For facilities licensed by the  
32 Department of Public Health under the Nursing Home Care Act as  
33 Skilled Nursing facilities or Intermediate Care facilities,  
34 the rates taking effect on July 1, 1999 shall include an

1 increase of 1.6% and, for services provided on or after October  
2 1, 1999, shall be increased by \$4.00 per resident-day, as  
3 defined by the Department.

4 For facilities licensed by the Department of Public Health  
5 under the Nursing Home Care Act as Intermediate Care for the  
6 Developmentally Disabled facilities or Long Term Care for Under  
7 Age 22 facilities, the rates taking effect on July 1, 2000  
8 shall include an increase of 2.5% per resident-day, as defined  
9 by the Department. For facilities licensed by the Department of  
10 Public Health under the Nursing Home Care Act as Skilled  
11 Nursing facilities or Intermediate Care facilities, the rates  
12 taking effect on July 1, 2000 shall include an increase of 2.5%  
13 per resident-day, as defined by the Department.

14 For facilities licensed by the Department of Public Health  
15 under the Nursing Home Care Act as skilled nursing facilities  
16 or intermediate care facilities, a new payment methodology must  
17 be implemented for the nursing component of the rate effective  
18 July 1, 2003. The Department of Public Aid shall develop the  
19 new payment methodology using the Minimum Data Set (MDS) as the  
20 instrument to collect information concerning nursing home  
21 resident condition necessary to compute the rate. The  
22 Department of Public Aid shall develop the new payment  
23 methodology to meet the unique needs of Illinois nursing home  
24 residents while remaining subject to the appropriations  
25 provided by the General Assembly. A transition period from the  
26 payment methodology in effect on June 30, 2003 to the payment  
27 methodology in effect on July 1, 2003 shall be provided for a  
28 period not exceeding 3 years after implementation of the new  
29 payment methodology as follows:

30 (A) For a facility that would receive a lower nursing  
31 component rate per patient day under the new system than  
32 the facility received effective on the date immediately  
33 preceding the date that the Department implements the new  
34 payment methodology, the nursing component rate per

1 patient day for the facility shall be held at the level in  
2 effect on the date immediately preceding the date that the  
3 Department implements the new payment methodology until a  
4 higher nursing component rate of reimbursement is achieved  
5 by that facility.

6 (B) For a facility that would receive a higher nursing  
7 component rate per patient day under the payment  
8 methodology in effect on July 1, 2003 than the facility  
9 received effective on the date immediately preceding the  
10 date that the Department implements the new payment  
11 methodology, the nursing component rate per patient day for  
12 the facility shall be adjusted.

13 (C) Notwithstanding paragraphs (A) and (B), the  
14 nursing component rate per patient day for the facility  
15 shall be adjusted subject to appropriations provided by the  
16 General Assembly.

17 For facilities licensed by the Department of Public Health  
18 under the Nursing Home Care Act as Intermediate Care for the  
19 Developmentally Disabled facilities or Long Term Care for Under  
20 Age 22 facilities, the rates taking effect on March 1, 2001  
21 shall include a statewide increase of 7.85%, as defined by the  
22 Department.

23 For facilities licensed by the Department of Public Health  
24 under the Nursing Home Care Act as Intermediate Care for the  
25 Developmentally Disabled facilities or Long Term Care for Under  
26 Age 22 facilities, the rates taking effect on April 1, 2002  
27 shall include a statewide increase of 2.0%, as defined by the  
28 Department. This increase terminates on July 1, 2002; beginning  
29 July 1, 2002 these rates are reduced to the level of the rates  
30 in effect on March 31, 2002, as defined by the Department.

31 For facilities licensed by the Department of Public Health  
32 under the Nursing Home Care Act as skilled nursing facilities  
33 or intermediate care facilities, the rates taking effect on  
34 July 1, 2001 shall be computed using the most recent cost

1 reports on file with the Department of Public Aid no later than  
2 April 1, 2000, updated for inflation to January 1, 2001. For  
3 rates effective July 1, 2001 only, rates shall be the greater  
4 of the rate computed for July 1, 2001 or the rate effective on  
5 June 30, 2001.

6 Notwithstanding any other provision of this Section, for  
7 facilities licensed by the Department of Public Health under  
8 the Nursing Home Care Act as skilled nursing facilities or  
9 intermediate care facilities, the Illinois Department shall  
10 determine by rule the rates taking effect on July 1, 2002,  
11 which shall be 5.9% less than the rates in effect on June 30,  
12 2002.

13 Notwithstanding any other provision of this Section, for  
14 facilities licensed by the Department of Public Health under  
15 the Nursing Home Care Act as skilled nursing facilities or  
16 intermediate care facilities, if the payment methodologies  
17 required under Section 5A-12 and the waiver granted under 42  
18 CFR 433.68 are approved by the United States Centers for  
19 Medicare and Medicaid Services, the rates taking effect on July  
20 1, 2004 shall be 3.0% greater than the rates in effect on June  
21 30, 2004. These rates shall take effect only upon approval and  
22 implementation of the payment methodologies required under  
23 Section 5A-12.

24 Notwithstanding any other provisions of this Section, for  
25 facilities licensed by the Department of Public Health under  
26 the Nursing Home Care Act as skilled nursing facilities or  
27 intermediate care facilities, the rates taking effect on  
28 January 1, 2005 shall be 3% more than the rates in effect on  
29 December 31, 2004.

30 For facilities licensed by the Department of Public Health  
31 under the Nursing Home Care Act as Intermediate Care for the  
32 Developmentally Disabled facilities or as long-term care  
33 facilities for residents under 22 years of age, the rates  
34 taking effect on July 1, 2003 shall include a statewide

1 increase of 4%, as defined by the Department.

2 Notwithstanding any other provision of this Section, for  
3 facilities licensed by the Department of Public Health under  
4 the Nursing Home Care Act as skilled nursing facilities or  
5 intermediate care facilities, effective January 1, 2005,  
6 facility rates shall be increased by the difference between (i)  
7 a facility's per diem property, liability, and malpractice  
8 insurance costs as reported in the cost report filed with the  
9 Department of Public Aid and used to establish rates effective  
10 July 1, 2001 and (ii) those same costs as reported in the  
11 facility's 2002 cost report. These costs shall be passed  
12 through to the facility without caps or limitations, except for  
13 adjustments required under normal auditing procedures.

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

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

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

7           (4) Shall take into account the actual costs incurred by  
8 facilities in meeting licensing and certification standards  
9 imposed and prescribed by the State of Illinois, any of its  
10 political subdivisions or municipalities and by the U.S.  
11 Department of Health and Human Services pursuant to Title XIX  
12 of the Social Security Act.

13           The Department of Public Aid shall develop precise  
14 standards for payments to reimburse nursing facilities for any  
15 utilization of appropriate rehabilitative personnel for the  
16 provision of rehabilitative services which is authorized by  
17 federal regulations, including reimbursement for services  
18 provided by qualified therapists or qualified assistants, and  
19 which is in accordance with accepted professional practices.  
20 Reimbursement also may be made for utilization of other  
21 supportive personnel under appropriate supervision.

22           (Source: P.A. 93-20, eff. 6-20-03; 93-649, eff. 1-8-04; 93-659,  
23 eff. 2-3-04; 93-841, eff. 7-30-04; 93-1087, eff. 2-28-05;  
24 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; revised 8-9-05.)

25           Section 99. Effective date. This Act takes effect upon  
26 becoming law."