

**SB2635**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**SB2635**

Introduced 2/15/2008, by Sen. Don Harmon

**SYNOPSIS AS INTRODUCED:**

305 ILCS 5/5-5.4d new

Amends the Illinois Public Aid Code. Provides for an increase in Medicaid rates for nursing homes for the sole purpose of increasing wages for non-supervisory employees. Requires nursing homes to apply for the rate increase. Requires nursing homes to document the use of moneys paid to them under this provision, and provides for penalties if the Department of Healthcare and Family Services determines that a nursing home spent any of the moneys for a purpose other than increasing wages for non-supervisory employees. Effective immediately.

LRB095 17043 DRJ 46066 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

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 adding Section 5-5.4d as follows:

6 (305 ILCS 5/5-5.4d new)

7 Sec. 5-5.4d. Nursing facilities; rate increase for wage  
8 increases for non-supervisory employees.

9 (a) A facility licensed by the Department of Public Health  
10 under the Nursing Home Care Act as a skilled nursing facility,  
11 intermediate care facility, or skilled nursing for under age 22  
12 facility is eligible for an increase in the rates paid to the  
13 facility under this Article for services provided on or after  
14 January 1, 2009. Any increase paid to a facility under this  
15 Section shall be for the sole purpose of increasing wages for  
16 non-supervisory employees of the facility beginning on January  
17 1, 2009.

18 The amount available to provide this increase in rates  
19 shall be \$75,000,000 in State fiscal year 2009 and \$150,000,000  
20 in State fiscal year 2010 and thereafter, which shall be  
21 applied in an equal per diem increase to the Medicaid rates of  
22 all facilities that elect to participate in this program,  
23 effective January 1, 2009, as determined by the Department

1 according to rules. The Department shall attempt to increase  
2 the per diem as much as possible given reasonable estimates of  
3 Medicaid days per participating facilities. The maximum dollar  
4 amounts apply to the date of service of the payments and are  
5 not necessarily equal to the moneys appropriated for this  
6 purpose in any specific year. In no case shall the per diem be  
7 increased by more than \$7 per Medicaid day. This amount shall  
8 be included in the rate or other payments made by the  
9 Department of Healthcare and Family Services on behalf of  
10 residents of long-term care facilities under this Article.

11 The Department shall adopt all rules, including State plan  
12 amendments, that are necessary to obtain available federal  
13 financial participation as provided under Title XIX of the  
14 Social Security Act.

15 (b) For purposes of this Section, increased wages may  
16 include any payroll tax increases directly associated with the  
17 provision of the wage increases.

18 (c) A facility must apply to the Department of Healthcare  
19 and Family Services for the rate increase authorized under this  
20 Section and must do so in the form and manner determined by the  
21 Department.

22 (d) A facility must document that a payment increase  
23 received under this Section was actually used to fund wage  
24 increases for the facility's non-supervisory employees. A  
25 facility may provide that documentation by either of the  
26 following methods:

1           (1) An audited supplement to the facility's cost report  
2           provided by an independent accountant, based on a review of  
3           payroll records, that verifies the expenditures.

4           (2) A copy of the terms of an executed collective  
5           bargaining agreement between the facility and its  
6           non-supervisory employees that requires the expenditures.

7           (e) If the Department of Healthcare and Family Services  
8           determines, after notice and a hearing, that any moneys paid to  
9           a facility under this Section were used for a purpose other  
10           than increasing wages for non-supervisory employees, the  
11           Department shall direct the facility to increase wages for the  
12           facility's non-supervisory employees to the extent necessary  
13           to ensure that the entire amount of the increase paid to the  
14           facility under this Section is used for that purpose. In  
15           addition, for the purpose of offsetting the cost of auditing  
16           and enforcement in connection with this Section, the Department  
17           shall recoup from the facility an amount equal to 50% of the  
18           amount of the increase paid to the facility under this Section  
19           that the facility did not use to fund wage increases for its  
20           non-supervisory employees.

21           Section 99. Effective date. This Act takes effect upon  
22           becoming law.