



Sen. Christine Radogno

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09600SB3743sam002

LRB096 20325 KTG 38837 a

1 AMENDMENT TO SENATE BILL 3743

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3743, AS AMENDED,  
3 with reference to Senate Amendment 1 as follows:

4 on page 3, line 12, by adding before the period the following:  
5 ", or a hospital that begins operations after January 1, 2010  
6 and is designated by Medicare as a long term acute care  
7 hospital."; and

8 on page 4, line 4, by deleting "on the effective date of this  
9 Act" and replacing it with "October 1, 2010"; and

10 on page 5, line 1, by inserting "to the Department" before "the  
11 CARE tool"; and

12 on page 5, line 11, by inserting after "hospital" the  
13 following:  
14 "with the exception of STAC hospitals identified in paragraphs

1 (1) and (2) under subsection (a) of Section 25 of this Act";  
2 and

3 on page 6, line 12, by deleting "The quotient of:"; and

4 on page 6, by deleting lines 13 through 16; and

5 on page 6, line 19, by deleting "The quotient of:"; and

6 on page 6, by deleting lines 20 through 22; and

7 on page 6, line 25, by deleting "The"; and

8 on page 6, by deleting line 26; and

9 on page 7, by deleting lines 1 through 17; and

10 on page 7, line 22, by deleting "The quotient of:"; and

11 on page 7, by deleting lines 23 through 26; and

12 by deleting page 8; and

13 on page 9, line 1, by deleting "The"; and

14 on page 9, by deleting lines 2 through 20; and

1 on page 9, by deleting line 26; and

2 by deleting page 10; and

3 on page 11, by deleting lines 1 through 4; and

4 on page 12, line 7, by replacing "with a notice to the  
5 Department" with "with 30 calendar days' notice to the  
6 Department."; and

7 on page 12, by deleting lines 8 through 10; and

8 on page 12, by replacing lines 11 through 13 with the  
9 following:

10 "(c) The LTAC hospital must develop patient and family  
11 education materials concerning the Program and submit those  
12 materials to the Department for review and approval."; and

13 on page 12, line 21, by replacing "who" with ":"; and

14 on page 12, by replacing lines 22 and 23 with the following:

15 "(1) who upon admission to the LTAC hospital meet LTAC  
16 hospital criteria; and

17 (2) whose care is primarily paid for by the Department  
18 under Title XIX of the Social Security Act or whose care is

1 primarily paid for by the Department after the patient has  
2 exhausted his or her benefits under Medicare."; and

3 on page 13, line 1, by replacing "the LTAC hospital no" with  
4 "any of the following conditions are met:"; and

5 on page 13, by replacing lines 2 through 6 with the following:

6 "(1) the LTAC hospital no longer meets the requirements  
7 under Section 15 of this Act or terminates the agreement  
8 specified under Section 15 of this Act;

9 (2) the patient does not meet the LTAC hospital  
10 criteria upon admission; or

11 (3) the patient's care is primarily paid for by  
12 Medicare and the patient has not exhausted his or her  
13 Medicare benefits, resulting in the Department becoming  
14 the primary payer."; and

15 on page 13, by replacing lines 7 through 14 with the following:

16 "(c) The Department may adjust the LTAC supplemental per  
17 diem rate calculated under this Section based only on the  
18 conditions and requirements described under Section 40 and  
19 Section 45 of this Act."; and

20 on page 14, by inserting immediately below line 12 the  
21 following:

1           "Section 40. Rate adjustments for quality measures.

2           (a) The Department may adjust the LTAC supplemental per  
3 diem rate calculated under Section 35 of this Act based on the  
4 requirements of this Section.

5           (b) After the first year of operation of the Program  
6 established by this Act, the Department may reduce the LTAC  
7 supplemental per diem rate calculated under Section 35 of this  
8 Act by no more than 5% for an LTAC hospital that does not meet  
9 benchmarks or targets set by the Department under paragraph (2)  
10 of subsection (b) of Section 50.

11           (c) After the first year of operation of the Program  
12 established by this Act, the Department may increase the LTAC  
13 supplemental per diem rate calculated under Section 35 of this  
14 Act by no more than 5% for an LTAC hospital that exceeds the  
15 benchmarks or targets set by the Department under paragraph (2)  
16 of subsection (a) of Section 50.

17           (d) If an LTAC hospital misses a majority of the benchmarks  
18 for quality measures for 3 consecutive years, the Department  
19 may reduce the LTAC supplemental per diem rate calculated under  
20 Section 35 of this Act to zero.

21           (e) An LTAC hospital whose rate is reduced under subsection  
22 (d) of this Section may have the LTAC supplemental per diem  
23 rate calculated under Section 35 of this Act reinstated once  
24 the LTAC hospital achieves the necessary benchmarks or targets.

25           (f) The Department may apply the reduction described in  
26 subsection (d) of this Section after one year instead of 3 to

1 an LTAC hospital that has had its rate previously reduced under  
2 subsection (d) of this Section and later has had it reinstated  
3 under subsection (e) of this Section.

4 (g) The rate adjustments described in this Section shall be  
5 determined and applied only at the beginning of each rate year.

6 Section 45. Program evaluation.

7 (a) After the Program completes the 3rd full year of  
8 operation on September 30, 2013, the Department must complete  
9 an evaluation of the Program to determine the actual savings or  
10 costs generated by the Program, both on an aggregate basis and  
11 on an LTAC hospital-specific basis. The evaluation must be  
12 conducted in each subsequent year.

13 (b) The Department and qualified LTAC hospitals must  
14 determine the appropriate methodology to accurately calculate  
15 the Program's savings and costs.

16 (c) The evaluation must also determine the effects the  
17 Program has had in improving patient satisfaction and health  
18 outcomes.

19 (d) If the evaluation indicates that the Program generates  
20 a net cost to the Department, the Department may prospectively  
21 adjust an individual hospital's LTAC supplemental per diem rate  
22 under Section 35 of this Act to establish cost neutrality. The  
23 rate adjustments applied under this subsection (d) do not need  
24 to be applied uniformly to all qualified LTAC hospitals as long  
25 as the adjustments are based on data from the evaluation on

1 hospital-specific information. Cost neutrality under this  
2 Section means that the cost to the Department resulting from  
3 the LTAC supplemental per diem rate must not exceed the savings  
4 generated from transferring the patient from a STAC hospital.

5 (e) The rate adjustment described in subsection (d) of this  
6 Section, if necessary, shall be applied to the LTAC  
7 supplemental per diem rate for the rate year beginning October  
8 1, 2014. The Department may apply this rate adjustment in  
9 subsequent rate years if the conditions under subsection (d) of  
10 this Section are met. The Department must apply the rate  
11 adjustment to an individual LTAC hospital's LTAC supplemental  
12 per diem rate only in years when the Program evaluation  
13 indicates a net cost for the Department.

14 (f) The rate adjustments described in this Section shall be  
15 determined and applied only at the beginning of each rate  
16 year."; and

17 on page 14, line 13, by replacing "40" with "50"; and

18 on page 15, by replacing lines 2 through 14 with the following:

19 "(b) The Department shall include specific information on  
20 the Program in its annual medical programs report."; and

21 on page 15, line 25, by replacing "execute an agreement as"  
22 with "create and distribute to LTAC hospitals the agreement";  
23 and

1 on page 15, line 26, by replacing "45 days after" with  
2 "September 1, 2010."; and

3 on page 16, by deleting line 1; and

4 on page 16, line 16, by inserting after the period the  
5 following:

6 "The Department must also notify LTAC hospitals that  
7 accepting transfers from the STAC hospitals identified in  
8 paragraphs (1) and (2) under subsection (a) of Section 25 of  
9 this Act are not required under paragraph (5) of subsection (c)  
10 of Section 15 of this Act. The Department must notify LTAC  
11 hospitals that accepting transfers from the STAC hospitals  
12 identified in paragraphs (1) and (2) under subsection (a) of  
13 Section 25 of this Act shall negatively impact the savings  
14 calculations under the Program evaluation required by Section  
15 40 of this Act and shall in turn require the Department to  
16 initiate the penalty described in subsection (d) of Section 40  
17 of this Act."; and

18 on page 16, by replacing lines 17 through 20 with the  
19 following:

20 "(j) The Department shall deem LTAC hospitals qualified  
21 under Section 15 of this Act as qualifying for expedited  
22 payments."; and



1 on page 16, by inserting immediately below line 26 the  
2 following:

3 "(1) The Department may promulgate rules as allowed by the  
4 Illinois Administrative Procedure Act to implement this Act;  
5 however, the requirements under this Act shall be implemented  
6 by the Department even if the Department's proposed rules are  
7 not yet adopted by the implementation date of October 1,  
8 2010."