

**HB5563**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**HB5563**

Introduced 2/15/2012, by Rep. Greg Harris

**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 skilled nursing and intermediate care services in nursing facilities.

LRB097 14499 KTG 59354 b

**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 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 to  
14 the facilities of these services subject to cost ceilings  
15 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 an  
19 assessment of the resident needs in the nursing facilities.

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

1 Services.

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

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

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

20 (1) Reasonable capital cost determined by utilizing  
21 incurred interest rate and the current value of the  
22 investment, including land, utilizing composite rates, or  
23 by utilizing such other reasonable cost related methods  
24 determined by the Department. However, beginning with the  
25 rate reimbursement period effective July 1, 1987, the  
26 Department shall be prohibited from establishing,

1 including, and implementing any depreciation factor in  
2 calculating the capital cost element.

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

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

19 (d) No later than January 1, 2001, the Department of Public  
20 Aid shall file with the Joint Committee on Administrative  
21 Rules, pursuant to the Illinois Administrative Procedure Act, a  
22 proposed rule, or a proposed amendment to an existing rule,  
23 regarding payment for appropriate services, including  
24 assessment, care planning, discharge planning, and treatment  
25 provided by nursing facilities to residents who have a serious  
26 mental illness.

1 (Source: P.A. 95-331, eff. 8-21-07; 96-1123, eff. 1-1-11;  
2 96-1530, eff. 2-16-11.)