

1 AN ACT in relation to 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 5-5.4 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 ~~Provides~~ for the determination of a
12 facility's payment for skilled nursing and intermediate care
13 services on a prospective basis. The amount of the payment
14 rate for all nursing facilities certified under the medical
15 assistance program shall be prospectively established
16 annually on the basis of historical, financial, and
17 statistical data reflecting actual costs from prior years,
18 which shall be applied to the current rate year and updated
19 for inflation, except that the capital cost element for newly
20 constructed facilities shall be based upon projected budgets.
21 The annually established payment rate shall take effect on
22 July 1 in 1984 and subsequent years. Rate increases shall be
23 provided annually thereafter on July 1 in 1984 and on each
24 subsequent July 1 in the following years, except that no rate
25 increase and no update for inflation shall be provided on or
26 after July 1, 1994 and before July 1, 2002, unless
27 specifically provided for in this Section.

28 For facilities licensed by the Department of Public
29 Health under the Nursing Home Care Act as Intermediate Care
30 for the Developmentally Disabled facilities or Long Term Care
31 for Under Age 22 facilities, the rates taking effect on July

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

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

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

30 For facilities licensed by the Department of Public
31 Health under the Nursing Home Care Act as skilled nursing
32 facilities or intermediate care facilities, a new payment
33 methodology must be implemented for the nursing component of
34 the rate effective July 1, 2003. The Department of Public Aid

1 shall develop the new payment methodology using the Minimum
2 Data Set (MDS) as the instrument to collect information
3 concerning nursing home resident condition necessary to
4 compute the rate. The Department of Public Aid shall develop
5 the new payment methodology to meet the unique needs of
6 Illinois nursing home residents while remaining subject to
7 the appropriations provided by the General Assembly. For a
8 facility that would receive a lower rate per patient under
9 the new system than the facility received effective on the
10 date immediately preceding the date that the Department
11 implements the new payment methodology, the rate per patient
12 for the facility shall be held at the level in effect on the
13 date immediately preceding the date that the Department
14 implements the new payment methodology until a higher rate of
15 reimbursement is achieved by that facility.

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

22 For facilities licensed by the Department of Public
23 Health under the Nursing Home Care Act as Intermediate Care
24 for the Developmentally Disabled facilities or Long Term Care
25 for Under Age 22 facilities, the rates taking effect on April
26 1, 2002 shall include a statewide increase of 2.0%, as
27 defined by the Department.

28 For facilities licensed by the Department of Public
29 Health under the Nursing Home Care Act as skilled nursing
30 facilities or intermediate care facilities, the rates taking
31 effect on July 1, 2001, and each subsequent year thereafter,
32 shall be computed using the most recent cost reports on file
33 with the Department of Public Aid no later than April 1, 2000
34 updated for inflation to January 1, 2001. For rates

1 effective July 1, 2001 only, rates shall be the greater of
2 the rate computed for July 1, 2001 or the rate effective on
3 June 30, 2001.

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

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

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

31 (4) Shall take into account the actual costs incurred by
32 facilities in meeting licensing and certification standards
33 imposed and prescribed by the State of Illinois, any of its
34 political subdivisions or municipalities and by the U.S.

1 Department of Health and Human Services pursuant to Title XIX
2 of the Social Security Act.

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

12 (Source: P.A. 91-24, eff. 7-1-99; 91-712, eff. 7-1-00; 92-10,
13 eff. 6-11-01; 92-31, eff. 6-28-01; revised 12-13-01.)