

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 Intermediate Care
32 for the Developmentally Disabled facilities or Long Term Care
33 for Under Age 22 facilities, the rates taking effect on March
34 1, 2001 shall include a statewide increase of 7.85%, as

1 defined by the Department.

2 For facilities licensed by the Department of Public
3 Health under the Nursing Home Care Act as Intermediate Care
4 for the Developmentally Disabled facilities or Long Term Care
5 for Under Age 22 facilities, the rates taking effect on April
6 1, 2002 shall include a statewide increase of 2.0%, as
7 defined by the Department.

8 For facilities licensed by the Department of Public
9 Health under the Nursing Home Care Act as skilled nursing
10 facilities or intermediate care facilities, the rates taking
11 effect on July 1, 2001, and each subsequent year thereafter,
12 shall be computed using the most recent cost reports on file
13 with the Department of Public Aid no later than April 1, 2000
14 updated for inflation to January 1, 2001. For rates
15 effective July 1, 2001 only, rates shall be the greater of
16 the rate computed for July 1, 2001 or the rate effective on
17 June 30, 2001.

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

1 The Department shall not make any alterations of regulations
2 which would reduce any component of the Medicaid rate to a
3 level below what that component would have been utilizing in
4 the rate effective on July 1, 1984.

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

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

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

17 (5) Shall include a quality incentive of at least \$0.50
18 per resident per day for those facilities using a nationally
19 recognized quality improvement program.

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

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