



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB3391

by Rep. Emanuel Chris Welch

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Medical Assistance Article of the Illinois Public Aid Code. In provisions concerning payment rates for nursing facilities, provides that facility-specific staffing levels and wages paid (rather than regional wage adjusters based on the Health Service Areas (HSA) groupings and adjusters in effect on April 30, 2012) shall be one of the factors in determining the new nursing services reimbursement methodology utilizing the RUG-IV 48 grouper model. Sets forth the calculation of the facility-specific RUG-IV nursing component per diem rate for dates of service beginning July 1, 2017. Provides that certain staffing and wage adjusters must be updated each quarter using the staffing hours and wage data from Payroll Benefit Journal data collected by the Centers for Medicare and Medicaid Services for the same time period of Minimum Date Set data used to calculate the RUG-IV acuity case weight. Sets forth how to calculate each facility's "total per resident per day staffing wage cost". Provides that the levels used to assign certain staffing and wage adjusters shall be calculated using the staffing ratios required under the Nursing Home Care Act multiplied by the Illinois mean hourly wage for the equivalent occupational code and title assigned by the U.S. Bureau of Labor Statistics and reported in the May 2014 State Occupational Employment and Wage Estimates for Illinois. Provides that beginning July 1, 2017 and quarterly thereafter, the Department of Healthcare and Family Services may adjust, by administrative rule and within certain parameters established under the Code, a specific staffing and wage adjuster described in the Code for the purpose of keeping liability created by the facility-specific RUG-IV nursing component per diem rates stable. Permits the Department to adopt rules to implement these provisions. Effective immediately.

LRB100 07013 KTG 17067 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 1. Findings. The General Assembly finds as follows:

5 (1) It is in the best interest of the citizens of  
6 Illinois to review and update Medicaid payment  
7 methodologies to ensure the best use of public resources.

8 (2) The intent of the \$6.07 tax per occupied bed day  
9 imposed by Public Act 96-1530 was to pay for increased  
10 staffing under Public Act 96-1372.

11 (3) Many nursing homes are still staffed below the  
12 legal level required under Section 3-202.05 of the Nursing  
13 Home Care Act.

14 (4) Some low-staffed homes have gained from the higher  
15 Medicaid rates but have not increased staffing.

16 (5) Policy research has noted the significant positive  
17 relationship between nursing home staffing levels and  
18 quality of care.

19 (6) The State of Illinois desires to pay for value and  
20 quality not just volume.

21 (7) The use of regional wage adjusters rewards or  
22 penalizes nursing homes solely on location and does not  
23 account for staffing levels or actual wages paid.

1 Section 5. The Illinois Public Aid Code is amended by  
2 changing Section 5-5.2 as follows:

3 (305 ILCS 5/5-5.2) (from Ch. 23, par. 5-5.2)

4 Sec. 5-5.2. Payment.

5 (a) All nursing facilities that are grouped pursuant to  
6 Section 5-5.1 of this Act shall receive the same rate of  
7 payment for similar services.

8 (b) It shall be a matter of State policy that the Illinois  
9 Department shall utilize a uniform billing cycle throughout the  
10 State for the long-term care providers.

11 (c) Notwithstanding any other provisions of this Code, the  
12 methodologies for reimbursement of nursing services as  
13 provided under this Article shall no longer be applicable for  
14 bills payable for nursing services rendered on or after a new  
15 reimbursement system based on the Resource Utilization Groups  
16 (RUGs) has been fully operationalized, which shall take effect  
17 for services provided on or after January 1, 2014.

18 (d) The new nursing services reimbursement methodology  
19 utilizing RUG-IV 48 grouper model, which shall be referred to  
20 as the RUGs reimbursement system, taking effect January 1,  
21 2014, shall be based on the following:

22 (1) The methodology shall be resident-driven,  
23 facility-specific, and cost-based.

24 (2) Costs shall be annually rebased and case mix index  
25 quarterly updated. The nursing services methodology will

1 be assigned to the Medicaid enrolled residents on record as  
2 of 30 days prior to the beginning of the rate period in the  
3 Department's Medicaid Management Information System (MMIS)  
4 as present on the last day of the second quarter preceding  
5 the rate period based upon the Assessment Reference Date of  
6 the Minimum Data Set (MDS).

7 (3) Facility-specific staffing levels and wages paid.  
8 ~~Regional wage adjusters based on the Health Service Areas~~  
9 ~~(HSA) groupings and adjusters in effect on April 30, 2012~~  
10 ~~shall be included.~~

11 (4) Case mix index shall be assigned to each resident  
12 class based on the Centers for Medicare and Medicaid  
13 Services staff time measurement study in effect on July 1,  
14 2013, utilizing an index maximization approach.

15 (5) The pool of funds available for distribution by  
16 case mix and the base facility rate shall be determined  
17 using the formula contained in subsection (d-1).

18 (d-1) Calculation of base year Statewide RUG-IV nursing  
19 base per diem rate, for dates of service beginning January 1,  
20 2014 through June 30, 2017.

21 (1) Base rate spending pool shall be:

22 (A) The base year resident days which are  
23 calculated by multiplying the number of Medicaid  
24 residents in each nursing home as indicated in the MDS  
25 data defined in paragraph (4) by 365.

26 (B) Each facility's nursing component per diem in

1 effect on July 1, 2012 shall be multiplied by  
2 subsection (A).

3 (C) Thirteen million is added to the product of  
4 subparagraph (A) and subparagraph (B) to adjust for the  
5 exclusion of nursing homes defined in paragraph (5).

6 (2) For each nursing home with Medicaid residents as  
7 indicated by the MDS data defined in paragraph (4),  
8 weighted days adjusted for case mix and regional wage  
9 adjustment shall be calculated. For each home this  
10 calculation is the product of:

11 (A) Base year resident days as calculated in  
12 subparagraph (A) of paragraph (1).

13 (B) The nursing home's regional wage adjustor  
14 based on the Health Service Areas (HSA) groupings and  
15 adjustors in effect on April 30, 2012.

16 (C) Facility weighted case mix which is the number  
17 of Medicaid residents as indicated by the MDS data  
18 defined in paragraph (4) multiplied by the associated  
19 case weight for the RUG-IV 48 grouper model using  
20 standard RUG-IV procedures for index maximization.

21 (D) The sum of the products calculated for each  
22 nursing home in subparagraphs (A) through (C) above  
23 shall be the base year case mix, rate adjusted weighted  
24 days.

25 (3) The Statewide RUG-IV nursing base per diem rate:

26 (A) on January 1, 2014 shall be the quotient of the

1 paragraph (1) divided by the sum calculated under  
2 subparagraph (D) of paragraph (2); and

3 (B) on and after July 1, 2014, shall be the amount  
4 calculated under subparagraph (A) of this paragraph  
5 (3) plus \$1.76.

6 (4) Minimum Data Set (MDS) comprehensive assessments  
7 for Medicaid residents on the last day of the quarter used  
8 to establish the base rate.

9 (5) Nursing facilities designated as of July 1, 2012 by  
10 the Department as "Institutions for Mental Disease" shall  
11 be excluded from all calculations under this subsection.  
12 The data from these facilities shall not be used in the  
13 computations described in paragraphs (1) through (4) above  
14 to establish the base rate.

15 (e) Beginning July 1, 2014, the Department shall allocate  
16 funding in the amount up to \$10,000,000 for per diem add-ons to  
17 the RUGS methodology for dates of service on and after July 1,  
18 2014:

19 (1) \$0.63 for each resident who scores in I4200  
20 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

21 (2) \$2.67 for each resident who scores either a "1" or  
22 "2" in any items S1200A through S1200I and also scores in  
23 RUG groups PA1, PA2, BA1, or BA2.

24 (e-1) (Blank).

25 (e-2) For dates of services beginning January 1, 2014  
26 through June 30, 2017, the RUG-IV nursing component per diem

1 for a nursing home shall be the product of the statewide RUG-IV  
2 nursing base per diem rate, the facility average case mix  
3 index, and the regional wage adjustor. Transition rates for  
4 services provided between January 1, 2014 and December 31, 2014  
5 shall be as follows:

6 (1) The transition RUG-IV per diem nursing rate for  
7 nursing homes whose rate calculated in this subsection  
8 (e-2) is greater than the nursing component rate in effect  
9 July 1, 2012 shall be paid the sum of:

10 (A) The nursing component rate in effect July 1,  
11 2012; plus

12 (B) The difference of the RUG-IV nursing component  
13 per diem calculated for the current quarter minus the  
14 nursing component rate in effect July 1, 2012  
15 multiplied by 0.88.

16 (2) The transition RUG-IV per diem nursing rate for  
17 nursing homes whose rate calculated in this subsection  
18 (e-2) is less than the nursing component rate in effect  
19 July 1, 2012 shall be paid the sum of:

20 (A) The nursing component rate in effect July 1,  
21 2012; plus

22 (B) The difference of the RUG-IV nursing component  
23 per diem calculated for the current quarter minus the  
24 nursing component rate in effect July 1, 2012  
25 multiplied by 0.13.

26 (e-3) Calculation of facility-specific RUG-IV nursing

1 component per diem rate for dates of service beginning July 1,  
2 2017.

3 (1) The facility-specific RUG-IV nursing component per  
4 diem rate must be the product of:

5 (A) The Statewide RUG-IV base rate of \$85.25.

6 (B) The staffing and wage adjuster which is  
7 assigned per facility based on the facility's specific  
8 total per resident per day staffing wage cost as  
9 defined in paragraph (2) of this subsection. For levels  
10 defined in paragraph (3) of this subsection, the  
11 staffing wage adjuster is:

12 (i) 0.80 for a facility with a total per  
13 resident per day staffing wage cost less than level  
14 1, or a facility whose staffing level is below the  
15 intermediate care minimum required under Section  
16 3-202.05 of the Nursing Home Care Act even if the  
17 facility has a total per resident per day staffing  
18 wage cost greater than or equal to level 1;

19 (ii) 1.22 for a facility with a total per  
20 resident per day staffing wage cost greater than or  
21 equal to level 1 but less than level 2;

22 (iii) 1.42 for a facility with a total per  
23 resident per day staffing wage cost greater than or  
24 equal to level 2 but less than level 3;

25 (iv) 1.45 for a facility with a total per  
26 resident per day staffing wage cost greater than or



1           equal to level 3; or

2                   (v) 0.80 for a facility without data necessary  
3           to calculate the facility's specific total per  
4           resident per day staffing wage cost as defined in  
5           paragraph (2) of this subsection.

6           (C) The facility weighted case mix, which is the  
7           number of Medicaid residents as indicated by the  
8           Minimum Data Set (MDS) data defined in paragraph (4) of  
9           this subsection multiplied by the associated case  
10          weight for the RUG-IV 48 grouper model using standard  
11          RUG-IV procedures for index maximization.

12          (D) The ratio of actual staffing hours to total  
13          expected staffing hours adjuster which is assigned  
14          based on each facility's ratio as defined in paragraph  
15          (5) of this subsection. The facilities are divided into  
16          4 quartiles sorted from lowest to highest based on the  
17          facility's ratio. The quartile with the lowest ratios  
18          is quartile 1 and the quartile with the highest ratios  
19          is quartile 4 with quartile 2 and quartile 3 assigned  
20          based on the ratios in those quartiles in relation to  
21          lowest and highest quartiles. Facilities without  
22          reported data are assigned to quartile 3. The quartiles  
23          are calculated quarterly during regular rate updates.  
24          The adjuster for each quartile is as follows:

25                   (i) 0.65 for facilities in quartile 1;

26                   (ii) the ratio defined in paragraph (5) of this

1 subsection for facilities in quartile 2 and 3; or

2 (iii) 1.00 for facilities in quartile 4.

3 (2) The staffing and wage adjuster under subparagraph  
4 (B) of paragraph (1) of this subsection must be updated  
5 each quarter using the staffing hours and wage data from  
6 Payroll Benefit Journal data collected by the Centers for  
7 Medicare and Medicaid Services for the same time period of  
8 MDS data used to calculate the RUG-IV acuity case weight.  
9 For the purposes of this Section, each facility's "total  
10 per resident per day staffing wage cost" is calculated by  
11 summing:

12 (A) The product of registered nurses' hours worked  
13 per resident day multiplied by the reported hourly  
14 wage. For the Director of Nursing only the number of  
15 hours allowed under Section 3-202.05 of the Nursing  
16 Home Care Act for the calculation of staffing ratios  
17 may be included; plus

18 (B) The product of licensed practical nurses'  
19 worked hours per resident day multiplied by the  
20 reported hourly wage; plus

21 (C) The product of certified nurse assistants'  
22 hours worked per resident day multiplied by the  
23 reported hourly wage; plus

24 (D) For all other staff considered direct care  
25 staff under staffing ratios described in Section  
26 3-202.05 of the Nursing Home Care Act, the product of

1 each remaining direct care staff type hours worked per  
2 resident day multiplied by the reported hourly wage for  
3 the direct care staff category at the same levels  
4 allowed under the staffing ratios under Section  
5 3-202.05 of the Nursing Home Care Act.

6 (3) The levels used to assign the staffing and wage  
7 adjuster under subparagraph (B) of paragraph (1) of this  
8 subsection shall be calculated using the staffing ratios  
9 required under Section 3-202.05 of the Nursing Home Care  
10 Act multiplied by the Illinois mean hourly wage for the  
11 equivalent occupational code and title assigned by the U.S.  
12 Bureau of Labor Statistics and reported in the May 2014  
13 State Occupational Employment and Wage Estimates for  
14 Illinois. The Department may, as established by rule, use  
15 more current data from the same data set when made  
16 available. The levels are:

17 (A) Level 1 is equal to the sum of:

18 (i) The product of 10% of the minimum staffing  
19 hours per resident day for intermediate care under  
20 Section 3-202.05 of the Nursing Home Care Act  
21 multiplied by the Illinois mean hourly wage for  
22 registered nurses occupation code 29-1141 from the  
23 U.S. Bureau of Labor Statistics data set described  
24 in paragraph (3) of this subsection; plus

25 (ii) The product of 15% of the minimum staffing  
26 hours per resident day for intermediate care under

1 Section 3-202.05 of the Nursing Home Care Act  
2 multiplied by the Illinois mean hourly wage for  
3 licensed practical nurses occupation code 29-2061  
4 from the U.S. Bureau of Labor Statistics data set  
5 described in paragraph (3) of this subsection;  
6 plus

7 (iii) The product of 75% of the minimum  
8 staffing hours per resident day for intermediate  
9 care under Section 3-202.05 of the Nursing Home  
10 Care Act multiplied by the Illinois mean hourly  
11 wage for nursing assistants occupation code  
12 31-1014 from the U.S. Bureau of Labor Statistics  
13 data set described in paragraph (3) of this  
14 subsection.

15 (B) Level 2 is equal to the sum of:

16 (i) The product of 10% of the minimum staffing  
17 hours per resident day for skilled care under  
18 Section 3-202.05 of the Nursing Home Care Act  
19 multiplied by the Illinois mean hourly wage for  
20 registered nurses occupation code 29-1141 from the  
21 U.S. Bureau of Labor Statistics data set described  
22 in paragraph (3) of this subsection; plus

23 (ii) The product of 15% of the minimum staffing  
24 hours per resident day for skilled care under  
25 Section 3-202.05 of the Nursing Home Care Act  
26 multiplied by the Illinois mean hourly wage for

1 licensed practical nurses occupation code 29-2061  
2 from the U.S. Bureau of Labor Statistics set  
3 described in paragraph (3) of this subsection;  
4 plus

5 (iii) The product of 75% of the minimum  
6 staffing hours per resident day for skilled care  
7 under Section 3-202.05 of the Nursing Home Care Act  
8 multiplied by the Illinois mean hourly wage for  
9 nursing assistants occupation code 31-1014 from  
10 the U.S. Bureau of Labor Statistics data set  
11 described in paragraph (3) of this subsection.

12 (C) Level 3 is equal to the sum of:

13 (i) The product of .84 staffing hours per  
14 resident day multiplied by the Illinois mean  
15 hourly wage for registered nurses occupation code  
16 29-1141 from the U.S. Bureau of Labor Statistics  
17 data set described in paragraph (3) of this  
18 subsection; plus

19 (ii) The product of .84 staffing hours per  
20 resident day multiplied by the Illinois mean  
21 hourly wage for licensed practical nurses  
22 occupation code 29-2061 from the U.S. Bureau of  
23 Labor Statistics data set described in paragraph  
24 (3) of this subsection; plus

25 (iii) The product of 2.46 staffing hours per  
26 resident day multiplied by the Illinois mean

1           hourly wage for nursing assistants occupation code  
2           31-1014 from the U.S. Bureau of Labor Statistics  
3           data set described in paragraph (3) of this  
4           subsection.

5           (4) Minimum Data Set comprehensive assessments for  
6           Medicaid residents on the last day of the quarter used to  
7           establish the rate.

8           (5) The facility-specific total ratio of actual  
9           staffing hours to total expected staffing hours for the  
10           assigned resident specific case weight must be updated each  
11           quarter using the staffing hours and wage data from Payroll  
12           Benefit Journal data collected by the Centers for Medicare  
13           and Medicaid Services for the same time period of MDS data  
14           used to calculate the RUG-IV acuity case weight. For each  
15           facility the Department must calculate the total hours  
16           worked per resident day for direct care staff allowed by  
17           the staffing ratios under Section 3-202.05 of the Nursing  
18           Home Care Act and divide that value by the sum of staffing  
19           hours per resident day assigned to each resident based on  
20           the sum of the Resident Specific Time and Direct  
21           Non-Resident Specific Time for the resident's RUG-IV  
22           group. This is the same methodology for the Medicare 5-star  
23           rating program calculation of the expected staffing hours  
24           per resident day used by the Centers for Medicare and  
25           Medicaid Services, except that the Centers for Medicare and  
26           Medicaid Services uses RUG-III groupings.

1           (6) If the Payroll Benefit Journal data collected by  
2           the Centers for Medicare and Medicaid Services is not  
3           available, the Department must use the most recent cost  
4           reporting data reported to the Department and the most  
5           recent survey data posted to the Centers for Medicare and  
6           Medicaid Services' Nursing Home Compare website. The  
7           Department must use the Payroll Benefit Journal data  
8           collected by the Centers for Medicare and Medicaid Services  
9           once the data is available.

10          (e-4) Budget stability beginning July 1, 2017.

11           (1) Beginning July 1, 2017 and quarterly thereafter,  
12           the Department may adjust, by administrative rule and  
13           within the parameters established under this subsection  
14           (e-4), the staffing and wage adjuster described in  
15           subparagraph (B) of paragraph (1) of subsection (e-3) and  
16           the ratio of actual staffing hours to the total expected  
17           staffing hours adjuster described in subparagraph (D) of  
18           paragraph (1) of subsection (e-3) for the purpose of  
19           keeping liability created by the facility-specific RUG-IV  
20           nursing component per diem rates stable as defined in  
21           paragraph (2) and paragraph (3) of this subsection (e-4).

22           (2) Budget stability for facility-specific RUG-IV  
23           nursing component per diem rates effective July 1, 2017  
24           through June 30, 2019. If the aggregate budget stability  
25           ratio calculated under paragraph (4) of this subsection is  
26           greater than 0.96, then the Department must adjust one or

1 both of the adjusters specified in paragraph (1) of this  
2 subsection in order to decrease the ratio to no less than  
3 0.96.

4 (3) Budget stability for facility-specific RUG-IV  
5 nursing component per diem rates effective July 1, 2019 and  
6 quarterly thereafter. If the aggregate budget stability  
7 ratio calculated under paragraph (4) of this subsection is  
8 between 0.98 and 1.00, the Department must not make any  
9 adjustments. If the aggregate budget stability ratio  
10 calculated under paragraph (4) of this subsection is less  
11 than 0.98, then the Department must adjust one or both of  
12 the adjusters specified in paragraph (1) of this subsection  
13 in order to increase the ratio to at least 0.98. If the  
14 aggregate budget stability ratio calculated under  
15 paragraph (4) of this subsection is greater than 1.00, then  
16 the Department must adjust one or both of the adjusters  
17 specified in paragraph (1) of this subsection in order to  
18 decrease the ratio to at least 1.00, but no less than 1.00.

19 (4) For the purposes of this Section, the aggregate  
20 budget stability ratio calculated with the numerator  
21 described in subparagraph (A) of this paragraph (4) divided  
22 by the denominator described in subparagraph (B) of this  
23 paragraph (4) is as follows:

24 (A) Numerator equal to the sum of the following  
25 products:

26 (i) the product of the number of Medicaid



1 residents in each nursing home as indicated in the  
2 MDS data defined in paragraph (4) of subsection  
3 (e-3) multiplied by 365; then multiplied by  
4 (ii) each nursing home's specific rate under  
5 paragraph (1) of subsection (e-3). This rate does  
6 not include the per diem add-ons defined in  
7 subsection (e) of this Section.

8 (B) Denominator equal to the sum of the following  
9 products:

10 (i) the product of the number of Medicaid  
11 residents in each nursing home as indicated in the  
12 MDS data defined in paragraph (4) of subsection  
13 (e-3) multiplied by 365; then multiplied by

14 (ii) each nursing home's specific rate  
15 effective July 1, 2015 under subsection (e-2) as  
16 adjusted by any past or future MDS validation  
17 reviews performed by the Department. This rate  
18 does not include the per diem add-ons defined in  
19 subsection (e) of this Section.

20 (5) If adjustments are necessary under this subsection  
21 (e-4), the staffing and wage adjuster described in  
22 subparagraph (B) of paragraph (1) of subsection (e-3) must  
23 be adjusted within the following parameters:

24 (A) the adjuster for facilities with a total per  
25 resident per day staffing wage cost less than level 1  
26 must never be greater than 0.80;

1           (B) the adjuster for facilities with a total per  
2           resident per day staffing wage cost less than level 1  
3           must be lower than the adjusters for the other levels;

4           (C) the adjuster for facilities with a total per  
5           resident per day staffing wage cost less than level 1  
6           must generate an aggregate cost coverage for nursing  
7           homes qualifying for that adjuster less than or equal  
8           to 70% using the most recent cost data from cost  
9           reports filed with the Department. The cost coverage  
10           for the nursing homes qualifying for that adjuster must  
11           have the lowest cost coverage as compared to the other  
12           3 groups;

13           (D) the adjusters for the middle 2 levels must  
14           generate the best possible aggregate cost coverage for  
15           nursing homes qualifying for those adjusters of all the  
16           adjusters using the most recent cost data from cost  
17           reports filed with the Department; and

18           (E) the adjuster for facilities with a total per  
19           resident per day staffing wage cost greater than level  
20           4 must generate an aggregate cost coverage for nursing  
21           homes qualifying for that adjuster less than or equal  
22           to 80% using the most recent cost data from cost  
23           reports filed with the Department.

24           (F) Any limitations in this paragraph (5) based on  
25           cost coverage must use the most recent cost data from  
26           cost reports filed with the Department and must be

1 calculated after any adjustments have been made to the  
2 ratio of actual staffing hours to total expected  
3 staffing hours adjuster described in subparagraph (D)  
4 of paragraph (1) of subsection (e-3) and limited by  
5 paragraph (6) of this subsection (e-4).

6 (6) If adjustments are necessary under this subsection  
7 (e-4), the ratio of actual staffing hours to total expected  
8 staffing hours adjuster described in subparagraph (D) of  
9 paragraph (1) of subsection (e-3) must be adjusted within  
10 the following parameters:

11 (A) the adjuster for quartile 4 which has the best  
12 acuity based staffing ratio must never be less than  
13 1.00;

14 (B) the adjuster for quartile 1 must be the  
15 smallest of all 4 quartile adjusters and must never be  
16 greater than 0.65;

17 (C) the Department may set a specific adjuster for  
18 quartile 2 and quartile 3 as opposed to the  
19 facility-specific ratio defined in paragraph (5) of  
20 subsection (e-3) which is allowed under subparagraph  
21 (D) of paragraph (1) of subsection (e-3). If the  
22 Department sets a specific adjuster for quartile 2 or  
23 quartile 3, then the adjuster for quartile 3 must not  
24 be greater than the adjuster for quartile 4 or less  
25 than the adjuster for quartile 2. The adjuster for  
26 quartile 2 must not be greater than the adjuster for

1 quartile 3 or less than the adjuster for quartile 1;

2 and

3 (D) no quartile may have an adjuster greater than

4 1.00.

5 (7) For the purposes of this Section, cost coverage for  
6 a facility is the facility-specific RUG-IV nursing  
7 component per diem rate divided by the healthcare program  
8 cost per day. The healthcare program cost per day is  
9 calculated using data from cost reports submitted to the  
10 Department as required under this Code and the Department's  
11 administrative rules. The Department may update the cost  
12 report references in this paragraph by administrative rule  
13 should the Department's cost report be altered, as long as  
14 the updated references result in identification of the  
15 identical or equivalent data and does not materially change  
16 the resulting calculations. If the Department has made  
17 changes from an audit, the Department may use column 10  
18 instead of column 8 of the respective cost report lines  
19 cited in this paragraph (7) if the information is made  
20 publicly available at the time of making any calculations  
21 required in this Section. The healthcare program cost per  
22 day is the quotient of:

23 (A) the sum of the following costs as reported on  
24 schedule V. of the Department's cost report;

25 (i) the total adjusted health care and  
26 programs costs as reported on line 16 column 8;

1                   plus  
2                    (ii) the total adjusted provider participation  
3                   fee costs as reported on line 42 column 8; plus  
4                    (iii) the total allocated cost of employee  
5                   benefits for health care employees calculated as  
6                   the total adjusted health care and programs salary  
7                   and wage costs as reported on line 16 column 1  
8                   divided by the product of the grand total salary  
9                   and wages as reported on line 45 column 1  
10                  multiplied by the total adjusted employee benefits  
11                  and payroll taxes as report on line 22 column 8;  
12                  (B) divided by the total patient days reported on  
13                  schedule III line 14 column 5 of the Department's cost  
14                  report.

15               (f) Notwithstanding any other provision of this Code, on  
16               and after July 1, 2012, reimbursement rates associated with the  
17               nursing or support components of the current nursing facility  
18               rate methodology shall not increase beyond the level effective  
19               May 1, 2011 until a new reimbursement system based on the RUGs  
20               IV 48 grouper model has been fully operationalized.

21               (g) Notwithstanding any other provision of this Code, on  
22               and after July 1, 2012, for facilities not designated by the  
23               Department of Healthcare and Family Services as "Institutions  
24               for Mental Disease", rates effective May 1, 2011 shall be  
25               adjusted as follows:

26               (1) Individual nursing rates for residents classified

1 in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter  
2 ending March 31, 2012 shall be reduced by 10%;

3 (2) Individual nursing rates for residents classified  
4 in all other RUG IV groups shall be reduced by 1.0%;

5 (3) Facility rates for the capital and support  
6 components shall be reduced by 1.7%.

7 (h) Notwithstanding any other provision of this Code, on  
8 and after July 1, 2012, nursing facilities designated by the  
9 Department of Healthcare and Family Services as "Institutions  
10 for Mental Disease" and "Institutions for Mental Disease" that  
11 are facilities licensed under the Specialized Mental Health  
12 Rehabilitation Act of 2013 shall have the nursing,  
13 socio-developmental, capital, and support components of their  
14 reimbursement rate effective May 1, 2011 reduced in total by  
15 2.7%.

16 (i) On and after July 1, 2014, the reimbursement rates for  
17 the support component of the nursing facility rate for  
18 facilities licensed under the Nursing Home Care Act as skilled  
19 or intermediate care facilities shall be the rate in effect on  
20 June 30, 2014 increased by 8.17%.

21 (j) The Department may adopt rules in accordance with the  
22 Illinois Administrative Procedure Act to implement this  
23 Section. However, the requirements under this Section must be  
24 implemented by the Department even if the Department has not  
25 adopted rules by the implementation date of July 1, 2017.

26 (k) The new rates under the reimbursement methodology

1 created by this amendatory Act of the 100th General Assembly  
2 shall not be paid until approved by the Centers for Medicare  
3 and Medicaid Services.

4 (Source: P.A. 98-104, Article 6, Section 6-240, eff. 7-22-13;  
5 98-104, Article 11, Section 11-35, eff. 7-22-13; 98-651, eff.  
6 6-16-14; 98-727, eff. 7-16-14; 98-756, eff. 7-16-14; 99-78,  
7 eff. 7-20-15.)

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.

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Statutes amended in order of appearance

3

305 ILCS 5/5-5.2

from Ch. 23, par. 5-5.2