

HB1369



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1369

by Rep. Elizabeth Hernandez

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.

LRB098 03887 KTG 33904 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 (e) On and after July 1, 2012, the Department shall reduce
2 any rate of reimbursement for services or other payments or
3 alter any methodologies authorized by this Code to reduce any
4 rate of reimbursement for services or other payments in
5 accordance with Section 5-5e.

6 (Source: P.A. 96-1123, eff. 1-1-11; 96-1530, eff. 2-16-11;
7 97-689, eff. 6-14-12.)