



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4238

Introduced 1/14/2026, by Rep. Anna Moeller

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.01a

Amends the Medical Assistance Article of the Illinois Public Aid Code. Provides that, subject to federal approval, beginning January 1, 2027, any individual age 22 to 64 who is diagnosed as having Alzheimer's disease or a related dementia and is determined to be a person with a disability by the Social Security Administration shall be eligible for services in a supportive living dementia care setting if the individual meets all other eligibility requirements to receive services in a supportive living dementia care setting in accordance with specified administrative rules. Requires the Department of Healthcare and Family Services to apply for any federal waiver necessary to implement the amendatory Act. Effective immediately.

LRB104 16609 KTG 30009 b

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 5-5.01a as follows:

6 (305 ILCS 5/5-5.01a)

7 Sec. 5-5.01a. Supportive living facilities program.

8 (a) The Department shall establish and provide oversight  
9 for a program of supportive living facilities that seek to  
10 promote resident independence, dignity, respect, and  
11 well-being in the most cost-effective manner.

12 A supportive living facility is (i) a free-standing  
13 facility or (ii) a distinct physical and operational entity  
14 within a mixed-use building that meets the criteria  
15 established in subsection (d). A supportive living facility  
16 integrates housing with health, personal care, and supportive  
17 services and is a designated setting that offers residents  
18 their own separate, private, and distinct living units.

19 Sites for the operation of the program shall be selected  
20 by the Department based upon criteria that may include the  
21 need for services in a geographic area, the availability of  
22 funding, and the site's ability to meet the standards.

23 (b) Beginning July 1, 2014, subject to federal approval,

1 the Medicaid rates for supportive living facilities shall be  
2 equal to the supportive living facility Medicaid rate  
3 effective on June 30, 2014 increased by 8.85%. Once the  
4 assessment imposed at Article V-G of this Code is determined  
5 to be a permissible tax under Title XIX of the Social Security  
6 Act, the Department shall increase the Medicaid rates for  
7 supportive living facilities effective on July 1, 2014 by  
8 9.09%. The Department shall apply this increase retroactively  
9 to coincide with the imposition of the assessment in Article  
10 V-G of this Code in accordance with the approval for federal  
11 financial participation by the Centers for Medicare and  
12 Medicaid Services.

13 The Medicaid rates for supportive living facilities  
14 effective on July 1, 2017 must be equal to the rates in effect  
15 for supportive living facilities on June 30, 2017 increased by  
16 2.8%.

17 The Medicaid rates for supportive living facilities  
18 effective on July 1, 2018 must be equal to the rates in effect  
19 for supportive living facilities on June 30, 2018.

20 Subject to federal approval, the Medicaid rates for  
21 supportive living services on and after July 1, 2019 must be at  
22 least 54.3% of the average total nursing facility services per  
23 diem for the geographic areas defined by the Department while  
24 maintaining the rate differential for dementia care and must  
25 be updated whenever the total nursing facility service per  
26 diems are updated. Beginning July 1, 2022, upon the

1 implementation of the Patient Driven Payment Model, Medicaid  
2 rates for supportive living services must be at least 54.3% of  
3 the average total nursing services per diem rate for the  
4 geographic areas. For purposes of this provision, the average  
5 total nursing services per diem rate shall include all add-ons  
6 for nursing facilities for the geographic area provided for in  
7 Section 5-5.2. The rate differential for dementia care must be  
8 maintained in these rates and the rates shall be updated  
9 whenever nursing facility per diem rates are updated.

10 Subject to federal approval, beginning January 1, 2024,  
11 the dementia care rate for supportive living services must be  
12 no less than the non-dementia care supportive living services  
13 rate multiplied by 1.5.

14 (b-5) Subject to federal approval, beginning January 1,  
15 2025, Medicaid rates for supportive living services must be at  
16 least 54.75% of the average total nursing facility per diem  
17 rate for the geographic areas defined by the Department and  
18 shall include all add-ons for nursing facilities for the  
19 geographic area provided for in Section 5-5.2.

20 (c) The Department may adopt rules to implement this  
21 Section. Rules that establish or modify the services,  
22 standards, and conditions for participation in the program  
23 shall be adopted by the Department in consultation with the  
24 Department on Aging, the Department of Rehabilitation  
25 Services, and the Department of Mental Health and  
26 Developmental Disabilities (or their successor agencies).

1           (d) Subject to federal approval by the Centers for  
2 Medicare and Medicaid Services, the Department shall accept  
3 for consideration of certification under the program any  
4 application for a site or building where distinct parts of the  
5 site or building are designated for purposes other than the  
6 provision of supportive living services, but only if:

7           (1) those distinct parts of the site or building are  
8 not designated for the purpose of providing assisted  
9 living services as required under the Assisted Living and  
10 Shared Housing Act;

11           (2) those distinct parts of the site or building are  
12 completely separate from the part of the building used for  
13 the provision of supportive living program services,  
14 including separate entrances;

15           (3) those distinct parts of the site or building do  
16 not share any common spaces with the part of the building  
17 used for the provision of supportive living program  
18 services; and

19           (4) those distinct parts of the site or building do  
20 not share staffing with the part of the building used for  
21 the provision of supportive living program services.

22           (e) Facilities or distinct parts of facilities which are  
23 selected as supportive living facilities and are in good  
24 standing with the Department's rules are exempt from the  
25 provisions of the Nursing Home Care Act and the Illinois  
26 Health Facilities Planning Act.

1 (f) Section 9817 of the American Rescue Plan Act of 2021  
2 (Public Law 117-2) authorizes a 10% enhanced federal medical  
3 assistance percentage for supportive living services for a  
4 12-month period from April 1, 2021 through March 31, 2022.  
5 Subject to federal approval, including the approval of any  
6 necessary waiver amendments or other federally required  
7 documents or assurances, for a 12-month period the Department  
8 must pay a supplemental \$26 per diem rate to all supportive  
9 living facilities with the additional federal financial  
10 participation funds that result from the enhanced federal  
11 medical assistance percentage from April 1, 2021 through March  
12 31, 2022. The Department may issue parameters around how the  
13 supplemental payment should be spent, including quality  
14 improvement activities. The Department may alter the form,  
15 methods, or timeframes concerning the supplemental per diem  
16 rate to comply with any subsequent changes to federal law,  
17 changes made by guidance issued by the federal Centers for  
18 Medicare and Medicaid Services, or other changes necessary to  
19 receive the enhanced federal medical assistance percentage.

20 (g) All applications for the expansion of supportive  
21 living dementia care settings involving sites not approved by  
22 the Department by January 1, 2024 may allow new elderly  
23 non-dementia units in addition to new dementia care units. The  
24 Department may approve such applications only if the  
25 application has: (1) no more than one non-dementia care unit  
26 for each dementia care unit and (2) the site is not located

1 within 4 miles of an existing supportive living program site  
2 in Cook County (including the City of Chicago), not located  
3 within 12 miles of an existing supportive living program site  
4 in Alexander, Bond, Boone, Calhoun, Champaign, Clinton,  
5 DeKalb, DuPage, Fulton, Grundy, Henry, Jackson, Jersey,  
6 Johnson, Kane, Kankakee, Kendall, Lake, Macon, Macoupin,  
7 Madison, Marshall, McHenry, McLean, Menard, Mercer, Monroe,  
8 Peoria, Piatt, Rock Island, Sangamon, Stark, St. Clair,  
9 Tazewell, Vermilion, Will, Williamson, Winnebago, or Woodford  
10 counties, or not located within 25 miles of an existing  
11 supportive living program site in any other county.

12 (g-5) Subject to federal approval, beginning January 1,  
13 2027, any individual age 22 to 64 who is diagnosed as having  
14 Alzheimer's disease or a related dementia and is determined to  
15 be a person with a disability by the Social Security  
16 Administration shall be eligible for services in a supportive  
17 living dementia care setting if the individual meets all other  
18 eligibility requirements to receive services in a supportive  
19 living dementia care setting under 89 Ill. Adm. Code 146  
20 Subpart B and E. The Department shall apply for any federal  
21 waiver necessary to implement this subsection.

22 (h) Beginning January 1, 2025, subject to federal  
23 approval, for a person who is a resident of a supportive living  
24 facility under this Section, the monthly personal needs  
25 allowance shall be \$120 per month.

26 (i) As stated in the supportive living program home and

1 community-based service waiver approved by the federal Centers  
2 for Medicare and Medicaid Services, and beginning July 1,  
3 2025, the Department must maintain the rate add-on implemented  
4 on January 1, 2023 for the provision of 2 meals per day at no  
5 less than \$6.15 per day.

6 (j) Subject to federal approval, the Department shall  
7 allow a certified medication aide to administer medication in  
8 a supportive living facility. For purposes of this subsection,  
9 "certified medication aide" means a person who has met the  
10 qualifications for certification under Section 79 of the  
11 Assisted Living and Shared Housing Act and assists with  
12 medication administration while under the supervision of a  
13 registered professional nurse as authorized by Section 50-75  
14 of the Nurse Practice Act. The Department may adopt rules to  
15 implement this subsection.

16 (Source: P.A. 103-102, Article 20, Section 20-5, eff. 1-1-24;  
17 103-102, Article 100, Section 100-5, eff. 1-1-24; 103-593,  
18 Article 15, Section 15-5, eff. 6-7-24; 103-593, Article 100,  
19 Section 100-5, eff. 6-7-24; 103-593, Article 165, Section  
20 165-5, eff. 6-7-24; 103-605, eff. 7-1-24; 103-886, eff.  
21 8-9-24; 104-9, eff. 6-16-25; 104-417, eff. 8-15-25; revised  
22 9-12-25.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.