



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4914

by Rep. Natalie A. Manley

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.2

Amends the Medical Assistance Article of the Illinois Public Aid Code. Sets per diem add-on rates, beginning January 1, 2027, for nursing facilities based on a facility's STRIVE study staffing levels. Provides that no nursing facility's variable staffing per diem add-on shall be reduced by more than 5% in 2 consecutive quarters; and that no facility below 73% of the staffing indicated by the STRIVE study shall receive a variable per diem staffing add-on after December 31, 2026. Provides that beginning January 1, 2027, the Department of Healthcare and Family Services must split the support rate into its cost report based parts, general services and general administration. Provides that the general services portion shall be referred to as "Support - non-nurse staff" and the general administration portion shall be referred to as "Support - Administrative". Makes other changes. Effective immediately.

LRB104 20244 KTG 33695 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 5-5.2 as follows:

6 (305 ILCS 5/5-5.2)

7 Sec. 5-5.2. Payment.

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

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

14 (c) (Blank).

15 (c-1) Notwithstanding any other provisions of this Code,
16 the methodologies for reimbursement of nursing services as
17 provided under this Article shall no longer be applicable for
18 bills payable for nursing services rendered on or after a new
19 reimbursement system based on the Patient Driven Payment Model
20 (PDPM) has been fully operationalized, which shall take effect
21 for services provided on or after the implementation of the
22 PDPM reimbursement system begins. For the purposes of Public
23 Act 102-1035, the implementation date of the PDPM

1 reimbursement system and all related provisions shall be July
2 1, 2022 if the following conditions are met: (i) the Centers
3 for Medicare and Medicaid Services has approved corresponding
4 changes in the reimbursement system and bed assessment; and
5 (ii) the Department has filed rules to implement these changes
6 no later than June 1, 2022. Failure of the Department to file
7 rules to implement the changes provided in Public Act 102-1035
8 no later than June 1, 2022 shall result in the implementation
9 date being delayed to October 1, 2022.

10 (d) The new nursing services reimbursement methodology
11 utilizing the Patient Driven Payment Model, which shall be
12 referred to as the PDPM reimbursement system, taking effect
13 July 1, 2022, upon federal approval by the Centers for
14 Medicare and Medicaid Services, shall be based on the
15 following:

16 (1) The methodology shall be resident-centered,
17 facility-specific, cost-based, and based on guidance from
18 the Centers for Medicare and Medicaid Services.

19 (2) Costs shall be annually rebased and case mix index
20 quarterly updated. The nursing services methodology will
21 be assigned to the Medicaid enrolled residents on record
22 as of 30 days prior to the beginning of the rate period in
23 the Department's Medicaid Management Information System
24 (MMIS) as present on the last day of the second quarter
25 preceding the rate period based upon the Assessment
26 Reference Date of the Minimum Data Set (MDS).

1 (3) Regional wage adjustors based on the Health
2 Service Areas (HSA) groupings and adjusters in effect on
3 April 30, 2012 shall be included, except no adjuster shall
4 be lower than 1.06.

5 (4) PDPM nursing case mix indices in effect on March
6 1, 2022 shall be assigned to each resident class at no less
7 than 0.7858 of the Centers for Medicare and Medicaid
8 Services PDPM unadjusted case mix values, in effect on
9 March 1, 2022.

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

13 (6) The Department shall establish a variable per diem
14 staffing add-on in accordance with the most recent
15 available federal staffing report, currently the Payroll
16 Based Journal, for the same period of time, and if
17 applicable adjusted for acuity using the same quarter's
18 MDS. The Department shall rely on Payroll Based Journals
19 provided to the Department of Public Health to make a
20 determination of non-submission. If the Department is
21 notified by a facility of missing or inaccurate Payroll
22 Based Journal data or an incorrect calculation of
23 staffing, the Department must make a correction as soon as
24 the error is verified for the applicable quarter.

25 Beginning October 1, 2024, the staffing percentage
26 used in the calculation of the per diem staffing add-on

1 shall be its PDPM STRIVE Staffing Ratio which equals: its
2 Reported Total Nurse Staffing Hours Per Resident Per Day
3 as published in the most recent federal staffing report
4 (the Provider Information File), divided by the facility's
5 PDPM STRIVE Staffing Target. Each facility's PDPM STRIVE
6 Staffing Target is equal to .82 times the facility's
7 Illinois Adjusted Facility Case-Mix Hours Per Resident Per
8 Day. A facility's Illinois Adjusted Facility Case Mix
9 Hours Per Resident Per Day is equal to its Case-Mix Total
10 Nurse Staffing Hours Per Resident Per Day (as published in
11 the most recent federal Provider Information file) times
12 3.662 (which reflects the national resident days-weighted
13 mean Reported Total Nurse Staffing Hours Per Resident Per
14 Day as calculated using the January 2024 federal Provider
15 Information Files), divided by the national resident
16 days-weighted mean Reported Total Nurse Staffing Hours Per
17 Resident Per Day calculated using the most recent State US
18 Averages file.

19 Beginning January 1, 2025, the staffing percentage
20 used in the calculation of the per diem staffing add-on
21 shall be its PDPM STRIVE Staffing Ratio which equals: its
22 Reported Total Nurse Staffing Hours Per Resident Per Day
23 as published in the most recent federal staffing report
24 (the Provider Information File), divided by the facility's
25 PDPM STRIVE Staffing Target. Each facility's PDPM STRIVE
26 Staffing Target is equal to .7122 times the facility's

1 Illinois Adjusted Facility Case-Mix Hours Per Resident Per
2 Day. A facility's Illinois Adjusted Facility Case Mix
3 Hours Per Resident Per Day is equal to its Case-Mix Total
4 Nurse Staffing Hours Per Resident Per Day (as published in
5 the most recent federal staffing report Provider
6 Information file) times 3.79 (which is the Reported Total
7 Nurse Staffing Hours Per Resident Per Day for the Nation
8 as reported the January 2024 State US Averages file),
9 divided by the Reported Total Nurse Staffing Hours Per
10 Resident Per Day for the Nation as reported in the most
11 recent State US Averages file.

12 (6.5) Beginning July 1, 2024, the paid per diem
13 staffing add-on shall be the paid per diem staffing add-on
14 in effect April 1, 2024. For dates beginning October 1,
15 2024 and through September 30, 2025, the denominator for
16 the staffing percentage shall be the lesser of the
17 facility's PDPM STRIVE Staffing Target and:

18 (A) For the quarter beginning October 1, 2024, the
19 sum of 20% of the facility's PDPM STRIVE Staffing
20 Target and 80% of the facility's Case-Mix Total Nurse
21 Staffing Hours Per Resident Per Day (as published in
22 the January 2024 federal staffing report).

23 (B) For the quarter beginning January 1, 2025, the
24 sum of 40% of the facility's PDPM STRIVE Staffing
25 Target and 60% of the facility's Case-Mix Total Nurse
26 Staffing Hours Per Resident Per Day (as published in

1 the January 2024 federal staffing report).

2 (C) For the quarter beginning March 1, 2025, the
3 sum of 60% of the facility's PDPM STRIVE Staffing
4 Target and 40% of the facility's Case-Mix Total Nurse
5 Staffing Hours Per Resident Per Day (as published in
6 the January 2024 federal staffing report).

7 (D) For the quarter beginning July 1, 2025, the
8 sum of 80% of the facility's PDPM STRIVE Staffing
9 Target and 20% of the facility's Case-Mix Total Nurse
10 Staffing Hours Per Resident Per Day (as published in
11 the January 2024 federal staffing report).

12 From July 1, 2022 through December 31, 2026,
13 facilities ~~Facilities~~ with at least 70% of the staffing
14 indicated by the STRIVE study shall be paid a per diem
15 add-on of \$9, increasing by equivalent steps for each
16 whole percentage point until the facilities reach a per
17 diem of \$16.52. Facilities with at least 80% of the
18 staffing indicated by the STRIVE study shall be paid a per
19 diem add-on of \$16.52, increasing by equivalent steps for
20 each whole percentage point until the facilities reach a
21 per diem add-on of \$25.77. Facilities with at least 92% of
22 the staffing indicated by the STRIVE study shall be paid a
23 per diem add-on of \$25.77, increasing by equivalent steps
24 for each whole percentage point until the facilities reach
25 a per diem add-on of \$30.98. Facilities with at least 100%
26 of the staffing indicated by the STRIVE study shall be

1 paid a per diem add-on of \$30.98, increasing by equivalent
2 steps for each whole percentage point until the facilities
3 reach a per diem add-on of \$36.44. Facilities with at
4 least 110% of the staffing indicated by the STRIVE study
5 shall be paid a per diem add-on of \$36.44, increasing by
6 equivalent steps for each whole percentage point until the
7 facilities reach a per diem add-on of \$38.68. Facilities
8 with at least 125% or higher of the staffing indicated by
9 the STRIVE study shall be paid a per diem add-on of \$38.68.
10 No nursing facility's variable staffing per diem add-on
11 shall be reduced by more than 5% in 2 consecutive
12 quarters. For the quarters beginning July 1, 2022 and
13 October 1, 2022, no facility's variable per diem staffing
14 add-on shall be calculated at a rate lower than 85% of the
15 staffing indicated by the STRIVE study. No facility below
16 70% of the staffing indicated by the STRIVE study shall
17 receive a variable per diem staffing add-on after December
18 31, 2022.

19 Beginning on January 1, 2027, facilities with at least
20 73% of the staffing indicated by the STRIVE study shall be
21 paid a per diem add-on of \$11.26 increasing by equivalent
22 steps for each whole percentage point until the facilities
23 reach a per diem of \$16.52. Facilities with at least 80% of
24 the staffing indicated by the STRIVE study shall be paid a
25 per diem add-on of \$16.52, increasing by equivalent steps
26 for each whole percentage point until the facilities reach

1 a per diem add-on of \$25.77. Facilities with at least 92%
2 of the staffing indicated by the STRIVE study shall be
3 paid a per diem add-on of \$25.77, increasing by equivalent
4 steps for each whole percentage point until the facilities
5 reach a per diem add-on of \$30.98. Facilities with at
6 least 100% of the staffing indicated by the STRIVE study
7 shall be paid a per diem add-on of \$30.98, increasing by
8 equivalent steps for each whole percentage point until the
9 facilities reach a per diem add-on of \$36.44. Facilities
10 with at least 110% of the staffing indicated by the STRIVE
11 study shall be paid a per diem add-on of \$36.44,
12 increasing by equivalent steps for each whole percentage
13 point until the facilities reach a per diem add-on of
14 \$43.18. Facilities with at least 125% of the staffing
15 indicated by the STRIVE study shall be paid a per diem
16 add-on of \$43.18, increasing by equivalent steps for each
17 whole percentage point until the facilities reach a per
18 diem add-on of \$50.68. Facilities with at least 150% or
19 higher of the staffing indicated by the STRIVE study shall
20 be paid a per diem add-on of \$50.68. No nursing facility's
21 variable staffing per diem add-on shall be reduced by more
22 than 5% in 2 consecutive quarters. No facility below 73%
23 of the staffing indicated by the STRIVE study shall
24 receive a variable per diem staffing add-on after December
25 31, 2026.

26 (7) For dates of services beginning July 1, 2022, the

1 PDPM nursing component per diem for each nursing facility
2 shall be the product of the facility's (i) statewide PDPM
3 nursing base per diem rate, \$92.25, adjusted for the
4 facility average PDPM case mix index calculated quarterly
5 and (ii) the regional wage adjuster, and then add the
6 Medicaid access adjustment as defined in (e-3) of this
7 Section. Transition rates for services provided between
8 July 1, 2022 and October 1, 2023 shall be the greater of
9 the PDPM nursing component per diem or:

10 (A) for the quarter beginning July 1, 2022, the
11 RUG-IV nursing component per diem;

12 (B) for the quarter beginning October 1, 2022, the
13 sum of the RUG-IV nursing component per diem
14 multiplied by 0.80 and the PDPM nursing component per
15 diem multiplied by 0.20;

16 (C) for the quarter beginning January 1, 2023, the
17 sum of the RUG-IV nursing component per diem
18 multiplied by 0.60 and the PDPM nursing component per
19 diem multiplied by 0.40;

20 (D) for the quarter beginning April 1, 2023, the
21 sum of the RUG-IV nursing component per diem
22 multiplied by 0.40 and the PDPM nursing component per
23 diem multiplied by 0.60;

24 (E) for the quarter beginning July 1, 2023, the
25 sum of the RUG-IV nursing component per diem
26 multiplied by 0.20 and the PDPM nursing component per

1 diem multiplied by 0.80; or

2 (F) for the quarter beginning October 1, 2023 and
3 each subsequent quarter, the transition rate shall end
4 and a nursing facility shall be paid 100% of the PDP
5 nursing component per diem.

6 (d-1) Calculation of base year Statewide RUG-IV nursing
7 base per diem rate.

8 (1) Base rate spending pool shall be:

9 (A) The base year resident days which are
10 calculated by multiplying the number of Medicaid
11 residents in each nursing home as indicated in the MDS
12 data defined in paragraph (4) by 365.

13 (B) Each facility's nursing component per diem in
14 effect on July 1, 2012 shall be multiplied by
15 subsection (A).

16 (C) Thirteen million is added to the product of
17 subparagraph (A) and subparagraph (B) to adjust for
18 the exclusion of nursing homes defined in paragraph
19 (5).

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

25 (A) Base year resident days as calculated in
26 subparagraph (A) of paragraph (1).

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

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

9 (D) The sum of the products calculated for each
10 nursing home in subparagraphs (A) through (C) above
11 shall be the base year case mix, rate adjusted
12 weighted days.

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

14 (A) on January 1, 2014 shall be the quotient of the
15 paragraph (1) divided by the sum calculated under
16 subparagraph (D) of paragraph (2);

17 (B) on and after July 1, 2014 and until July 1,
18 2022, shall be the amount calculated under
19 subparagraph (A) of this paragraph (3) plus \$1.76; and

20 (C) beginning July 1, 2022 and thereafter, \$7
21 shall be added to the amount calculated under
22 subparagraph (B) of this paragraph (3) of this
23 Section.

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

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

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

11 (1) \$0.63 for each resident who scores in I4200
12 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.
13 Beginning January 1, 2027, the rate must be multiplied by
14 5 for nursing facilities which have disclosed its status
15 as an Alzheimer's special care unit under the requirements
16 of Alzheimer's Disease and Related Dementias Special Care
17 Disclosure Act. The Department must update the status for
18 nursing facilities for rates effective each January 1st.

19 (2) \$2.67 for each resident who scores either a "1" or
20 "2" in any items S1200A through S1200I and also scores in
21 RUG groups PA1, PA2, BA1, or BA2.

22 (e-1) (Blank).

23 (e-2) For dates of services beginning January 1, 2014 and
24 ending September 30, 2023, the RUG-IV nursing component per
25 diem for a nursing home shall be the product of the statewide
26 RUG-IV nursing base per diem rate, the facility average case

1 mix index, and the regional wage adjustor. For dates of
2 service beginning July 1, 2022 and ending September 30, 2023,
3 the Medicaid access adjustment described in subsection (e-3)
4 shall be added to the product.

5 (e-3) A Medicaid Access Adjustment of \$4 adjusted for the
6 facility average PDPM case mix index calculated quarterly
7 shall be added to the statewide PDPM nursing per diem for all
8 facilities with annual Medicaid bed days of at least 70% of all
9 occupied bed days adjusted quarterly. For each new calendar
10 year and for the 6-month period beginning July 1, 2022, the
11 percentage of a facility's occupied bed days comprised of
12 Medicaid bed days shall be determined by the Department
13 quarterly. For dates of service beginning January 1, 2023, the
14 Medicaid Access Adjustment shall be increased to \$4.75. This
15 subsection shall be inoperative on and after January 1, 2028.

16 (e-4) Subject to federal approval, on and after January 1,
17 2024, the Department shall increase the rate add-on at
18 paragraph (7) subsection (a) under 89 Ill. Adm. Code 147.335
19 for ventilator services from \$208 per day to \$481 per day.
20 Payment is subject to the criteria and requirements under 89
21 Ill. Adm. Code 147.335.

22 (f) (Blank).

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

1 adjusted as follows:

2 (1) (Blank);

3 (2) (Blank);

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

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

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

20 (i-1) Subject to federal approval, on and after January 1,
21 2024, the reimbursement rates for the support component of the
22 nursing facility rate for facilities licensed under the
23 Nursing Home Care Act as skilled or intermediate care
24 facilities shall be the rate in effect on June 30, 2023
25 increased by 12%.

26 (j) Notwithstanding any other provision of law, subject to

1 federal approval, effective July 1, 2019, sufficient funds
2 shall be allocated for changes to rates for facilities
3 licensed under the Nursing Home Care Act as skilled nursing
4 facilities or intermediate care facilities for dates of
5 services on and after July 1, 2019: (i) to establish, through
6 June 30, 2022 a per diem add-on to the direct care per diem
7 rate not to exceed \$70,000,000 annually in the aggregate
8 taking into account federal matching funds for the purpose of
9 addressing the facility's unique staffing needs, adjusted
10 quarterly and distributed by a weighted formula based on
11 Medicaid bed days on the last day of the second quarter
12 preceding the quarter for which the rate is being adjusted.
13 Beginning July 1, 2022, the annual \$70,000,000 described in
14 the preceding sentence shall be dedicated to the variable per
15 diem add-on for staffing under paragraph (6) of subsection
16 (d); and (ii) in an amount not to exceed \$170,000,000 annually
17 in the aggregate taking into account federal matching funds to
18 permit the support component of the nursing facility rate to
19 be updated as follows:

20 (1) 80%, or \$136,000,000, of the funds shall be used
21 to update each facility's rate in effect on June 30, 2019
22 using the most recent cost reports on file, which have had
23 a limited review conducted by the Department of Healthcare
24 and Family Services and will not hold up enacting the rate
25 increase, with the Department of Healthcare and Family
26 Services.

1 (2) After completing the calculation in paragraph (1),
2 any facility whose rate is less than the rate in effect on
3 June 30, 2019 shall have its rate restored to the rate in
4 effect on June 30, 2019 from the 20% of the funds set
5 aside.

6 (3) The remainder of the 20%, or \$34,000,000, shall be
7 used to increase each facility's rate by an equal
8 percentage.

9 (k) During the first quarter of State Fiscal Year 2020,
10 the Department of Healthcare of Family Services must convene a
11 technical advisory group consisting of members of all trade
12 associations representing Illinois skilled nursing providers
13 to discuss changes necessary with federal implementation of
14 Medicare's Patient-Driven Payment Model. Implementation of
15 Medicare's Patient-Driven Payment Model shall, by September 1,
16 2020, end the collection of the MDS data that is necessary to
17 maintain the current RUG-IV Medicaid payment methodology. The
18 technical advisory group must consider a revised reimbursement
19 methodology that takes into account transparency,
20 accountability, actual staffing as reported under the
21 federally required Payroll Based Journal system, changes to
22 the minimum wage, adequacy in coverage of the cost of care, and
23 a quality component that rewards quality improvements.

24 (1) The Department shall establish per diem add-on
25 payments to improve the quality of care delivered by
26 facilities, including:

1 (1) Incentive payments determined by facility
2 performance on specified quality measures in an initial
3 amount of \$70,000,000. Nothing in this subsection shall be
4 construed to limit the quality of care payments in the
5 aggregate statewide to \$70,000,000, and, if quality of
6 care has improved across nursing facilities, the
7 Department shall adjust those add-on payments accordingly.
8 The quality payment methodology described in this
9 subsection must be used for at least State Fiscal Year
10 2023. Beginning with the quarter starting July 1, 2023,
11 the Department may add, remove, or change quality metrics
12 and make associated changes to the quality payment
13 methodology as outlined in subparagraph (E). Facilities
14 designated by the Centers for Medicare and Medicaid
15 Services as a special focus facility or a hospital-based
16 nursing home do not qualify for quality payments.

17 (A) Each quality pool must be distributed by
18 assigning a quality weighted score for each nursing
19 home which is calculated by multiplying the nursing
20 home's quality base period Medicaid days by the
21 nursing home's star rating weight in that period.

22 (B) Star rating weights are assigned based on the
23 nursing home's star rating for the LTS quality star
24 rating. As used in this subparagraph, "LTS quality
25 star rating" means the long-term stay quality rating
26 for each nursing facility, as assigned by the Centers

1 for Medicare and Medicaid Services under the Five-Star
2 Quality Rating System. The rating is a number ranging
3 from 0 (lowest) to 5 (highest).

4 (i) Zero-star or one-star rating has a weight
5 of 0.

6 (ii) Two-star rating has a weight of 0.75.

7 (iii) Three-star rating has a weight of 1.5.

8 (iv) Four-star rating has a weight of 2.5.

9 (v) Five-star rating has a weight of 3.5.

10 (C) Each nursing home's quality weight score is
11 divided by the sum of all quality weight scores for
12 qualifying nursing homes to determine the proportion
13 of the quality pool to be paid to the nursing home.

14 (D) The quality pool is no less than \$70,000,000
15 annually or \$17,500,000 per quarter. The Department
16 shall publish on its website the estimated payments
17 and the associated weights for each facility 45 days
18 prior to when the initial payments for the quarter are
19 to be paid. The Department shall assign each facility
20 the most recent and applicable quarter's STAR value
21 unless the facility notifies the Department within 15
22 days of an issue and the facility provides reasonable
23 evidence demonstrating its timely compliance with
24 federal data submission requirements for the quarter
25 of record. If such evidence cannot be provided to the
26 Department, the STAR rating assigned to the facility

1 shall be reduced by one from the prior quarter.

2 (E) The Department shall review quality metrics
3 used for payment of the quality pool and make
4 recommendations for any associated changes to the
5 methodology for distributing quality pool payments in
6 consultation with associations representing long-term
7 care providers, consumer advocates, organizations
8 representing workers of long-term care facilities, and
9 payors. The Department may establish, by rule, changes
10 to the methodology for distributing quality pool
11 payments.

12 (F) The Department shall disburse quality pool
13 payments from the Long-Term Care Provider Fund on a
14 monthly basis in amounts proportional to the total
15 quality pool payment determined for the quarter.

16 (G) The Department shall publish any changes in
17 the methodology for distributing quality pool payments
18 prior to the beginning of the measurement period or
19 quality base period for any metric added to the
20 distribution's methodology.

21 (2) Payments based on CNA tenure, promotion, and CNA
22 training for the purpose of increasing CNA compensation.
23 It is the intent of this subsection that payments made in
24 accordance with this paragraph be directly incorporated
25 into increased compensation for CNAs. As used in this
26 paragraph, "CNA" means a certified nursing assistant as

1 that term is described in Section 3-206 of the Nursing
2 Home Care Act, Section 3-206 of the ID/DD Community Care
3 Act, and Section 3-206 of the MC/DD Act. The Department
4 shall establish, by rule, payments to nursing facilities
5 equal to Medicaid's share of the tenure wage increments
6 specified in this paragraph for all reported CNA employee
7 hours compensated according to a posted schedule
8 consisting of increments at least as large as those
9 specified in this paragraph. The increments are as
10 follows: an additional \$1.50 per hour for CNAs with at
11 least one and less than 2 years' experience plus another
12 \$1 per hour for each additional year of experience up to a
13 maximum of \$6.50 for CNAs with at least 6 years of
14 experience. For purposes of this paragraph, Medicaid's
15 share shall be the ratio determined by paid Medicaid bed
16 days divided by total bed days for the applicable time
17 period used in the calculation. In addition, and additive
18 to any tenure increments paid as specified in this
19 paragraph, the Department shall establish, by rule,
20 payments supporting Medicaid's share of the
21 promotion-based wage increments for CNA employee hours
22 compensated for that promotion with at least a \$1.50
23 hourly increase. Medicaid's share shall be established as
24 it is for the tenure increments described in this
25 paragraph. Qualifying promotions shall be defined by the
26 Department in rules for an expected 10-15% subset of CNAs

1 assigned intermediate, specialized, or added roles such as
2 CNA trainers, CNA scheduling "captains", and CNA
3 specialists for resident conditions like dementia or
4 memory care or behavioral health.

5 (m) The Department shall work with nursing facility
6 industry representatives to design policies and procedures to
7 permit facilities to address the integrity of data from
8 federal reporting sites used by the Department in setting
9 facility rates.

10 (n) Beginning January 1, 2027, the Department must split
11 the support rate into its cost report based parts, general
12 services and general administration. The general services
13 portion shall be referred to as "Support - non-nurse staff"
14 and the general administration portion shall be referred to as
15 "Support - Administrative".

16 (1) The rate must be split based on the proportion of
17 allowable general service costs and allowable general
18 administrative costs from the 2024 Medicaid cost report.
19 If the split calculation results in an amount of less than
20 a penny, the Department must adjust the split to be whole
21 pennies favoring the Support - non-nurse staff rate.

22 (2) After January 1, 2027, rate updates or rebasings
23 for the support - non-nurse rate and support -
24 administrative rate shall be done according to the
25 Department's current policies except:

26 (A) After inflation, the general services costs

1 and general administrative cost must not be added
2 together.

3 (B) The inflated general service costs must be
4 converted to the support - non-nurse per diem using
5 total patient days and the general administrative
6 costs must be converted to a per diem using the current
7 policy floor of 93% of licensed bed days.

8 (C) The conversion of the cost per diem follows
9 current policy except the rate ceiling for the support
10 - administrative rate must be 60% and the support-
11 non-nurse staff rate remains 75%.

12 (3) All future funding increases for support services
13 must first be applied to the Support - non-nurse rate with
14 residual amounts over a fully funded support-non-nurse
15 rate then applied to the support-administrative rate
16 except the support - administrative rate must not be
17 decreased as a result of applying this requirement of
18 increased funding. This requirement does not prevent an
19 increase to apply the support - non-nurse rate and exclude
20 the support - administrative rate but the support -
21 administrative rate may not be increased without
22 increasing the support - non-nurse rate unless the support
23 - non-nurse staff rate is fully funded.

24 (Source: P.A. 102-77, eff. 7-9-21; 102-558, eff. 8-20-21;
25 102-1035, eff. 5-31-22; 102-1118, eff. 1-18-23; 103-102,
26 Article 40, Section 40-5, eff. 1-1-24; 103-102, Article 50,

1 Section 50-5, eff. 1-1-24; 103-593, eff. 6-7-24; 103-605, eff.
2 7-1-24; 103-1075, eff. 3-21-25.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.