

SB1509



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1509

Introduced 2/4/2025, by Sen. Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-5.2

Amends the Medical Assistance Article of the Illinois Public Aid Code. In provisions concerning Medicaid Access Adjustment payments to nursing facilities, provides that, for dates of service beginning July 1, 2025, the Medicaid Access Adjustment shall be increased to \$5.75. Effective immediately.

LRB104 08190 KTG 18240 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 5-5.2 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 staffing report) times 3.662
12 (which reflects the national resident days-weighted mean
13 Reported Total Nurse Staffing Hours Per Resident Per Day
14 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 federal
18 Provider Information File.

19 (6.5) Beginning July 1, 2024, the paid per diem
20 staffing add-on shall be the paid per diem staffing add-on
21 in effect April 1, 2024. For dates beginning October 1,
22 2024 and through September 30, 2025, the denominator for
23 the staffing percentage shall be the lesser of the
24 facility's PDPM STRIVE Staffing Target and:

25 (A) For the quarter beginning October 1, 2024, the
26 sum of 20% of the facility's PDPM STRIVE Staffing

1 Target and 80% of the facility's Case-Mix Total Nurse
2 Staffing Hours Per Resident Per Day (as published in
3 the January 2024 federal staffing report).

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

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

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

19 Facilities with at least 70% of the staffing
20 indicated by the STRIVE study shall be paid a per diem
21 add-on of \$9, increasing by equivalent steps for each
22 whole percentage point until the facilities reach a per
23 diem of \$16.52. Facilities with at least 80% of the
24 staffing indicated by the STRIVE study shall be paid a per
25 diem add-on of \$16.52, increasing by equivalent steps for
26 each whole percentage point until the facilities reach a

1 per diem add-on of \$25.77. Facilities with at least 92% of
2 the staffing indicated by the STRIVE study shall be paid a
3 per diem add-on of \$25.77, increasing by equivalent steps
4 for each whole percentage point until the facilities reach
5 a per diem add-on of \$30.98. Facilities with at least 100%
6 of the staffing indicated by the STRIVE study shall be
7 paid a per diem add-on of \$30.98, increasing by equivalent
8 steps for each whole percentage point until the facilities
9 reach a per diem add-on of \$36.44. Facilities with at
10 least 110% of the staffing indicated by the STRIVE study
11 shall be paid a per diem add-on of \$36.44, increasing by
12 equivalent steps for each whole percentage point until the
13 facilities reach a per diem add-on of \$38.68. Facilities
14 with at least 125% or higher of the staffing indicated by
15 the STRIVE study shall be paid a per diem add-on of \$38.68.
16 No nursing facility's variable staffing per diem add-on
17 shall be reduced by more than 5% in 2 consecutive
18 quarters. For the quarters beginning July 1, 2022 and
19 October 1, 2022, no facility's variable per diem staffing
20 add-on shall be calculated at a rate lower than 85% of the
21 staffing indicated by the STRIVE study. No facility below
22 70% of the staffing indicated by the STRIVE study shall
23 receive a variable per diem staffing add-on after December
24 31, 2022.

25 (7) For dates of services beginning July 1, 2022, the
26 PDPM nursing component per diem for each nursing facility

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

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

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

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

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

23 (E) for the quarter beginning July 1, 2023, the
24 sum of the RUG-IV nursing component per diem
25 multiplied by 0.20 and the PDPM nursing component per
26 diem multiplied by 0.80; or

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

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

7 (1) Base rate spending pool shall be:

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

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

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

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

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

26 (B) The nursing home's regional wage adjustor

1 based on the Health Service Areas (HSA) groupings and
2 adjustors in effect on April 30, 2012.

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

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

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

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

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

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

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

26 (5) Nursing facilities designated as of July 1, 2012

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

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

10 (1) \$0.63 for each resident who scores in I4200
11 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

12 (2) \$2.67 for each resident who scores either a "1" or
13 "2" in any items S1200A through S1200I and also scores in
14 RUG groups PA1, PA2, BA1, or BA2.

15 (e-1) (Blank).

16 (e-2) For dates of services beginning January 1, 2014 and
17 ending September 30, 2023, the RUG-IV nursing component per
18 diem for a nursing home shall be the product of the statewide
19 RUG-IV nursing base per diem rate, the facility average case
20 mix index, and the regional wage adjustor. For dates of
21 service beginning July 1, 2022 and ending September 30, 2023,
22 the Medicaid access adjustment described in subsection (e-3)
23 shall be added to the product.

24 (e-3) A Medicaid Access Adjustment of \$4 adjusted for the
25 facility average PDPM case mix index calculated quarterly
26 shall be added to the statewide PDPM nursing per diem for all

1 facilities with annual Medicaid bed days of at least 70% of all
2 occupied bed days adjusted quarterly. For each new calendar
3 year and for the 6-month period beginning July 1, 2022, the
4 percentage of a facility's occupied bed days comprised of
5 Medicaid bed days shall be determined by the Department
6 quarterly. For dates of service beginning January 1, 2023
7 through June 30, 2025, the Medicaid Access Adjustment shall be
8 increased to \$4.75. For dates of service beginning July 1,
9 2025, the Medicaid Access Adjustment shall be increased to
10 \$5.75. This subsection shall be inoperative on and after
11 January 1, 2028.

12 (e-4) Subject to federal approval, on and after January 1,
13 2024, the Department shall increase the rate add-on at
14 paragraph (7) subsection (a) under 89 Ill. Adm. Code 147.335
15 for ventilator services from \$208 per day to \$481 per day.
16 Payment is subject to the criteria and requirements under 89
17 Ill. Adm. Code 147.335.

18 (f) (Blank).

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

24 (1) (Blank);

25 (2) (Blank);

26 (3) Facility rates for the capital and support

1 components shall be reduced by 1.7%.

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

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

16 (i-1) Subject to federal approval, on and after January 1,
17 2024, the reimbursement rates for the support component of the
18 nursing facility rate for facilities licensed under the
19 Nursing Home Care Act as skilled or intermediate care
20 facilities shall be the rate in effect on June 30, 2023
21 increased by 12%.

22 (j) Notwithstanding any other provision of law, subject to
23 federal approval, effective July 1, 2019, sufficient funds
24 shall be allocated for changes to rates for facilities
25 licensed under the Nursing Home Care Act as skilled nursing
26 facilities or intermediate care facilities for dates of

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

16 (1) 80%, or \$136,000,000, of the funds shall be used
17 to update each facility's rate in effect on June 30, 2019
18 using the most recent cost reports on file, which have had
19 a limited review conducted by the Department of Healthcare
20 and Family Services and will not hold up enacting the rate
21 increase, with the Department of Healthcare and Family
22 Services.

23 (2) After completing the calculation in paragraph (1),
24 any facility whose rate is less than the rate in effect on
25 June 30, 2019 shall have its rate restored to the rate in
26 effect on June 30, 2019 from the 20% of the funds set

1 aside.

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

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

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

23 (1) Incentive payments determined by facility
24 performance on specified quality measures in an initial
25 amount of \$70,000,000. Nothing in this subsection shall be
26 construed to limit the quality of care payments in the

1 aggregate statewide to \$70,000,000, and, if quality of
2 care has improved across nursing facilities, the
3 Department shall adjust those add-on payments accordingly.
4 The quality payment methodology described in this
5 subsection must be used for at least State Fiscal Year
6 2023. Beginning with the quarter starting July 1, 2023,
7 the Department may add, remove, or change quality metrics
8 and make associated changes to the quality payment
9 methodology as outlined in subparagraph (E). Facilities
10 designated by the Centers for Medicare and Medicaid
11 Services as a special focus facility or a hospital-based
12 nursing home do not qualify for quality payments.

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

18 (B) Star rating weights are assigned based on the
19 nursing home's star rating for the LTS quality star
20 rating. As used in this subparagraph, "LTS quality
21 star rating" means the long-term stay quality rating
22 for each nursing facility, as assigned by the Centers
23 for Medicare and Medicaid Services under the Five-Star
24 Quality Rating System. The rating is a number ranging
25 from 0 (lowest) to 5 (highest).

26 (i) Zero-star or one-star rating has a weight

1 of 0.

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

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

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

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

6 (C) Each nursing home's quality weight score is
7 divided by the sum of all quality weight scores for
8 qualifying nursing homes to determine the proportion
9 of the quality pool to be paid to the nursing home.

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

24 (E) The Department shall review quality metrics
25 used for payment of the quality pool and make
26 recommendations for any associated changes to the

1 methodology for distributing quality pool payments in
2 consultation with associations representing long-term
3 care providers, consumer advocates, organizations
4 representing workers of long-term care facilities, and
5 payors. The Department may establish, by rule, changes
6 to the methodology for distributing quality pool
7 payments.

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

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

17 (2) Payments based on CNA tenure, promotion, and CNA
18 training for the purpose of increasing CNA compensation.
19 It is the intent of this subsection that payments made in
20 accordance with this paragraph be directly incorporated
21 into increased compensation for CNAs. As used in this
22 paragraph, "CNA" means a certified nursing assistant as
23 that term is described in Section 3-206 of the Nursing
24 Home Care Act, Section 3-206 of the ID/DD Community Care
25 Act, and Section 3-206 of the MC/DD Act. The Department
26 shall establish, by rule, payments to nursing facilities

1 equal to Medicaid's share of the tenure wage increments
2 specified in this paragraph for all reported CNA employee
3 hours compensated according to a posted schedule
4 consisting of increments at least as large as those
5 specified in this paragraph. The increments are as
6 follows: an additional \$1.50 per hour for CNAs with at
7 least one and less than 2 years' experience plus another
8 \$1 per hour for each additional year of experience up to a
9 maximum of \$6.50 for CNAs with at least 6 years of
10 experience. For purposes of this paragraph, Medicaid's
11 share shall be the ratio determined by paid Medicaid bed
12 days divided by total bed days for the applicable time
13 period used in the calculation. In addition, and additive
14 to any tenure increments paid as specified in this
15 paragraph, the Department shall establish, by rule,
16 payments supporting Medicaid's share of the
17 promotion-based wage increments for CNA employee hours
18 compensated for that promotion with at least a \$1.50
19 hourly increase. Medicaid's share shall be established as
20 it is for the tenure increments described in this
21 paragraph. Qualifying promotions shall be defined by the
22 Department in rules for an expected 10-15% subset of CNAs
23 assigned intermediate, specialized, or added roles such as
24 CNA trainers, CNA scheduling "captains", and CNA
25 specialists for resident conditions like dementia or
26 memory care or behavioral health.

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

6 (Source: P.A. 102-77, eff. 7-9-21; 102-558, eff. 8-20-21;
7 102-1035, eff. 5-31-22; 102-1118, eff. 1-18-23; 103-102,
8 Article 40, Section 40-5, eff. 1-1-24; 103-102, Article 50,
9 Section 50-5, eff. 1-1-24; 103-593, eff. 6-7-24; 103-605, eff.
10 7-1-24.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.