

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) (from Ch. 23, par. 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 the  
13 State for the long-term care providers.

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

21 (d) The new nursing services reimbursement methodology  
22 utilizing RUG-IV 48 grouper model, which shall be referred to  
23 as the RUGs reimbursement system, taking effect January 1,

1 2014, shall be based on the following:

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

4 (2) Costs shall be annually rebased and case mix index  
5 quarterly updated. The nursing services methodology will  
6 be assigned to the Medicaid enrolled residents on record as  
7 of 30 days prior to the beginning of the rate period in the  
8 Department's Medicaid Management Information System (MMIS)  
9 as present on the last day of the second quarter preceding  
10 the rate period based upon the Assessment Reference Date of  
11 the Minimum Data Set (MDS).

12 (3) Regional wage adjustors based on the Health Service  
13 Areas (HSA) groupings and adjusters in effect on April 30,  
14 2012 shall be included.

15 (4) Case mix index shall be assigned to each resident  
16 class based on the Centers for Medicare and Medicaid  
17 Services staff time measurement study in effect on July 1,  
18 2013, utilizing an index maximization approach.

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

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

24 (1) Base rate spending pool shall be:

25 (A) The base year resident days which are  
26 calculated by multiplying the number of Medicaid

1 residents in each nursing home as indicated in the MDS  
2 data defined in paragraph (4) by 365.

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

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

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

14 (A) Base year resident days as calculated in  
15 subparagraph (A) of paragraph (1).

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

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

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

1 days.

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

3 (A) on January 1, 2014 shall be the quotient of the  
4 paragraph (1) divided by the sum calculated under  
5 subparagraph (D) of paragraph (2); and

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

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

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

18 (e) Beginning July 1, 2014, the Department shall allocate  
19 funding in the amount up to \$10,000,000 for per diem add-ons to  
20 the RUGS methodology for dates of service on and after July 1,  
21 2014:

22 (1) \$0.63 for each resident who scores in I4200  
23 Alzheimer's Disease or I4800 non-Alzheimer's Dementia.

24 (2) \$2.67 for each resident who scores either a "1" or  
25 "2" in any items S1200A through S1200I and also scores in  
26 RUG groups PA1, PA2, BA1, or BA2.

1 (e-1) (Blank).

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

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

12 (A) The nursing component rate in effect July 1,  
13 2012; plus

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

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

22 (A) The nursing component rate in effect July 1,  
23 2012; plus

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

1 multiplied by 0.13.

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

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

13 (1) Individual nursing rates for residents classified  
14 in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter  
15 ending March 31, 2012 shall be reduced by 10%;

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

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

20 (h) Notwithstanding any other provision of this Code, on  
21 and after July 1, 2012, nursing facilities designated by the  
22 Department of Healthcare and Family Services as "Institutions  
23 for Mental Disease" and "Institutions for Mental Disease" that  
24 are facilities licensed under the Specialized Mental Health  
25 Rehabilitation Act of 2013 shall have the nursing,  
26 socio-developmental, capital, and support components of their

1 reimbursement rate effective May 1, 2011 reduced in total by  
2 2.7%.

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

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

23 (Source: P.A. 98-104, Article 6, Section 6-240, eff. 7-22-13;  
24 98-104, Article 11, Section 11-35, eff. 7-22-13; 98-651, eff.  
25 6-16-14; 98-727, eff. 7-16-14; 98-756, eff. 7-16-14; 99-78,  
26 eff. 7-20-15.)

1           Section 99. Effective date. This Act takes effect upon  
2           becoming law.