



Sen. Ira I. Silverstein

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09300HB2220sam001

LRB093 07406 DRJ 51251 a

1 AMENDMENT TO HOUSE BILL 2220

2 AMENDMENT NO. _____. Amend House Bill 2220 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Aid Code is amended by
5 changing Section 5-5.4 as follows:

6 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

7 Sec. 5-5.4. Standards of Payment - Department of Public
8 Aid. The Department of Public Aid shall develop standards of
9 payment of skilled nursing and intermediate care services in
10 facilities providing such services under this Article which:

11 (1) Provide for the determination of a facility's payment
12 for skilled nursing and intermediate care services on a
13 prospective basis. The amount of the payment rate for all
14 nursing facilities certified by the Department of Public Health
15 under the Nursing Home Care Act as Intermediate Care for the
16 Developmentally Disabled facilities, Long Term Care for Under
17 Age 22 facilities, Skilled Nursing facilities, or Intermediate
18 Care facilities under the medical assistance program shall be
19 prospectively established annually on the basis of historical,
20 financial, and statistical data reflecting actual costs from
21 prior years, which shall be applied to the current rate year
22 and updated for inflation, except that the capital cost element
23 for newly constructed facilities shall be based upon projected
24 budgets. The annually established payment rate shall take

1 effect on July 1 in 1984 and subsequent years. No rate increase
2 and no update for inflation shall be provided on or after July
3 1, 1994 and before July 1, 2004, unless specifically provided
4 for in this Section.

5 For facilities licensed by the Department of Public Health
6 under the Nursing Home Care Act as Intermediate Care for the
7 Developmentally Disabled facilities or Long Term Care for Under
8 Age 22 facilities, the rates taking effect on July 1, 1998
9 shall include an increase of 3%. For facilities licensed by the
10 Department of Public Health under the Nursing Home Care Act as
11 Skilled Nursing facilities or Intermediate Care facilities,
12 the rates taking effect on July 1, 1998 shall include an
13 increase of 3% plus \$1.10 per resident-day, as defined by the
14 Department.

15 For facilities licensed by the Department of Public Health
16 under the Nursing Home Care Act as Intermediate Care for the
17 Developmentally Disabled facilities or Long Term Care for Under
18 Age 22 facilities, the rates taking effect on July 1, 1999
19 shall include an increase of 1.6% plus \$3.00 per resident-day,
20 as defined by the Department. For facilities licensed by the
21 Department of Public Health under the Nursing Home Care Act as
22 Skilled Nursing facilities or Intermediate Care facilities,
23 the rates taking effect on July 1, 1999 shall include an
24 increase of 1.6% and, for services provided on or after October
25 1, 1999, shall be increased by \$4.00 per resident-day, as
26 defined by the Department.

27 For facilities licensed by the Department of Public Health
28 under the Nursing Home Care Act as Intermediate Care for the
29 Developmentally Disabled facilities or Long Term Care for Under
30 Age 22 facilities, the rates taking effect on July 1, 2000
31 shall include an increase of 2.5% per resident-day, as defined
32 by the Department. For facilities licensed by the Department of
33 Public Health under the Nursing Home Care Act as Skilled
34 Nursing facilities or Intermediate Care facilities, the rates

1 taking effect on July 1, 2000 shall include an increase of 2.5%
2 per resident-day, as defined by the Department.

3 For facilities licensed by the Department of Public Health
4 under the Nursing Home Care Act as skilled nursing facilities
5 or intermediate care facilities, a new payment methodology must
6 be implemented for the nursing component of the rate effective
7 July 1, 2003. The Department of Public Aid shall develop the
8 new payment methodology using the Minimum Data Set (MDS) as the
9 instrument to collect information concerning nursing home
10 resident condition necessary to compute the rate. The
11 Department of Public Aid shall develop the new payment
12 methodology to meet the unique needs of Illinois nursing home
13 residents while remaining subject to the appropriations
14 provided by the General Assembly. A transition period from the
15 payment methodology in effect on June 30, 2003 to the payment
16 methodology in effect on July 1, 2003 shall be provided for a
17 period not exceeding 2 years after implementation of the new
18 payment methodology as follows:

19 (A) For a facility that would receive a lower nursing
20 component rate per patient day under the new system than
21 the facility received effective on the date immediately
22 preceding the date that the Department implements the new
23 payment methodology, the nursing component rate per
24 patient day for the facility shall be held at the level in
25 effect on the date immediately preceding the date that the
26 Department implements the new payment methodology until a
27 higher nursing component rate of reimbursement is achieved
28 by that facility.

29 (B) For a facility that would receive a higher nursing
30 component rate per patient day under the payment
31 methodology in effect on July 1, 2003 than the facility
32 received effective on the date immediately preceding the
33 date that the Department implements the new payment
34 methodology, the nursing component rate per patient day for

1 the facility shall be adjusted.

2 (C) Notwithstanding paragraphs (A) and (B), the
3 nursing component rate per patient day for the facility
4 shall be adjusted subject to appropriations provided by the
5 General Assembly.

6 For facilities licensed by the Department of Public Health
7 under the Nursing Home Care Act as Intermediate Care for the
8 Developmentally Disabled facilities or Long Term Care for Under
9 Age 22 facilities, the rates taking effect on March 1, 2001
10 shall include a statewide increase of 7.85%, as defined by the
11 Department.

12 For facilities licensed by the Department of Public Health
13 under the Nursing Home Care Act as Intermediate Care for the
14 Developmentally Disabled facilities or Long Term Care for Under
15 Age 22 facilities, the rates taking effect on April 1, 2002
16 shall include a statewide increase of 2.0%, as defined by the
17 Department. This increase terminates on July 1, 2002; beginning
18 July 1, 2002 these rates are reduced to the level of the rates
19 in effect on March 31, 2002, as defined by the Department.

20 For facilities licensed by the Department of Public Health
21 under the Nursing Home Care Act as skilled nursing facilities
22 or intermediate care facilities, the rates taking effect on
23 July 1, 2001 shall be computed using the most recent cost
24 reports on file with the Department of Public Aid no later than
25 April 1, 2000, updated for inflation to January 1, 2001. For
26 rates effective July 1, 2001 only, rates shall be the greater
27 of the rate computed for July 1, 2001 or the rate effective on
28 June 30, 2001.

29 Notwithstanding any other provision of this Section, for
30 facilities licensed by the Department of Public Health under
31 the Nursing Home Care Act as skilled nursing facilities or
32 intermediate care facilities, the Illinois Department shall
33 determine by rule the rates taking effect on July 1, 2002,
34 which shall be 5.9% less than the rates in effect on June 30,

1 2002.

2 Notwithstanding any other provision of this Section, for
3 facilities licensed by the Department of Public Health under
4 the Nursing Home Care Act as skilled nursing facilities or
5 intermediate care facilities, the Illinois Department shall
6 determine by rule the rates taking effect on July 1, 2003,
7 which shall be 3.0% less than the rates in effect on June 30,
8 2002. This rate shall take effect only upon approval and
9 implementation of the payment methodologies required under
10 Section 5A-12.

11 For facilities licensed by the Department of Public Health
12 under the Nursing Home Care Act as Intermediate Care for the
13 Developmentally Disabled facilities or as long-term care
14 facilities for residents under 22 years of age, the rates
15 taking effect on July 1, 2003 shall include a statewide
16 increase of 4%, as defined by the Department.

17 Notwithstanding any other provision of this Section, for
18 facilities licensed by the Department of Public Health under
19 the Nursing Home Care Act as skilled nursing facilities or
20 intermediate care facilities, effective July 1, 2004, facility
21 rates shall be increased by the difference between (i) a
22 facility's per diem property, liability, and malpractice
23 insurance costs as reported in the cost report filed with the
24 Department of Public Aid and used to establish rates effective
25 July 1, 2001 and (ii) those same costs as reported in the
26 facility's 2002 cost report. These costs shall be passed
27 through to the facility without caps or limitations, except for
28 adjustments required under normal auditing procedures.

29 Rates established effective each July 1 shall govern
30 payment for services rendered throughout that fiscal year,
31 except that rates established on July 1, 1996 shall be
32 increased by 6.8% for services provided on or after January 1,
33 1997. Such rates will be based upon the rates calculated for
34 the year beginning July 1, 1990, and for subsequent years

1 thereafter until June 30, 2001 shall be based on the facility
2 cost reports for the facility fiscal year ending at any point
3 in time during the previous calendar year, updated to the
4 midpoint of the rate year. The cost report shall be on file
5 with the Department no later than April 1 of the current rate
6 year. Should the cost report not be on file by April 1, the
7 Department shall base the rate on the latest cost report filed
8 by each skilled care facility and intermediate care facility,
9 updated to the midpoint of the current rate year. In
10 determining rates for services rendered on and after July 1,
11 1985, fixed time shall not be computed at less than zero. The
12 Department shall not make any alterations of regulations which
13 would reduce any component of the Medicaid rate to a level
14 below what that component would have been utilizing in the rate
15 effective on July 1, 1984.

16 (2) Shall take into account the actual costs incurred by
17 facilities in providing services for recipients of skilled
18 nursing and intermediate care services under the medical
19 assistance program.

20 (3) Shall take into account the medical and psycho-social
21 characteristics and needs of the patients.

22 (4) Shall take into account the actual costs incurred by
23 facilities in meeting licensing and certification standards
24 imposed and prescribed by the State of Illinois, any of its
25 political subdivisions or municipalities and by the U.S.
26 Department of Health and Human Services pursuant to Title XIX
27 of the Social Security Act.

28 The Department of Public Aid shall develop precise
29 standards for payments to reimburse nursing facilities for any
30 utilization of appropriate rehabilitative personnel for the
31 provision of rehabilitative services which is authorized by
32 federal regulations, including reimbursement for services
33 provided by qualified therapists or qualified assistants, and
34 which is in accordance with accepted professional practices.

1 Reimbursement also may be made for utilization of other
2 supportive personnel under appropriate supervision.

3 (Source: P.A. 92-10, eff. 6-11-01; 92-31, eff. 6-28-01; 92-597,
4 eff. 6-28-02; 92-651, eff. 7-11-02; 92-848, eff. 1-1-03; 93-20,
5 eff. 6-20-03; 93-649, eff. 1-8-04; 93-659, eff. 2-3-04; revised
6 2-3-04.)

7 Section 99. Effective date. This Act takes effect July 1,
8 2004."