

1 AN ACT concerning budget implementation.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 ARTICLE 1.

5 Section 1-1. Short title. This Act may be cited as the  
6 FY2004 Budget Implementation (Health and Human Services) Act.

7 Section 1-5. Purpose. It is the purpose of this Act to  
8 make changes relating to health and human services that are  
9 necessary to implement the State's FY2004 budget.

10 ARTICLE 3.

11 Section 3-5. The Illinois Administrative Procedure Act  
12 is amended by changing Section 5-45 as follows:

13 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

14 Sec. 5-45. Emergency rulemaking.

15 (a) "Emergency" means the existence of any situation  
16 that any agency finds reasonably constitutes a threat to the  
17 public interest, safety, or welfare.

18 (b) If any agency finds that an emergency exists that  
19 requires adoption of a rule upon fewer days than is required  
20 by Section 5-40 and states in writing its reasons for that  
21 finding, the agency may adopt an emergency rule without prior  
22 notice or hearing upon filing a notice of emergency  
23 rulemaking with the Secretary of State under Section 5-70.  
24 The notice shall include the text of the emergency rule and  
25 shall be published in the Illinois Register. Consent orders  
26 or other court orders adopting settlements negotiated by an  
27 agency may be adopted under this Section. Subject to

1 applicable constitutional or statutory provisions, an  
2 emergency rule becomes effective immediately upon filing  
3 under Section 5-65 or at a stated date less than 10 days  
4 thereafter. The agency's finding and a statement of the  
5 specific reasons for the finding shall be filed with the  
6 rule. The agency shall take reasonable and appropriate  
7 measures to make emergency rules known to the persons who may  
8 be affected by them.

9 (c) An emergency rule may be effective for a period of  
10 not longer than 150 days, but the agency's authority to adopt  
11 an identical rule under Section 5-40 is not precluded. No  
12 emergency rule may be adopted more than once in any 24 month  
13 period, except that this limitation on the number of  
14 emergency rules that may be adopted in a 24 month period does  
15 not apply to (i) emergency rules that make additions to and  
16 deletions from the Drug Manual under Section 5-5.16 of the  
17 Illinois Public Aid Code or the generic drug formulary under  
18 Section 3.14 of the Illinois Food, Drug and Cosmetic Act or  
19 (ii) emergency rules adopted by the Pollution Control Board  
20 before July 1, 1997 to implement portions of the Livestock  
21 Management Facilities Act. Two or more emergency rules  
22 having substantially the same purpose and effect shall be  
23 deemed to be a single rule for purposes of this Section.

24 (d) In order to provide for the expeditious and timely  
25 implementation of the State's fiscal year 1999 budget,  
26 emergency rules to implement any provision of Public Act  
27 90-587 or 90-588 or any other budget initiative for fiscal  
28 year 1999 may be adopted in accordance with this Section by  
29 the agency charged with administering that provision or  
30 initiative, except that the 24-month limitation on the  
31 adoption of emergency rules and the provisions of Sections  
32 5-115 and 5-125 do not apply to rules adopted under this  
33 subsection (d). The adoption of emergency rules authorized  
34 by this subsection (d) shall be deemed to be necessary for

1 the public interest, safety, and welfare.

2 (e) In order to provide for the expeditious and timely  
3 implementation of the State's fiscal year 2000 budget,  
4 emergency rules to implement any provision of this amendatory  
5 Act of the 91st General Assembly or any other budget  
6 initiative for fiscal year 2000 may be adopted in accordance  
7 with this Section by the agency charged with administering  
8 that provision or initiative, except that the 24-month  
9 limitation on the adoption of emergency rules and the  
10 provisions of Sections 5-115 and 5-125 do not apply to rules  
11 adopted under this subsection (e). The adoption of emergency  
12 rules authorized by this subsection (e) shall be deemed to be  
13 necessary for the public interest, safety, and welfare.

14 (f) In order to provide for the expeditious and timely  
15 implementation of the State's fiscal year 2001 budget,  
16 emergency rules to implement any provision of this amendatory  
17 Act of the 91st General Assembly or any other budget  
18 initiative for fiscal year 2001 may be adopted in accordance  
19 with this Section by the agency charged with administering  
20 that provision or initiative, except that the 24-month  
21 limitation on the adoption of emergency rules and the  
22 provisions of Sections 5-115 and 5-125 do not apply to rules  
23 adopted under this subsection (f). The adoption of emergency  
24 rules authorized by this subsection (f) shall be deemed to be  
25 necessary for the public interest, safety, and welfare.

26 (g) In order to provide for the expeditious and timely  
27 implementation of the State's fiscal year 2002 budget,  
28 emergency rules to implement any provision of this amendatory  
29 Act of the 92nd General Assembly or any other budget  
30 initiative for fiscal year 2002 may be adopted in accordance  
31 with this Section by the agency charged with administering  
32 that provision or initiative, except that the 24-month  
33 limitation on the adoption of emergency rules and the  
34 provisions of Sections 5-115 and 5-125 do not apply to rules

1 adopted under this subsection (g). The adoption of emergency  
2 rules authorized by this subsection (g) shall be deemed to be  
3 necessary for the public interest, safety, and welfare.

4 (h) In order to provide for the expeditious and timely  
5 implementation of the State's fiscal year 2003 budget,  
6 emergency rules to implement any provision of this amendatory  
7 Act of the 92nd General Assembly or any other budget  
8 initiative for fiscal year 2003 may be adopted in accordance  
9 with this Section by the agency charged with administering  
10 that provision or initiative, except that the 24-month  
11 limitation on the adoption of emergency rules and the  
12 provisions of Sections 5-115 and 5-125 do not apply to rules  
13 adopted under this subsection (h). The adoption of emergency  
14 rules authorized by this subsection (h) shall be deemed to be  
15 necessary for the public interest, safety, and welfare.

16 (i) In order to provide for the expeditious and timely  
17 implementation of the State's fiscal year 2004 budget,  
18 emergency rules to implement any provision of this amendatory  
19 Act of the 93rd General Assembly or any other budget  
20 initiative for fiscal year 2004 may be adopted in accordance  
21 with this Section by the agency charged with administering  
22 that provision or initiative, except that the 24-month  
23 limitation on the adoption of emergency rules and the  
24 provisions of Sections 5-115 and 5-125 do not apply to rules  
25 adopted under this subsection (i). The adoption of emergency  
26 rules authorized by this subsection (i) shall be deemed to be  
27 necessary for the public interest, safety, and welfare.

28 (Source: P.A. 91-24, eff. 7-1-99; 91-357, eff. 7-29-99;  
29 91-712, eff. 7-1-00; 92-10, eff. 6-11-01; 92-597, eff.  
30 6-28-02.)

31 ARTICLE 5.

32 Section 5-5. The State Finance Act is amended by

1 changing Sections 6z-30 and 6z-58 as follows:

2 (30 ILCS 105/6z-30)

3 Sec. 6z-30. University of Illinois Hospital Services  
4 Fund.

5 (a) The University of Illinois Hospital Services Fund is  
6 created as a special fund in the State Treasury. The  
7 following moneys shall be deposited into the Fund:

8 (1) As soon as possible after the beginning of each  
9 fiscal year (starting in fiscal year 1995), and in no  
10 event later than July 30, the State Comptroller and the  
11 State Treasurer shall automatically transfer \$44,700,000  
12 from the General Revenue Fund to the University of  
13 Illinois Hospital Services Fund.

14 (2) All intergovernmental transfer payments to the  
15 Illinois Department of Public Aid by the University of  
16 Illinois Hospital made pursuant to an intergovernmental  
17 agreement under subsection (b) or (c) of Section 5A-3 of  
18 the Illinois Public Aid Code.

19 (3) All federal matching funds received by the  
20 Illinois Department of Public Aid as a result of  
21 expenditures made by the Illinois Department that are  
22 attributable to moneys that were deposited in the Fund.

23 (b) Moneys in the fund may be used by the Illinois  
24 Department of Public Aid, subject to appropriation, to  
25 reimburse the University of Illinois Hospital for hospital  
26 and pharmacy services. The fund may also be used to make  
27 monthly transfers to the General Revenue Fund as provided in  
28 subsection (c).

29 (c) The State Comptroller and State Treasurer shall  
30 automatically transfer on the last day of each month except  
31 June, beginning August 31, 1994, from the University of  
32 Illinois Hospital Services Fund to the General Revenue Fund,  
33 an amount determined and certified to the State Comptroller

1 by the Director of Public Aid, equal to the amount by which  
2 the balance in the Fund exceeds the amount necessary to  
3 ensure timely payments to the University of Illinois  
4 Hospital.

5 On June 30, 1995 and each June 30 thereafter, the State  
6 Comptroller and State Treasurer shall automatically transfer  
7 the entire balance in the University of Illinois Hospital  
8 Services Fund to the General Revenue Fund.

9 (Source: P.A. 88-554, eff. 7-26-94; 89-499, eff. 6-28-96.)

10 (30 ILCS 105/6z-58)

11 Sec. 6z-58. The Family Care Fund.

12 (a) There is created in the State treasury the Family  
13 Care Fund. Interest earned by the Fund shall be credited to  
14 the Fund.

15 (b) The Fund is created solely for the purposes of  
16 receiving, investing, and distributing moneys in accordance  
17 with an approved waiver under the Social Security Act  
18 resulting from the Family Care waiver request submitted by  
19 the Illinois Department of Public Aid on February 15, 2002.  
20 The Fund shall consist of:

21 (1) All federal financial participation moneys  
22 received pursuant to the approved waiver, except for  
23 moneys received pursuant to expenditures for medical  
24 services by the Department of Public Aid from any other  
25 fund; and

26 (2) All other moneys received by the Fund from any  
27 source, including interest thereon.

28 (c) Subject to appropriation, the moneys in the Fund  
29 shall be disbursed for reimbursement of medical services and  
30 other costs associated with persons receiving such services  
31 under the waiver due to their relationship with children  
32 receiving medical services pursuant to Article V of the  
33 Illinois Public Aid Code or the Children's Health Insurance

1 Program Act.  
2 (Source: P.A. 92-600, eff. 6-28-02.)

3 ARTICLE 15.

4 Section 15-5. The Illinois Public Aid Code is amended by  
5 changing Sections 5-2, 5-5.4, 10-26, 12-8.1, 12-9, 14-8, and  
6 15-5 and adding Section 5-5.4b as follows:

7 (305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

8 Sec. 5-2. Classes of Persons Eligible. Medical  
9 assistance under this Article shall be available to any of  
10 the following classes of persons in respect to whom a plan  
11 for coverage has been submitted to the Governor by the  
12 Illinois Department and approved by him:

13 1. Recipients of basic maintenance grants under Articles  
14 III and IV.

15 2. Persons otherwise eligible for basic maintenance  
16 under Articles III and IV but who fail to qualify thereunder  
17 on the basis of need, and who have insufficient income and  
18 resources to meet the costs of necessary medical care,  
19 including but not limited to the following:

20 (a) All persons otherwise eligible for basic  
21 maintenance under Article III but who fail to qualify  
22 under that Article on the basis of need and who meet  
23 either of the following requirements:

24 (i) their income, as determined by the  
25 Illinois Department in accordance with any federal  
26 requirements, is equal to or less than 70% in fiscal  
27 year 2001, equal to or less than 85% in fiscal year  
28 2002 and until a date to be determined by the  
29 Department by rule, and equal to or less than 100%  
30 beginning on the date determined by the Department  
31 by rule, of the nonfarm income official poverty

1 line, as defined by the federal Office of Management  
2 and Budget and revised annually in accordance with  
3 Section 673(2) of the Omnibus Budget Reconciliation  
4 Act of 1981, applicable to families of the same  
5 size; or

6 (ii) their income, after the deduction of  
7 costs incurred for medical care and for other types  
8 of remedial care, is equal to or less than 70% in  
9 fiscal year 2001, equal to or less than 85% in  
10 fiscal year 2002 and until a date to be determined  
11 by the Department by rule, and equal to or less than  
12 100% beginning on the date determined by the  
13 Department by rule, of the nonfarm income official  
14 poverty line, as defined in item (i) of this  
15 subparagraph (a).

16 (b) All persons who would be determined eligible  
17 for such basic maintenance under Article IV by  
18 disregarding the maximum earned income permitted by  
19 federal law.

20 3. Persons who would otherwise qualify for Aid to the  
21 Medically Indigent under Article VII.

22 4. Persons not eligible under any of the preceding  
23 paragraphs who fall sick, are injured, or die, not having  
24 sufficient money, property or other resources to meet the  
25 costs of necessary medical care or funeral and burial  
26 expenses.

27 5. (a) Women during pregnancy, after the fact of  
28 pregnancy has been determined by medical diagnosis, and  
29 during the 60-day period beginning on the last day of the  
30 pregnancy, together with their infants and children born  
31 after September 30, 1983, whose income and resources are  
32 insufficient to meet the costs of necessary medical care  
33 to the maximum extent possible under Title XIX of the  
34 Federal Social Security Act.



1           (b) The Illinois Department and the Governor shall  
2 provide a plan for coverage of the persons eligible under  
3 paragraph 5(a) by April 1, 1990. Such plan shall provide  
4 ambulatory prenatal care to pregnant women during a  
5 presumptive eligibility period and establish an income  
6 eligibility standard that is equal to 133% of the nonfarm  
7 income official poverty line, as defined by the federal  
8 Office of Management and Budget and revised annually in  
9 accordance with Section 673(2) of the Omnibus Budget  
10 Reconciliation Act of 1981, applicable to families of the  
11 same size, provided that costs incurred for medical care  
12 are not taken into account in determining such income  
13 eligibility.

14           (c) The Illinois Department may conduct a  
15 demonstration in at least one county that will provide  
16 medical assistance to pregnant women, together with their  
17 infants and children up to one year of age, where the  
18 income eligibility standard is set up to 185% of the  
19 nonfarm income official poverty line, as defined by the  
20 federal Office of Management and Budget. The Illinois  
21 Department shall seek and obtain necessary authorization  
22 provided under federal law to implement such a  
23 demonstration. Such demonstration may establish resource  
24 standards that are not more restrictive than those  
25 established under Article IV of this Code.

26           6. Persons under the age of 18 who fail to qualify as  
27 dependent under Article IV and who have insufficient income  
28 and resources to meet the costs of necessary medical care to  
29 the maximum extent permitted under Title XIX of the Federal  
30 Social Security Act.

31           7. Persons who are under 21 ~~18~~ years of age ~~or younger~~  
32 and would qualify as disabled as defined under the Federal  
33 Supplemental Security Income Program, provided medical  
34 service for such persons would be eligible for Federal

1 Financial Participation, and provided the Illinois Department  
2 determines that:

3 (a) the person requires a level of care provided by  
4 a hospital, skilled nursing facility, or intermediate  
5 care facility, as determined by a physician licensed to  
6 practice medicine in all its branches;

7 (b) it is appropriate to provide such care outside  
8 of an institution, as determined by a physician licensed  
9 to practice medicine in all its branches;

10 (c) the estimated amount which would be expended  
11 for care outside the institution is not greater than the  
12 estimated amount which would be expended in an  
13 institution.

14 8. Persons who become ineligible for basic maintenance  
15 assistance under Article IV of this Code in programs  
16 administered by the Illinois Department due to employment  
17 earnings and persons in assistance units comprised of adults  
18 and children who become ineligible for basic maintenance  
19 assistance under Article VI of this Code due to employment  
20 earnings. The plan for coverage for this class of persons  
21 shall:

22 (a) extend the medical assistance coverage for up  
23 to 12 months following termination of basic maintenance  
24 assistance; and

25 (b) offer persons who have initially received 6  
26 months of the coverage provided in paragraph (a) above,  
27 the option of receiving an additional 6 months of  
28 coverage, subject to the following:

29 (i) such coverage shall be pursuant to  
30 provisions of the federal Social Security Act;

31 (ii) such coverage shall include all services  
32 covered while the person was eligible for basic  
33 maintenance assistance;

34 (iii) no premium shall be charged for such

1 coverage; and

2 (iv) such coverage shall be suspended in the  
3 event of a person's failure without good cause to  
4 file in a timely fashion reports required for this  
5 coverage under the Social Security Act and coverage  
6 shall be reinstated upon the filing of such reports  
7 if the person remains otherwise eligible.

8 9. Persons with acquired immunodeficiency syndrome  
9 (AIDS) or with AIDS-related conditions with respect to whom  
10 there has been a determination that but for home or  
11 community-based services such individuals would require the  
12 level of care provided in an inpatient hospital, skilled  
13 nursing facility or intermediate care facility the cost of  
14 which is reimbursed under this Article. Assistance shall be  
15 provided to such persons to the maximum extent permitted  
16 under Title XIX of the Federal Social Security Act.

17 10. Participants in the long-term care insurance  
18 partnership program established under the Partnership for  
19 Long-Term Care Act who meet the qualifications for protection  
20 of resources described in Section 25 of that Act.

21 11. Persons with disabilities who are employed and  
22 eligible for Medicaid, pursuant to Section  
23 1902(a)(10)(A)(ii)(xv) of the Social Security Act, as  
24 provided by the Illinois Department by rule.

25 12. Subject to federal approval, persons who are  
26 eligible for medical assistance coverage under applicable  
27 provisions of the federal Social Security Act and the federal  
28 Breast and Cervical Cancer Prevention and Treatment Act of  
29 2000. Those eligible persons are defined to include, but not  
30 be limited to, the following persons:

31 (1) persons who have been screened for breast or  
32 cervical cancer under the U.S. Centers for Disease  
33 Control and Prevention Breast and Cervical Cancer Program  
34 established under Title XV of the federal Public Health

1 Services Act in accordance with the requirements of  
2 Section 1504 of that Act as administered by the Illinois  
3 Department of Public Health; and

4 (2) persons whose screenings under the above  
5 program were funded in whole or in part by funds  
6 appropriated to the Illinois Department of Public Health  
7 for breast or cervical cancer screening.

8 "Medical assistance" under this paragraph 12 shall be  
9 identical to the benefits provided under the State's approved  
10 plan under Title XIX of the Social Security Act. The  
11 Department must request federal approval of the coverage  
12 under this paragraph 12 within 30 days after the effective  
13 date of this amendatory Act of the 92nd General Assembly.

14 The Illinois Department and the Governor shall provide a  
15 plan for coverage of the persons eligible under paragraph 7  
16 as soon as possible after July 1, 1984.

17 The eligibility of any such person for medical assistance  
18 under this Article is not affected by the payment of any  
19 grant under the Senior Citizens and Disabled Persons Property  
20 Tax Relief and Pharmaceutical Assistance Act or any  
21 distributions or items of income described under subparagraph  
22 (X) of paragraph (2) of subsection (a) of Section 203 of the  
23 Illinois Income Tax Act. The Department shall by rule  
24 establish the amounts of assets to be disregarded in  
25 determining eligibility for medical assistance, which shall  
26 at a minimum equal the amounts to be disregarded under the  
27 Federal Supplemental Security Income Program. The amount of  
28 assets of a single person to be disregarded shall not be less  
29 than \$2,000, and the amount of assets of a married couple to  
30 be disregarded shall not be less than \$3,000.

31 To the extent permitted under federal law, any person  
32 found guilty of a second violation of Article VIII A shall be  
33 ineligible for medical assistance under this Article, as  
34 provided in Section 8A-8.

1           The eligibility of any person for medical assistance  
2 under this Article shall not be affected by the receipt by  
3 the person of donations or benefits from fundraisers held for  
4 the person in cases of serious illness, as long as neither  
5 the person nor members of the person's family have actual  
6 control over the donations or benefits or the disbursement of  
7 the donations or benefits.

8           (Source: P.A. 91-676, eff. 12-23-99; 91-699, eff. 7-1-00;  
9 91-712, eff. 7-1-00; 92-16, eff. 6-28-01; 92-47, eff. 7-3-01;  
10 92-597, eff. 6-28-02.)

11           (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

12           Sec. 5-5.4. Standards of Payment - Department of Public  
13 Aid. The Department of Public Aid shall develop standards of  
14 payment of skilled nursing and intermediate care services in  
15 facilities providing such services under this Article which:

16           (1) Provide for the determination of a facility's  
17 payment for skilled nursing and intermediate care services on  
18 a prospective basis. The amount of the payment rate for all  
19 nursing facilities certified by the Department of Public  
20 Health under the Nursing Home Care Act as Intermediate Care  
21 for the Developmentally Disabled facilities, Long Term Care  
22 for Under Age 22 facilities, Skilled Nursing facilities, or  
23 Intermediate Care facilities under the medical assistance  
24 program shall be prospectively established annually on the  
25 basis of historical, financial, and statistical data  
26 reflecting actual costs from prior years, which shall be  
27 applied to the current rate year and updated for inflation,  
28 except that the capital cost element for newly constructed  
29 facilities shall be based upon projected budgets. The  
30 annually established payment rate shall take effect on July 1  
31 in 1984 and subsequent years. No rate increase and no update  
32 for inflation shall be provided on or after July 1, 1994 and  
33 before July 1, ~~2004~~ 2003, unless specifically provided for in

1 this Section.

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

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

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

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

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

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

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

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

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

20          For facilities licensed by the Department of Public  
21          Health under the Nursing Home Care Act as skilled nursing  
22          facilities or intermediate care facilities, the rates taking  
23          effect on July 1, 2001~~7--and-each-subsequent-year-thereafter7~~,  
24          shall be computed using the most recent cost reports on file  
25          with the Department of Public Aid no later than April 1,  
26          2000, updated for inflation to January 1, 2001. For rates  
27          effective July 1, 2001 only, rates shall be the greater of  
28          the rate computed for July 1, 2001 or the rate effective on  
29          June 30, 2001.

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



1 which shall be 5.9% less than the rates in effect on June 30,  
2 2002.

3 Rates established effective each July 1 shall govern  
4 payment for services rendered throughout that fiscal year,  
5 except that rates established on July 1, 1996 shall be  
6 increased by 6.8% for services provided on or after January  
7 1, 1997. Such rates will be based upon the rates calculated  
8 for the year beginning July 1, 1990, and for subsequent years  
9 thereafter until June 30, 2001 shall be based on the facility  
10 cost reports for the facility fiscal year ending at any point  
11 in time during the previous calendar year, updated to the  
12 midpoint of the rate year. The cost report shall be on file  
13 with the Department no later than April 1 of the current rate  
14 year. Should the cost report not be on file by April 1, the  
15 Department shall base the rate on the latest cost report  
16 filed by each skilled care facility and intermediate care  
17 facility, updated to the midpoint of the current rate year.  
18 In determining rates for services rendered on and after July  
19 1, 1985, fixed time shall not be computed at less than zero.  
20 The Department shall not make any alterations of regulations  
21 which would reduce any component of the Medicaid rate to a  
22 level below what that component would have been utilizing in  
23 the rate effective on July 1, 1984.

24 (2) Shall take into account the actual costs incurred by  
25 facilities in providing services for recipients of skilled  
26 nursing and intermediate care services under the medical  
27 assistance program.

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

30 (4) Shall take into account the actual costs incurred by  
31 facilities in meeting licensing and certification standards  
32 imposed and prescribed by the State of Illinois, any of its  
33 political subdivisions or municipalities and by the U.S.  
34 Department of Health and Human Services pursuant to Title XIX

1 of the Social Security Act.

2 The Department of Public Aid shall develop precise  
3 standards for payments to reimburse nursing facilities for  
4 any utilization of appropriate rehabilitative personnel for  
5 the provision of rehabilitative services which is authorized  
6 by federal regulations, including reimbursement for services  
7 provided by qualified therapists or qualified assistants, and  
8 which is in accordance with accepted professional practices.  
9 Reimbursement also may be made for utilization of other  
10 supportive personnel under appropriate supervision.

11 (Source: P.A. 91-24, eff. 7-1-99; 91-712, eff. 7-1-00; 92-10,  
12 eff. 6-11-01; 92-31, eff. 6-28-01; 92-597, eff. 6-28-02;  
13 92-651, eff. 7-11-02; 92-848, eff. 1-1-03; revised 9-20-02.)

14 (305 ILCS 5/5-5.4b new)

15 Sec. 5-5.4b. Publicly owned or publicly operated nursing  
16 facilities. The Illinois Department may by rule establish  
17 alternative reimbursement methodologies for nursing  
18 facilities that are owned or operated by a county, a  
19 township, a municipality, a hospital district, or any other  
20 local government in Illinois.

21 (305 ILCS 5/10-26)

22 Sec. 10-26. State Disbursement Unit.

23 (a) Effective October 1, 1999 the Illinois Department  
24 shall establish a State Disbursement Unit in accordance with  
25 the requirements of Title IV-D of the Social Security Act.  
26 The Illinois Department shall enter into an agreement with a  
27 State or local governmental unit or private entity to perform  
28 the functions of the State Disbursement Unit as set forth in  
29 this Section. The State Disbursement Unit shall collect and  
30 disburse support payments made under court and administrative  
31 support orders:

32 (1) being enforced in cases in which child and

1 spouse support services are being provided under this  
2 Article X; and

3 (2) in all cases in which child and spouse support  
4 services are not being provided under this Article X and  
5 in which support payments are made under the provisions  
6 of the Income Withholding for Support Act.

7 (a-2) The contract entered into by the Illinois  
8 Department with a public or private entity or an individual  
9 for the operation of the State Disbursement Unit is subject  
10 to competitive bidding. In addition, the contract is subject  
11 to Section 10-26.2 of this Code. As used in this subsection  
12 (a-2), "contract" has the same meaning as in the Illinois  
13 Procurement Code.

14 (a-5) If the State Disbursement Unit receives a support  
15 payment that was not appropriately made to the Unit under  
16 this Section, the Unit shall immediately return the payment  
17 to the sender, including, if possible, instructions detailing  
18 where to send the support payments.

19 (b) All payments received by the State Disbursement  
20 Unit:

21 (1) shall be deposited into an account obtained by  
22 ~~the Illinois Department the-State-or-local-governmental~~  
23 ~~unit-or-private-entity, as-the-case-may-be,~~ and

24 (2) distributed and disbursed by the State  
25 Disbursement Unit, in accordance with the directions of  
26 the Illinois Department, pursuant to Title IV-D of the  
27 Social Security Act and rules promulgated by the  
28 Department.

29 (c) All support payments assigned to the Illinois  
30 Department under Article X of this Code and rules promulgated  
31 by the Illinois Department that are disbursed to the Illinois  
32 Department by the State Disbursement Unit shall be paid into  
33 the Child Support Enforcement Trust Fund.

34 (d) If the agreement with the State or local

1 governmental unit or private entity provided for in this  
2 Section is not in effect for any reason, the Department shall  
3 perform the functions of the State Disbursement Unit as set  
4 forth in this Section for a maximum of 12 months before July  
5 1, 2001, and for a maximum of 24 months after June 30, 2001.  
6 If the Illinois Department is performing the functions of the  
7 State Disbursement Unit on July 1, 2001, then the Illinois  
8 Department shall make an award on or before December 31,  
9 2002, to a State or local government unit or private entity  
10 to perform the functions of the State Disbursement Unit.  
11 Payments received by the Illinois Department in performance  
12 of the duties of the State Disbursement Unit shall be  
13 deposited into the State Disbursement Unit Revolving Fund  
14 established under Section 12-8.1. Nothing in this Section  
15 shall prohibit the Illinois Department from holding the State  
16 Disbursement Unit Revolving Fund after June 30, 2003.

17 (e) By February 1, 2000, the Illinois Department shall  
18 conduct at least 4 regional training and educational seminars  
19 to educate the clerks of the circuit court on the general  
20 operation of the State Disbursement Unit, the role of the  
21 State Disbursement Unit, and the role of the clerks of the  
22 circuit court in the collection and distribution of child  
23 support payments.

24 (f) By March 1, 2000, the Illinois Department shall  
25 conduct at least 4 regional educational and training seminars  
26 to educate payors, as defined in the Income Withholding for  
27 Support Act, on the general operation of the State  
28 Disbursement Unit, the role of the State Disbursement Unit,  
29 and the distribution of income withholding payments pursuant  
30 to this Section and the Income Withholding for Support Act.

31 (Source: P.A. 91-212, eff. 7-20-99; 91-677, eff. 1-5-00;  
32 91-712, eff. 7-1-00; 92-44, eff. 7-1-01.)

1           Sec. 12-8.1. State Disbursement Unit Revolving Fund.

2           (a) There is created a revolving fund to be known as the  
3 State Disbursement Unit Revolving Fund, to be held by the  
4 Director of the Illinois Department, outside the State  
5 treasury, for the following purposes:

6           (1) the deposit of all support payments received by  
7 the Illinois Department's State Disbursement Unit;

8           (2) the deposit of other funds including, but not  
9 limited to, transfers of funds from other accounts  
10 attributable to support payments received by the Illinois  
11 Department's State Disbursement Unit;

12           (3) the deposit of any interest accrued by the  
13 revolving fund, which interest shall be available for  
14 payment of (i) any amounts considered to be Title IV-D  
15 program income that must be paid to the U.S. Department  
16 of Health and Human Services and (ii) any balance  
17 remaining after payments made under item (i) of this  
18 subsection (3) to the General Revenue Fund; however, the  
19 disbursements under this subdivision (3) may not exceed  
20 the amount of the interest accrued by the revolving fund;

21           (4) the disbursement of such payments to obligees  
22 or to the assignees of the obligees in accordance with  
23 the provisions of Title IV-D of the Social Security Act  
24 and rules promulgated by the Department, provided that  
25 such disbursement is based upon a payment by a payor or  
26 obligor deposited into the revolving fund established by  
27 this Section; and

28           (5) the disbursement of funds to payors or obligors  
29 to correct erroneous payments to the Illinois  
30 Department's State Disbursement Unit, in an amount not to  
31 exceed the erroneous payments.

32           (b) (Blank). ~~The provisions of this Section shall apply~~  
33 ~~only if the Department performs the functions of the Illinois~~  
34 ~~Department's State Disbursement Unit under paragraph --(d)-- of~~

1     ~~Section 10-26.~~

2     (Source: P.A. 91-712, eff. 7-1-00; 92-44, eff. 7-1-01.)

3             (305 ILCS 5/12-9) (from Ch. 23, par. 12-9)

4             Sec. 12-9. Public Aid Recoveries Trust Fund; uses. The  
5 Public Aid Recoveries Trust Fund shall consist of (1)  
6 recoveries by the Illinois Department of Public Aid  
7 authorized by this Code in respect to applicants or  
8 recipients under Articles III, IV, V, and VI, including  
9 recoveries made by the Illinois Department of Public Aid from  
10 the estates of deceased recipients, (2) recoveries made by  
11 the Illinois Department of Public Aid in respect to  
12 applicants and recipients under the Children's Health  
13 Insurance Program, and (3) federal funds received on behalf  
14 of and earned by State universities and local governmental  
15 entities for services provided to applicants or recipients  
16 covered under this Code. The Fund shall be held as a special  
17 fund in the State Treasury.

18             Disbursements from this Fund shall be only (1) for the  
19 reimbursement of claims collected by the Illinois Department  
20 of Public Aid through error or mistake, (2) for payment to  
21 persons or agencies designated as payees or co-payees on any  
22 instrument, whether or not negotiable, delivered to the  
23 Illinois Department of Public Aid as a recovery under this  
24 Section, such payment to be in proportion to the respective  
25 interests of the payees in the amount so collected, (3) for  
26 payments to the Department of Human Services for collections  
27 made by the Illinois Department of Public Aid on behalf of  
28 the Department of Human Services under this Code, (4) for  
29 payment of administrative expenses incurred in performing the  
30 activities authorized under this Code, (5) for payment of  
31 fees to persons or agencies in the performance of activities  
32 pursuant to the collection of monies owed the State that are  
33 collected under this Code, (6) for payments of any amounts

1 which are reimbursable to the federal government which are  
2 required to be paid by State warrant by either the State or  
3 federal government, and (7) for payments to State  
4 universities and local governmental entities of federal funds  
5 for services provided to applicants or recipients covered  
6 under this Code. Disbursements from this Fund for purposes  
7 of items (4) and (5) of this paragraph shall be subject to  
8 appropriations from the Fund to the Illinois Department of  
9 Public Aid.

10 The balance in this Fund on the first day of each  
11 calendar quarter, after payment therefrom of any amounts  
12 reimbursable to the federal government, and minus the amount  
13 reasonably anticipated to be needed to make the disbursements  
14 during that quarter authorized by this Section, shall be  
15 certified by the Director of the Illinois Department of  
16 Public Aid and transferred by the State Comptroller to the  
17 Drug Rebate Fund or the General Revenue Fund in the State  
18 Treasury, as appropriate, within 30 days of the first day of  
19 each calendar quarter.

20 On July 1, 1999, the State Comptroller shall transfer the  
21 sum of \$5,000,000 from the Public Aid Recoveries Trust Fund  
22 (formerly the Public Assistance Recoveries Trust Fund) into  
23 the DHS Recoveries Trust Fund.

24 (Source: P.A. 91-24, eff. 7-1-99; 91-212, eff. 7-20-99;  
25 92-10, eff. 6-11-01; 92-16, eff. 6-28-01.)

26 (305 ILCS 5/14-8) (from Ch. 23, par. 14-8)

27 Sec. 14-8. Disbursements to Hospitals.

28 (a) For inpatient hospital services rendered on and  
29 after September 1, 1991, the Illinois Department shall  
30 reimburse hospitals for inpatient services at an inpatient  
31 payment rate calculated for each hospital based upon the  
32 Medicare Prospective Payment System as set forth in Sections  
33 1886(b), (d), (g), and (h) of the federal Social Security

1 Act, and the regulations, policies, and procedures  
2 promulgated thereunder, except as modified by this Section.  
3 Payment rates for inpatient hospital services rendered on or  
4 after September 1, 1991 and on or before September 30, 1992  
5 shall be calculated using the Medicare Prospective Payment  
6 rates in effect on September 1, 1991. Payment rates for  
7 inpatient hospital services rendered on or after October 1,  
8 1992 and on or before March 31, 1994 shall be calculated  
9 using the Medicare Prospective Payment rates in effect on  
10 September 1, 1992. Payment rates for inpatient hospital  
11 services rendered on or after April 1, 1994 shall be  
12 calculated using the Medicare Prospective Payment rates  
13 (including the Medicare grouping methodology and weighting  
14 factors as adjusted pursuant to paragraph (1) of this  
15 subsection) in effect 90 days prior to the date of  
16 admission. For services rendered on or after July 1, 1995,  
17 the reimbursement methodology implemented under this  
18 subsection shall not include those costs referred to in  
19 Sections 1886(d)(5)(B) and 1886(h) of the Social Security  
20 Act. The additional payment amounts required under Section  
21 1886(d)(5)(F) of the Social Security Act, for hospitals  
22 serving a disproportionate share of low-income or indigent  
23 patients, are not required under this Section. For hospital  
24 inpatient services rendered on or after July 1, 1995, the  
25 Illinois Department shall reimburse hospitals using the  
26 relative weighting factors and the base payment rates  
27 calculated for each hospital that were in effect on June 30,  
28 1995, less the portion of such rates attributed by the  
29 Illinois Department to the cost of medical education.

30 (1) The weighting factors established under Section  
31 1886(d)(4) of the Social Security Act shall not be used  
32 in the reimbursement system established under this  
33 Section. Rather, the Illinois Department shall establish  
34 by rule Medicaid weighting factors to be used in the



1 reimbursement system established under this Section.

2 (2) The Illinois Department shall define by rule  
3 those hospitals or distinct parts of hospitals that shall  
4 be exempt from the reimbursement system established under  
5 this Section. In defining such hospitals, the Illinois  
6 Department shall take into consideration those hospitals  
7 exempt from the Medicare Prospective Payment System as of  
8 September 1, 1991. For hospitals defined as exempt under  
9 this subsection, the Illinois Department shall by rule  
10 establish a reimbursement system for payment of inpatient  
11 hospital services rendered on and after September 1,  
12 1991. For all hospitals that are children's hospitals as  
13 defined in Section 5-5.02 of this Code, the reimbursement  
14 methodology shall, through June 30, 1992, net of all  
15 applicable fees, at least equal each children's hospital  
16 1990 ICARE payment rates, indexed to the current year by  
17 application of the DRI hospital cost index from 1989 to  
18 the year in which payments are made. Excepting county  
19 providers as defined in Article XV of this Code,  
20 hospitals licensed under the University of Illinois  
21 Hospital Act, and facilities operated by the Department  
22 of Mental Health and Developmental Disabilities (or its  
23 successor, the Department of Human Services) for hospital  
24 inpatient services rendered on or after July 1, 1995, the  
25 Illinois Department shall reimburse children's hospitals,  
26 as defined in 89 Illinois Administrative Code Section  
27 149.50(c)(3), at the rates in effect on June 30, 1995,  
28 and shall reimburse all other hospitals at the rates in  
29 effect on June 30, 1995, less the portion of such rates  
30 attributed by the Illinois Department to the cost of  
31 medical education. For inpatient hospital services  
32 provided on or after August 1, 1998, the Illinois  
33 Department may establish by rule a means of adjusting the  
34 rates of children's hospitals, as defined in 89 Illinois

1 Administrative Code Section 149.50(c)(3), that did not  
2 meet that definition on June 30, 1995, in order for the  
3 inpatient hospital rates of such hospitals to take into  
4 account the average inpatient hospital rates of those  
5 children's hospitals that did meet the definition of  
6 children's hospitals on June 30, 1995.

7 (3) (Blank)

8 (4) Notwithstanding any other provision of this  
9 Section, hospitals that on August 31, 1991, have a  
10 contract with the Illinois Department under Section 3-4  
11 of the Illinois Health Finance Reform Act may elect to  
12 continue to be reimbursed at rates stated in such  
13 contracts for general and specialty care.

14 (5) In addition to any payments made under this  
15 subsection (a), the Illinois Department shall make the  
16 adjustment payments required by Section 5-5.02 of this  
17 Code; provided, that in the case of any hospital  
18 reimbursed under a per case methodology, the Illinois  
19 Department shall add an amount equal to the product of  
20 the hospital's average length of stay, less one day,  
21 multiplied by 20, for inpatient hospital services  
22 rendered on or after September 1, 1991 and on or before  
23 September 30, 1992.

24 (b) (Blank)

25 (b-5) Excepting county providers as defined in Article  
26 XV of this Code, hospitals licensed under the University of  
27 Illinois Hospital Act, and facilities operated by the  
28 Illinois Department of Mental Health and Developmental  
29 Disabilities (or its successor, the Department of Human  
30 Services), for outpatient services rendered on or after July  
31 1, 1995 and before July 1, 1998 the Illinois Department shall  
32 reimburse children's hospitals, as defined in the Illinois  
33 Administrative Code Section 149.50(c)(3), at the rates in  
34 effect on June 30, 1995, less that portion of such rates

1 attributed by the Illinois Department to the outpatient  
2 indigent volume adjustment and shall reimburse all other  
3 hospitals at the rates in effect on June 30, 1995, less the  
4 portions of such rates attributed by the Illinois Department  
5 to the cost of medical education and attributed by the  
6 Illinois Department to the outpatient indigent volume  
7 adjustment. For outpatient services provided on or after  
8 July 1, 1998, reimbursement rates shall be established by  
9 rule.

10 (c) In addition to any other payments under this Code,  
11 the Illinois Department shall develop a hospital  
12 disproportionate share reimbursement methodology that,  
13 effective July 1, 1991, through September 30, 1992, shall  
14 reimburse hospitals sufficiently to expend the fee monies  
15 described in subsection (b) of Section 14-3 of this Code and  
16 the federal matching funds received by the Illinois  
17 Department as a result of expenditures made by the Illinois  
18 Department as required by this subsection (c) and Section  
19 14-2 that are attributable to fee monies deposited in the  
20 Fund, less amounts applied to adjustment payments under  
21 Section 5-5.02.

22 (d) Critical Care Access Payments.

23 (1) In addition to any other payments made under  
24 this Code, the Illinois Department shall develop a  
25 reimbursement methodology that shall reimburse Critical  
26 Care Access Hospitals for the specialized services that  
27 qualify them as Critical Care Access Hospitals. No  
28 adjustment payments shall be made under this subsection  
29 on or after July 1, 1995.

30 (2) "Critical Care Access Hospitals" includes, but  
31 is not limited to, hospitals that meet at least one of  
32 the following criteria:

33 (A) Hospitals located outside of a  
34 metropolitan statistical area that are designated as

1 Level II Perinatal Centers and that provide a  
2 disproportionate share of perinatal services to  
3 recipients; or

4 (B) Hospitals that are designated as Level I  
5 Trauma Centers (adult or pediatric) and certain  
6 Level II Trauma Centers as determined by the  
7 Illinois Department; or

8 (C) Hospitals located outside of a  
9 metropolitan statistical area and that provide a  
10 disproportionate share of obstetrical services to  
11 recipients.

12 (e) Inpatient high volume adjustment. For hospital  
13 inpatient services, effective with rate periods beginning on  
14 or after October 1, 1993, in addition to rates paid for  
15 inpatient services by the Illinois Department, the Illinois  
16 Department shall make adjustment payments for inpatient  
17 services furnished by Medicaid high volume hospitals. The  
18 Illinois Department shall establish by rule criteria for  
19 qualifying as a Medicaid high volume hospital and shall  
20 establish by rule a reimbursement methodology for calculating  
21 these adjustment payments to Medicaid high volume hospitals.  
22 No adjustment payment shall be made under this subsection for  
23 services rendered on or after July 1, 1995.

24 (f) The Illinois Department shall modify its current  
25 rules governing adjustment payments for targeted access,  
26 critical care access, and uncompensated care to classify  
27 those adjustment payments as not being payments to  
28 disproportionate share hospitals under Title XIX of the  
29 federal Social Security Act. Rules adopted under this  
30 subsection shall not be effective with respect to services  
31 rendered on or after July 1, 1995. The Illinois Department  
32 has no obligation to adopt or implement any rules or make any  
33 payments under this subsection for services rendered on or  
34 after July 1, 1995.

1           (f-5) The State recognizes that adjustment payments to  
2 hospitals providing certain services or incurring certain  
3 costs may be necessary to assure that recipients of medical  
4 assistance have adequate access to necessary medical  
5 services. These adjustments include payments for teaching  
6 costs and uncompensated care, trauma center payments,  
7 rehabilitation hospital payments, perinatal center payments,  
8 obstetrical care payments, targeted access payments, Medicaid  
9 high volume payments, and outpatient indigent volume  
10 payments. On or before April 1, 1995, the Illinois  
11 Department shall issue recommendations regarding (i)  
12 reimbursement mechanisms or adjustment payments to reflect  
13 these costs and services, including methods by which the  
14 payments may be calculated and the method by which the  
15 payments may be financed, and (ii) reimbursement mechanisms  
16 or adjustment payments to reflect costs and services of  
17 federally qualified health centers with respect to recipients  
18 of medical assistance.

19           (g) If one or more hospitals file suit in any court  
20 challenging any part of this Article XIV, payments to  
21 hospitals under this Article XIV shall be made only to the  
22 extent that sufficient monies are available in the Fund and  
23 only to the extent that any monies in the Fund are not  
24 prohibited from disbursement under any order of the court.

25           (h) Payments under the disbursement methodology  
26 described in this Section are subject to approval by the  
27 federal government in an appropriate State plan amendment.

28           (i) The Illinois Department may by rule establish  
29 criteria for and develop methodologies for adjustment  
30 payments to hospitals participating under this Article.

31           (j) Hospital Residing Long Term Care Services. In  
32 addition to any other payments made under this Code, the  
33 Illinois Department may by rule establish criteria and  
34 develop methodologies for payments to hospitals for Hospital

1 Residing Long Term Care Services.

2 (Source: P.A. 89-21, eff. 7-1-95; 89-499, eff. 6-28-96;  
3 89-507, eff. 7-1-97; 90-9, eff. 7-1-97; 90-14, eff. 7-1-97;  
4 90-588, eff. 7-1-98.)

5 (305 ILCS 5/15-5) (from Ch. 23, par. 15-5)

6 Sec. 15-5. Disbursements from the Fund.

7 (a) The monies in the Fund shall be disbursed only as  
8 provided in Section 15-2 of this Code and as follows:

9 (1) To pay the county hospitals' inpatient  
10 reimbursement rate based on actual costs, trended forward  
11 annually by an inflation index and supplemented by  
12 teaching, capital, and other direct and indirect costs,  
13 according to a State plan approved by the federal  
14 government. Effective October 1, 1992, the inpatient  
15 reimbursement rate (including any disproportionate or  
16 supplemental disproportionate share payments) for  
17 hospital services provided by county operated facilities  
18 within the County shall be no less than the reimbursement  
19 rates in effect on June 1, 1992, except that this minimum  
20 shall be adjusted as of July 1, 1992 and each July 1  
21 thereafter through July 1, 2002 by the annual percentage  
22 change in the per diem cost of inpatient hospital  
23 services as reported in the most recent annual Medicaid  
24 cost report. Effective July 1, 2003, the rate for  
25 hospital inpatient services provided by county hospitals  
26 shall be the rate in effect on January 1, 2003, except  
27 that this minimum may be adjusted by the Illinois  
28 Department to ensure compliance with aggregate and  
29 hospital-specific federal payment limitations.

30 (2) To pay county hospitals and county operated  
31 outpatient facilities for outpatient services based on a  
32 federally approved methodology to cover the maximum  
33 allowable costs per patient visit. Effective October 1,

1 1992, the outpatient reimbursement rate for outpatient  
2 services provided by county hospitals and county operated  
3 outpatient facilities shall be no less than the  
4 reimbursement rates in effect on June 1, 1992, except  
5 that this minimum shall be adjusted as of July 1, 1992  
6 and each July 1 thereafter through July 1, 2002 by the  
7 annual percentage change in the per diem cost of  
8 inpatient hospital services as reported in the most  
9 recent annual Medicaid cost report. Effective July 1,  
10 2003, the Illinois Department shall by rule establish  
11 rates for outpatient services provided by county  
12 hospitals and other county-operated facilities within the  
13 County that are in compliance with aggregate and  
14 hospital-specific federal payment limitations.

15 (3) To pay the county hospitals' disproportionate  
16 share payments as established by the Illinois Department  
17 under Section 5-5.02 of this Code. Effective October 1,  
18 1992, the disproportionate share payments for hospital  
19 services provided by county operated facilities within  
20 the County shall be no less than the reimbursement rates  
21 in effect on June 1, 1992, except that this minimum shall  
22 be adjusted as of July 1, 1992 and each July 1 thereafter  
23 through July 1, 2002 by the annual percentage change in  
24 the per diem cost of inpatient hospital services as  
25 reported in the most recent annual Medicaid cost report.  
26 Effective July 1, 2003, the Illinois Department may by  
27 rule establish rates for disproportionate share payments  
28 to county hospitals that are in compliance with aggregate  
29 and hospital-specific federal payment limitations.

30 (3.5) To pay county providers for services provided  
31 pursuant to Section 5-11 of this Code.

32 (4) To reimburse the county providers for expenses  
33 contractually assumed pursuant to Section 15-4 of this  
34 Code.

1           (5) To pay the Illinois Department its necessary  
 2 administrative expenses relative to the Fund and other  
 3 amounts agreed to, if any, by the county providers in the  
 4 agreement provided for in subsection (c).

5           (6) To pay the county providers any other amount  
 6 due hospitals'---supplemental---disproportionate--share  
 7 payments,--hereby--authorized,--as---specified---in---the  
 8 agreement-provided-for-in-subsection-(c)-and according to  
 9 a federally approved State plan, including but not  
 10 limited to payments made under the provisions of Section  
 11 701(d)(3)(B) of the federal Medicare, Medicaid, and SCHIP  
 12 Benefits Improvement and Protection Act of 2000.  
 13 Intergovernmental transfers supporting payments under  
 14 this paragraph (6) shall not be subject to the  
 15 computation described in subsection (a) of Section 15-3  
 16 of this Code, but shall be computed as the difference  
 17 between the total of such payments made by the Illinois  
 18 Department to county providers less any amount of federal  
 19 financial participation due the Illinois Department under  
 20 Titles XIX and XXI of the Social Security Act as a result  
 21 of such payments to county providers. Effective-October  
 22 17-1992,--the-supplemental-disproportionate-share-payments  
 23 for--hospital--services--provided--by---county---operated  
 24 facilities--within--the--County-shall-be-no-less-than-the  
 25 reimbursement-rates-in-effect-on--June--17--1992,--except  
 26 that--this--minimum--shall-be-adjusted-as-of-July-17-1992  
 27 and-each-July--1--thereafter--by--the--annual--percentage  
 28 change--in--the--per--diem--cost--of--inpatient--hospital  
 29 services--as--reported-in-the-most-recent-annual-Medicaid  
 30 cost-report.

31           (b) The Illinois Department shall promptly seek all  
 32 appropriate amendments to the Illinois State Plan to effect  
 33 the foregoing payment methodology.

34           (c) The Illinois Department shall implement the changes



1 made by Article 3 of this amendatory Act of 1992 beginning  
2 October 1, 1992. All terms and conditions of the  
3 disbursement of monies from the Fund not set forth expressly  
4 in this Article shall be set forth in the agreement executed  
5 under the Intergovernmental Cooperation Act so long as those  
6 terms and conditions are not inconsistent with this Article  
7 or applicable federal law. The Illinois Department shall  
8 report in writing to the Hospital Service Procurement  
9 Advisory Board and the Health Care Cost Containment Council  
10 by October 15, 1992, the terms and conditions of all such  
11 initial agreements and, where no such initial agreement has  
12 yet been executed with a qualifying county, the Illinois  
13 Department's reasons that each such initial agreement has not  
14 been executed. Copies and reports of amended agreements  
15 following the initial agreements shall likewise be filed by  
16 the Illinois Department with the Hospital Service Procurement  
17 Advisory Board and the Health Care Cost Containment Council  
18 within 30 days following their execution. The foregoing  
19 filing obligations of the Illinois Department are  
20 informational only, to allow the Board and Council,  
21 respectively, to better perform their public roles, except  
22 that the Board or Council may, at its discretion, advise the  
23 Illinois Department in the case of the failure of the  
24 Illinois Department to reach agreement with any qualifying  
25 county by the required date.

26 (d) The payments provided for herein are intended to  
27 cover services rendered on and after July 1, 1991, and any  
28 agreement executed between a qualifying county and the  
29 Illinois Department pursuant to this Section may relate back  
30 to that date, provided the Illinois Department obtains  
31 federal approval. Any changes in payment rates resulting  
32 from the provisions of Article 3 of this amendatory Act of  
33 1992 are intended to apply to services rendered on or after  
34 October 1, 1992, and any agreement executed between a

1 qualifying county and the Illinois Department pursuant to  
2 this Section may be effective as of that date.

3 (e) If one or more hospitals file suit in any court  
4 challenging any part of this Article XV, payments to  
5 hospitals from the Fund under this Article XV shall be made  
6 only to the extent that sufficient monies are available in  
7 the Fund and only to the extent that any monies in the Fund  
8 are not prohibited from disbursement and may be disbursed  
9 under any order of the court.

10 (f) All payments under this Section are contingent upon  
11 federal approval of changes to the State plan, if that  
12 approval is required.

13 (Source: P.A. 92-370, eff. 8-15-01.)

14 (305 ILCS 5/5-7 rep.)

15 Section 15-6. The Illinois Public Aid Code is amended by  
16 repealing Section 5-7.

17 ARTICLE 20.

18 Section 20-5. The Alzheimer's Disease Assistance Act is  
19 amended by changing Section 7 as follows:

20 (410 ILCS 405/7) (from Ch. 111 1/2, par. 6957)

21 Sec. 7. Regional ADA center funding grants-in-aid.  
22 Pursuant to appropriations enacted by the General Assembly,  
23 the Department shall provide funds grants-in-aid to hospitals  
24 affiliated with each Regional ADA Center for necessary  
25 research and for the development and maintenance of services  
26 for victims of Alzheimer's disease and related disorders and  
27 their families. For the fiscal year beginning July 1, 2003,  
28 and each year thereafter, the Department shall effect  
29 payments under this Section to hospitals affiliated with each  
30 Regional ADA Center through the Illinois Department of Public

1 Aid. The Department shall include the annual expenditures  
2 for this purpose in the plan required by Section 5 of this  
3 Act. in accordance with the State Alzheimer's Assistance  
4 Plan. The first \$2,000,000 of any grants in aid appropriated  
5 by the General Assembly for Regional ADA Centers in any State  
6 fiscal year shall be distributed in equal portions to those  
7 Regional ADA Centers receiving the appropriated grants in aid  
8 for the State fiscal year beginning July 1, 1996. The first  
9 \$400,000 appropriated by the General Assembly in excess of  
10 \$2,000,000 in any State fiscal year beginning on or after  
11 July 1, 1997 shall be distributed in equal portions to those  
12 Regional ADA Centers receiving the appropriated grants in aid  
13 for the State fiscal year beginning July 1, 1996. Any monies  
14 appropriated by the General Assembly in excess of \$2,400,000  
15 for any State fiscal year beginning on or after July 1, 1997  
16 shall be distributed in equal portions to each Regional ADA  
17 Center. The Department shall promulgate rules and procedures  
18 governing the distribution and specific purposes for such  
19 grants, including any contributions of recipients of services  
20 toward the cost of care.

21 (Source: P.A. 90-404, eff. 8-15-97.)

22 ARTICLE 99.

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