



Sen. Louis S. Viverito

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1 AMENDMENT TO HOUSE BILL 3478

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3478 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, 2006, unless specifically provided  
4 for in this Section. The changes made by this amendatory Act of  
5 the 93rd General Assembly extending the duration of the  
6 prohibition against a rate increase or update for inflation are  
7 effective retroactive to July 1, 2004.

8 For facilities licensed by the Department of Public Health  
9 under the Nursing Home Care Act as Intermediate Care for the  
10 Developmentally Disabled facilities or Long Term Care for Under  
11 Age 22 facilities, the rates taking effect on July 1, 1998  
12 shall include an increase of 3%. For facilities licensed by the  
13 Department of Public Health under the Nursing Home Care Act as  
14 Skilled Nursing facilities or Intermediate Care facilities,  
15 the rates taking effect on July 1, 1998 shall include an  
16 increase of 3% plus \$1.10 per resident-day, as defined by the  
17 Department. For facilities licensed by the Department of Public  
18 Health under the Nursing Home Care Act as Intermediate Care  
19 Facilities for the Developmentally Disabled or Long Term Care  
20 for Under Age 22 facilities, the rates taking effect on January  
21 1, 2006 shall include an increase of 3%.

22 For facilities licensed by the Department of Public Health  
23 under the Nursing Home Care Act as Intermediate Care for the  
24 Developmentally Disabled facilities or Long Term Care for Under  
25 Age 22 facilities, the rates taking effect on July 1, 1999  
26 shall include an increase of 1.6% plus \$3.00 per resident-day,  
27 as defined by the Department. For facilities licensed by the  
28 Department of Public Health under the Nursing Home Care Act as  
29 Skilled Nursing facilities or Intermediate Care facilities,  
30 the rates taking effect on July 1, 1999 shall include an  
31 increase of 1.6% and, for services provided on or after October  
32 1, 1999, shall be increased by \$4.00 per resident-day, as  
33 defined by the Department.

34 For facilities licensed by the Department of Public Health

1 under the Nursing Home Care Act as Intermediate Care for the  
2 Developmentally Disabled facilities or Long Term Care for Under  
3 Age 22 facilities, the rates taking effect on July 1, 2000  
4 shall include an increase of 2.5% per resident-day, as defined  
5 by the Department. For facilities licensed by the Department of  
6 Public Health under the Nursing Home Care Act as Skilled  
7 Nursing facilities or Intermediate Care facilities, the rates  
8 taking effect on July 1, 2000 shall include an increase of 2.5%  
9 per resident-day, as defined by the Department.

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

26 (A) For a facility that would receive a lower nursing  
27 component rate per patient day under the new system than  
28 the facility received effective on the date immediately  
29 preceding the date that the Department implements the new  
30 payment methodology, the nursing component rate per  
31 patient day for the facility shall be held at the level in  
32 effect on the date immediately preceding the date that the  
33 Department implements the new payment methodology until a  
34 higher nursing component rate of reimbursement is achieved

1 by that facility.

2 (B) For a facility that would receive a higher nursing  
3 component rate per patient day under the payment  
4 methodology in effect on July 1, 2003 than the facility  
5 received effective on the date immediately preceding the  
6 date that the Department implements the new payment  
7 methodology, the nursing component rate per patient day for  
8 the facility shall be adjusted.

9 (C) Notwithstanding paragraphs (A) and (B), the  
10 nursing component rate per patient day for the facility  
11 shall be adjusted subject to appropriations provided by the  
12 General Assembly.

13 For facilities licensed by the Department of Public Health  
14 under the Nursing Home Care Act as Intermediate Care for the  
15 Developmentally Disabled facilities or Long Term Care for Under  
16 Age 22 facilities, the rates taking effect on March 1, 2001  
17 shall include a statewide increase of 7.85%, as defined by the  
18 Department.

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

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

1 June 30, 2001.

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, 2002,  
7 which shall be 5.9% less than the rates in effect on June 30,  
8 2002.

9 Notwithstanding any other provision of this Section, for  
10 facilities licensed by the Department of Public Health under  
11 the Nursing Home Care Act as skilled nursing facilities or  
12 intermediate care facilities, if the payment methodologies  
13 required under Section 5A-12 and the waiver granted under 42  
14 CFR 433.68 are approved by the United States Centers for  
15 Medicare and Medicaid Services, the rates taking effect on July  
16 1, 2004 shall be 3.0% greater than the rates in effect on June  
17 30, 2004. These rates shall take effect only upon approval and  
18 implementation of the payment methodologies required under  
19 Section 5A-12.

20 Notwithstanding any other provisions of this Section, for  
21 facilities licensed by the Department of Public Health under  
22 the Nursing Home Care Act as skilled nursing facilities or  
23 intermediate care facilities, the rates taking effect on  
24 January 1, 2005 shall be 3% more than the rates in effect on  
25 December 31, 2004.

26 For facilities licensed by the Department of Public Health  
27 under the Nursing Home Care Act as Intermediate Care for the  
28 Developmentally Disabled facilities or as long-term care  
29 facilities for residents under 22 years of age, the rates  
30 taking effect on July 1, 2003 shall include a statewide  
31 increase of 4%, as defined by the Department.

32 Notwithstanding any other provision of this Section, for  
33 facilities licensed by the Department of Public Health under  
34 the Nursing Home Care Act as skilled nursing facilities or

1 intermediate care facilities, effective January 1, 2005,  
2 facility rates shall be increased by the difference between (i)  
3 a facility's per diem property, liability, and malpractice  
4 insurance costs as reported in the cost report filed with the  
5 Department of Public Aid and used to establish rates effective  
6 July 1, 2001 and (ii) those same costs as reported in the  
7 facility's 2002 cost report. These costs shall be passed  
8 through to the facility without caps or limitations, except for  
9 adjustments required under normal auditing procedures.

10 Rates established effective each July 1 shall govern  
11 payment for services rendered throughout that fiscal year,  
12 except that rates established on July 1, 1996 shall be  
13 increased by 6.8% for services provided on or after January 1,  
14 1997. Such rates will be based upon the rates calculated for  
15 the year beginning July 1, 1990, and for subsequent years  
16 thereafter until June 30, 2001 shall be based on the facility  
17 cost reports for the facility fiscal year ending at any point  
18 in time during the previous calendar year, updated to the  
19 midpoint of the rate year. The cost report shall be on file  
20 with the Department no later than April 1 of the current rate  
21 year. Should the cost report not be on file by April 1, the  
22 Department shall base the rate on the latest cost report filed  
23 by each skilled care facility and intermediate care facility,  
24 updated to the midpoint of the current rate year. In  
25 determining rates for services rendered on and after July 1,  
26 1985, fixed time shall not be computed at less than zero. The  
27 Department shall not make any alterations of regulations which  
28 would reduce any component of the Medicaid rate to a level  
29 below what that component would have been utilizing in the rate  
30 effective on July 1, 1984.

31 (2) Shall take into account the actual costs incurred by  
32 facilities in providing services for recipients of skilled  
33 nursing and intermediate care services under the medical  
34 assistance program.

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

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

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

18           (Source: P.A. 93-20, eff. 6-20-03; 93-649, eff. 1-8-04; 93-659,  
19 eff. 2-3-04; 93-841, eff. 7-30-04; 93-1087, eff. 2-28-05;  
20 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; revised 8-9-05.)

21           Section 99. Effective date. This Act takes effect upon  
22 becoming law."