

1 AN ACT concerning mental health and developmental
2 disabilities.

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

5 Section 5. The Mental Health and Developmental
6 Disabilities Administrative Act is amended by changing
7 Section 54 as follows:

8 (20 ILCS 1705/54) (from Ch. 91 1/2, par. 100-54)

9 Sec. 54. Establishment of rates for purchase of services
10 and accreditation costs.

11 (a) It is the purpose of this Section to establish
12 procedures for the development, calculation, and
13 communication of rates promulgated by the Department for the
14 purchase of services for persons with a developmental
15 disability, and persons with mental illness; to require the
16 promulgation of rules which specify the treatment of costs
17 for purposes of establishing rates for various purchase care
18 program categories; to require that rates be equitable,
19 understandable, and established through an open, public
20 process; and to require the delineation of where purchase
21 care, grant-in-aid, and other payment mechanisms are most
22 appropriately utilized. The Department's rate-setting policy
23 should stimulate the development of cost effective,
24 clinically appropriate, community-based residential, and
25 other support services for recipients according to an annual
26 statement of purchase care goals and objectives.

27 (b) The Department shall establish rates in all
28 instances where services are purchased by the Department for
29 a specific recipient from a specific community service
30 provider for which the Department has the responsibility for
31 establishing payment rates. When determining rates, the

1 Department shall take into consideration differences in the
2 costs of doing business among the various geographic regions
3 of the State and shall set rates that reflect those
4 differences. The Department may, for various program
5 categories, adopt rates that are set by other State agencies.

6 (c) The Department shall perform the following duties:

7 (1) Develop rate-setting methodologies for purchase
8 care program categories.

9 (2) Promulgate rules and regulations governing
10 rate-setting, treatment of costs, treatment of occupancy,
11 and payment and contracting processes for purchase care.

12 (3) Collect cost and performance information from
13 care providers. The Department may stipulate forms, unit
14 of service definitions, reporting procedures and
15 reporting intervals.

16 (4) Calculate purchase of care reimbursement rates
17 for specific providers based on the promulgated rate
18 methodology for that program category.

19 (5) Negotiate and implement purchase of care
20 contracts with specific providers.

21 (6) Develop an annual statement of purchase care
22 goals and objectives detailing maximum units of service
23 by program category to be purchased. The plan for each
24 fiscal year shall be completed by May 1 of the previous
25 fiscal year.

26 (7) Conduct an annual review and prepare an annual
27 report of rates and units of service purchased, comparing
28 the annual purchase of care statement with actual
29 services purchased, and the actual cost of providing
30 those services. The report shall be made available by
31 May 1.

32 (8) Establish and promulgate a process and criteria
33 for appealing rates.

34 (9) Develop and promulgate standards and criteria

1 by which provider performance shall be evaluated.

2 (10) Set rates based on published methodologies and
3 subject to the availability of funds appropriated by the
4 General Assembly.

5 (11) Establish and promulgate a policy regarding
6 applicability of income offsets in rate calculation or
7 payment processes.

8 (12) Develop criteria for selection of payment
9 mechanisms to be employed in funding community services.

10 (d) The Department may investigate and employ
11 alternative rate setting approaches and engage in
12 demonstration projects. These approaches must be publicly
13 articulated by the Department, identifying the purpose and
14 scope of the alternative approach and evaluation to be
15 conducted.

16 (e) (Blank).

17 (f) In addition to its other duties under the Section,
18 the Department must establish procedures and rates to repay
19 community service providers for the providers' costs
20 associated with maintaining their national accreditation.

21 (Source: P.A. 89-58, eff. 1-1-96; 89-507, eff. 7-1-97;
22 90-423, eff. 8-15-97.)

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