

1 AN ACT in relation to public aid.

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

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

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

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

12 (1) Provide ~~Provides~~ for the determination of a
13 facility's payment for skilled nursing and intermediate care
14 services on a prospective basis. The amount of the payment
15 rate for all nursing facilities certified under the medical
16 assistance program shall be prospectively established
17 annually on the basis of historical, financial, and
18 statistical data reflecting actual costs from prior years,
19 which shall be applied to the current rate year and updated
20 for inflation, except that the capital cost element for newly
21 constructed facilities shall be based upon projected budgets.
22 The annually established payment rate shall take effect on
23 July 1 in 1984 and subsequent years. Rate increases shall be
24 provided annually thereafter on July 1 in 1984 and on each
25 subsequent July 1 in the following years, except that no rate
26 increase and no update for inflation shall be provided on or
27 after July 1, 1994 and before July 1, 2002, unless
28 specifically provided for in this Section.

29 For facilities licensed by the Department of Public
30 Health under the Nursing Home Care Act as Intermediate Care
31 for the Developmentally Disabled facilities or Long Term Care

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

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

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

31 For facilities licensed by the Department of Public
32 Health under the Nursing Home Care Act as Intermediate Care
33 for the Developmentally Disabled facilities or Long Term Care
34 for Under Age 22 facilities, the rates taking effect on March

1 1, 2001 shall include a statewide increase of 7.85%, as
2 defined by the Department.

3 For facilities licensed by the Department of Public
4 Health under the Nursing Home Care Act as Intermediate Care
5 for the Developmentally Disabled facilities or Long Term Care
6 for Under Age 22 facilities, the rates taking effect on April
7 1, 2002 shall include a statewide increase of 2.0%, as
8 defined by the Department.

9 For facilities licensed by the Department of Public
10 Health under the Nursing Home Care Act as skilled nursing
11 facilities or intermediate care facilities, the rates taking
12 effect on July 1, 2001, and each subsequent year thereafter,
13 shall be computed using the most recent cost reports on file
14 with the Department of Public Aid no later than April 1, 2000
15 updated for inflation to January 1, 2001. For rates
16 effective July 1, 2001 only, rates shall be the greater of
17 the rate computed for July 1, 2001 or the rate effective on
18 June 30, 2001.

19 Rates established effective each July 1 shall govern
20 payment for services rendered throughout that fiscal year,
21 except that rates established on July 1, 1996 shall be
22 increased by 6.8% for services provided on or after January
23 1, 1997. Such rates will be based upon the rates calculated
24 for the year beginning July 1, 1990, and for subsequent years
25 thereafter until June 30, 2001 shall be based on the facility
26 cost reports for the facility fiscal year ending at any point
27 in time during the previous calendar year, updated to the
28 midpoint of the rate year. The cost report shall be on file
29 with the Department no later than April 1 of the current rate
30 year. Should the cost report not be on file by April 1, the
31 Department shall base the rate on the latest cost report
32 filed by each skilled care facility and intermediate care
33 facility, updated to the midpoint of the current rate year.
34 In determining rates for services rendered on and after July

1 1, 1985, fixed time shall not be computed at less than zero.
2 The Department shall not make any alterations of regulations
3 which would reduce any component of the Medicaid rate to a
4 level below what that component would have been utilizing in
5 the rate effective on July 1, 1984.

6 (2) Shall take into account the actual costs incurred by
7 facilities in providing services for recipients of skilled
8 nursing and intermediate care services under the medical
9 assistance program.

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

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

18 The Department of Public Aid shall develop precise
19 standards for payments to reimburse nursing facilities for
20 any utilization of appropriate rehabilitative personnel for
21 the provision of rehabilitative services which is authorized
22 by federal regulations, including reimbursement for services
23 provided by qualified therapists or qualified assistants, and
24 which is in accordance with accepted professional practices.
25 Reimbursement also may be made for utilization of other
26 supportive personnel under appropriate supervision.

27 (Source: P.A. 91-24, eff. 7-1-99; 91-712, eff. 7-1-00; 92-10,
28 eff. 6-11-01; 92-31, eff. 6-28-01; revised 12-13-01.)