

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
Reimbursement to Long Term Care Facilities**

- 07/04 This original lease information will be used to capitalize the oldest available lease payment from the unrelated party lease that has been in effect since prior to January 1, 1978, and continued to be in effect at December 31, 1999. Before the lease payment is capitalized, a 15 percent portion will be removed from the oldest available lease payment for movable equipment costs. After the lease payment is capitalized, a portion of the capitalized amount will be removed for land cost. The land cost portion is 4.88 percent. The remaining amount will be the facility's building cost. The construction/acquisition year for the building will be the date the pre-1978 lease began. The allowable cost of subsequent improvements to the building will be included in the original building base cost. The original building base cost will not change due to sales or leases of the facility after January 1, 1978.
- 01/06 Notwithstanding the provisions set forth for maintaining rates at the levels in effect on January 18, 1994, daily rates effective on January 1, 2006, for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), shall be increased by 3 percent.
- 01/06 Notwithstanding the provisions set forth for maintaining rates at the levels in effect on January 18, 1994, developmental training rates for intermediate care facilities for persons with developmental disabilities (ICF/MR), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), effective on January 1, 2006, shall be increased by 3 percent.
- 07/06 Notwithstanding the provisions set forth for maintaining rates at the levels in effect on January 1, 1994, facilities that are federally defined as institutions for mental diseases, a socio-development component rate equal to 6.6 percent of the nursing component rate as of January 1, 2006 shall be established and paid effective July 1, 2006.
- 01/08 Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the *Nursing Home Care Act* as skilled nursing facilities or intermediate care facilities, for dates of service on or after January 1, 2008, the support component of the rates shall be computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006.
- 01/08 Notwithstanding any other provisions set forth in this Section, for dates of service on or after March 1, 2008, the socio-development component for facilities that are federally defined as institutions for mental diseases shall be increased by 253 percent.
- 01/08 Notwithstanding the provisions set forth in this Section, for dates of service on or after March 1, 2008, daily residential rates for intermediate care facilities for persons with developmental disabilities (ICF/DD), including skilled long term care facilities for persons under 22 years of age (SNF/Ped), for which a patient contribution is required, shall be increased by 2.2 percent for the capital, support and program components of the rate and 2.5 percent for the developmental training component of the rate.

TN# 08-03
Supersedes
TN# 06-11

Approval date: / /

Effective date: 01/01/2008

OCT 28 2011

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01/99 VII. Public Notice Process

01/99 The Department has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the *Social Security Act*.

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TN# 08-03

Supersedes
New Page

Approval date: / /

OCT 28 2011

Effective date: 01/01/2008

OS Notification

State/Title/Plan Number:

Illinois 08-003

Type of Action:

SPA Approval

Required Date for State Notification:

November 15, 2011

Fiscal Impact:

FY 2008	\$36,600,000
FY 2009	\$61,200,000

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: Yes

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail:

This amendment revises methodologies for reimbursement for long term care facility services. Effective January 1, 2008, this amendment proposes to compute the support component of the rates using cost reports on file no later than April 1, 2005 and updated for inflation to January 1, 2006. Effective March 1, 2008, this amendment proposes to increase the socio-development component for facilities that are Federally defined as institutions for mental diseases (IMD); increase the capital, support, program, and developmental training components of the rate for intermediate care facilities for persons with developmental disabilities (ICF/DD), including skilled long term care facilities for persons under 22 years of age (SNF/PED). The State has satisfied public process requirements. Funding the non-Federal share of payments comes from a combination of State appropriations, provider tax, and IGTs.

The reason this SPA took so long to review was due to the lengthy time it took for the State to respond to our RAI. Illinois had a backlog of Off-The-Clock (OTC) NIRT SPAs dating back to 2005, due to a NF payment funding/recycling issue regarding their NF alternate payment methodology (ARM). That held up a few SPAs back in 2005 and 2006, thus starting the backlog. They've caught up with several of the SPAs and 08-003 is one of them. The State doesn't believe they will have any issues with the 2 year timely filing limit.

Other Considerations:

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

Recovery Act Impact:

The Regional office has reviewed this state plan amendment in conjunction with the Recovery Act and, based on the available information provided by the State regarding 1) MOE; 2) local match;

3) prompt pay; 4) rainy day funds, and 5) eligible expenditures, the Regional Office believes that the State is not in violation of the Recovery Act requirements noted above.

CMS Contact:

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