

PROPOSED CHANGES IN METHODS AND STANDARDS FOR ESTABLISHING  
MEDICAL ASSISTANCE PAYMENT RATES

STATE OF ILLINOIS  
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

The Illinois Department of Healthcare and Family Services is proposing a change in the methods and standards by which the Department will reimburse providers. The proposed change is effective for dates of service on and after February 1, 2022.

The Department is proposing to adjust the reimbursement methodology for nursing facilities to align with the Medicare Patient Driven Payment Model (PDPM) for nursing care, as well as further incentivizing quality and staffing levels. Specific details can be found in [SB2995](#) which is currently moving through the legislative negotiation process. The current bill includes a number of changes to the nursing facility rate methodology, including but not limited to:

- Replacing the RUG IV 48 grouper model for reimbursing nursing component services with the Patient Driven Payment Model;
- Adding \$5 per day to the nursing component statewide base rate;
- Establishing a variable per diem add-on to incentive improved staffing levels at facilities;
- Establishing directed quality of care incentive payments, initially based upon facility Long Term Services quality STAR ratings; and
- Establishing payments for the purpose of increasing CNA compensation that are proportional to a facility's Medicaid utilization rate and based on certified nursing assistant (CNA) tenure, promotion, and training.

The Department estimates these changes will increase expenditures by approximately \$550 million annually. The proposed changes are subject to legislative approval as well as approval by the federal Centers for Medicare and Medicaid Services and may be modified or revised during the approval process.

The Department is proposing to fund the increased cost of these reimbursement changes by restructuring the current assessments on nursing facilities to a single assessment that varies in amount based on (a) the number of Medicaid paid resident days in the facility each year and (b) the number of occupied bed days in the facility. Specifics on this proposal are also detailed in [SB2995](#). Implementation of the new assessment is subject to approval by the federal Centers for Medicare and Medicaid Services. The Department estimates that the new assessment will increase total assessment revenues by \$207 million annually. Additional funding in the amount of approximately \$65 million will be required from the State General Revenue Fund.

Any interested party may submit questions or comments concerning these proposed changes in reimbursement methods and standards. All questions or comments must be submitted in writing within thirty (30) days of the publication date of this notice and addressed to:

Bureau of Program and Policy Coordination  
Division of Medical Programs  
Healthcare and Family Services  
201 South Grand Avenue East  
Springfield, IL 62763-0001  
E-mail address: [HFS.bpra@illinois.gov](mailto:HFS.bpra@illinois.gov)

This notice may be viewed at the DHS local offices (except in Cook County). In Cook County, the notice may be reviewed at the Office of the Director, Illinois Department of Healthcare and Family Services, 401 South Clinton Street, 1<sup>st</sup> Floor, Chicago, Illinois. Comments received regarding this notice shall be published on the HFS web site at

<http://www.illinois.gov/hfs/info/legal/PublicNotices/Pages/>.

This notice is being provided in accordance with federal requirements found at 42 CFR 447.205.