

2025 End of Session Report

Illinois Health Care Association – Legislative Update

The 104th General Assembly began slowly, but the Illinois Health Care Association (IHCA) achieved major victories in defending and advancing the long-term care sector. Despite challenging fiscal conditions, IHCA successfully blocked harmful legislation, advanced meaningful reform on staffing fines, and ensured that the voices of long-term care providers were heard throughout the legislative process.

Illinois Budget

Amid a projected state deficit of up to \$800 million, IHCA's policy team worked strategically to protect funding for long-term care. While no new General Revenue Funds (GRF) were allocated to nursing homes, IHCA helped influence discussions around maintaining support rates and mitigating potential cuts. Despite revenue uncertainty, IHCA's proactive engagement ensured that the sector's needs remained a legislative priority.

Bed Tax Proposal

Late in session, a competing association proposed a new bed tax to fund support payments. IHCA identified that this plan would harm over 112 facilities—particularly those already meeting staffing and quality benchmarks—by shifting more costs than benefits. Citing federal compliance concerns and financial inequities, IHCA organized a press conference, educated legislators, and successfully stopped the proposal. This decisive advocacy protected members from millions in potential losses.

Staffing Fines

After nearly five years of testing, staffing fines were scheduled to take effect July 1, 2025. IHCA led successful negotiations with the Illinois Department of Public Health (IDPH) to reform the implementation process. The new provisions, passed in SB2437, ensure fairness and accuracy in how violations are assessed and posted. Facilities within 10% of required staffing levels will have penalties and posting requirements waived—an IHCA-driven victory that balances accountability with practical relief. Unfortunately as you will read in the regulatory summary, some of these provisions were not implemented correctly by the Department.

IHCA Legislative Initiatives

IHCA advanced several proactive policy solutions to stabilize funding and support quality care delivery:

- HB2910 (Case Mix Freeze & STRIVE Funding): Introduced to stabilize nursing home reimbursement by freezing the U.S. average case-mix index. While the full package did not pass, IHCA secured critical recognition for the need to protect providers from rate fluctuations.
- HB2776 (Preservation of the Bed Tax): Drafted by IHCA to ensure assessment fairness

and maintain the current tax ratio structure. This measure helped prevent harmful amendments and positioned IHCA as a leader in maintaining sector stability.

Key Legislation Affecting Long-Term Care

IHCA's advocacy shaped and improved several major bills this session:

- HB2336 – Lift-Assist Services Fee Authority: Limited fees on non-emergency lift assists and added IDPH oversight.
- HB1597 – Resident Protections: Strengthened admission and discharge rights while ensuring practical compliance standards.
- HB1287 – AED Requirement: Established a five-year phase-in for AEDs in skilled nursing facilities only, following IHCA-led negotiations. The introduced bill included all LTC facilities and no phase in.
- HB2179 – Incident & Accident Reporting: Provided clear reporting definitions supported by IHCA.

The Center – Developmental Disabilities

IHCA's advocacy extended to the intellectual and developmental disabilities (IDD) sector. The final FY26 agreement secured an \$0.80/hour wage increase for Direct Support Professionals (DSPs) in both CILA and ICF/DD settings, preserving thousands of service hours and improving worker stability across the state.

Despite fiscal challenges and political complexity, IHCA's strategic advocacy delivered real results. From blocking costly taxes to advancing staffing reform and protecting provider funding, this session demonstrated IHCA's leadership and commitment to ensuring quality care for Illinois' most vulnerable residents.

Regulatory Affairs Update

This year has been lighter on regulatory activity compared to previous years, but IHCA remained fully engaged and effective in shaping key developments from the Illinois Department of Public Health (DPH).

Early in the year, the Long-Term Care Advisory Board reviewed the proposed Medication Aide rules, which stem from IHCA-supported legislation passed more than a year ago. IHCA successfully secured meaningful revisions to the proposed rules and voiced strong concerns regarding the Department's decision to increase mandatory training hours for certification. While we disagreed with that change, IHCA ultimately supported advancing the rules to ensure that facilities can begin utilizing this important workforce. As of this writing, DPH has not yet filed the rule, so the implementation timeline has not begun; once filed, the program could take up to six months to become operational.

Other rule discussions this year included updates related to distressed facility designations and retaliatory action provisions.

A major focus for IHCA was the implementation of staffing fines, which went into effect this year. IHCA identified several issues with DPH's rollout, including incorrect fine calculations and insufficient guidance on the RN waiver process and unforeseen circumstance exemptions. IHCA promptly raised these discrepancies with the Department, and, due to ongoing appeals, DPH has not yet clarified the fine calculations or provided a timeline for the next round of penalties.

IHCA will continue to actively engage with DPH and other state partners to ensure that regulatory policies are fair, practical, and promote both provider stability and resident well-being.