

AN ACT concerning health care.

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

Section 1. Short title. This Act may be cited as the
Community Benefits Act.

Section 5. Applicability. This Act does not apply to a
hospital operated by a unit of government, a hospital located
outside of a metropolitan statistical area, or a hospital
with 100 or fewer beds. Hospitals that are owned or operated
by or affiliated with a health system shall be deemed to be
in compliance with this Act if the health system has met the
requirements of this Act.

Section 10. Definitions. As used in this Act:

"Charity care" means care provided by a health care
provider for which the provider does not expect to receive
payment from the patient or a third party payer.

"Community benefits" means the unreimbursed cost to a
hospital or health system of providing charity care, language
assistant services, government-sponsored indigent health
care, donations, volunteer services, education,
government-sponsored program services, research, and
subsidized health services and collecting bad debts.
"Community benefits" does not include the cost of paying any
taxes or other governmental assessments.

"Government sponsored indigent health care" means the
unreimbursed cost to a hospital or health system of Medicare,
providing health care services to recipients of Medicaid, and
other federal, State, or local indigent health care programs,
eligibility for which is based on financial need.

"Health system" means an entity that owns or operates at

least one hospital.

"Nonprofit hospital" means a hospital that is organized as a nonprofit corporation, including religious organizations, or a charitable trust under Illinois law or the laws of any other state or country.

"Subsidized health services" means those services provided by a hospital in response to community needs for which the reimbursement is less than the hospital's cost of providing the services that must be subsidized by other hospital or nonprofit supporting entity revenue sources. "Subsidized health services" includes, but is not limited to, emergency and trauma care, neonatal intensive care, community health clinics, and collaborative efforts with local government or private agencies to prevent illness and improve wellness, such as immunization programs.

Section 15. Organizational mission statement; community benefits plan. A nonprofit hospital shall develop:

(1) an organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community; and

(2) a community benefits plan defined as an operational plan for serving the community's health care needs that:

(A) sets out goals and objectives for providing community benefits that include charity care and government sponsored indigent health care; and

(B) identifies the populations and communities served by the hospital.

Section 20. Annual report for community benefits plan.

(a) Each nonprofit hospital shall prepare an annual report of the community benefits plan. The report must

include, in addition to the community benefits plan itself, all of the following background information:

(1) The hospital's mission statement.

(2) A disclosure of the health care needs of the community that were considered in developing the hospital's community benefits plan.

(3) A disclosure of the amount and types of community benefits actually provided, including charity care. Charity care must be reported separate from other community benefits. In reporting charity care, the hospital must report the actual cost of services provided, based on the total cost to charge ratio derived from the hospital's Medicare cost report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient Ratios), not the charges for the services.

(4) Audited annual financial reports for its most recently completed fiscal year.

(b) Each nonprofit hospital shall annually file a report of the community benefits plan with the Attorney General. The report must be filed not later than the last day of the sixth month after the close of the hospital's fiscal year, beginning with the hospital fiscal year that ends in 2004.

(c) Each nonprofit hospital shall prepare a statement that notifies the public that the annual report of the community benefits plan is:

(1) public information;

(2) filed with the Attorney General; and

(3) available to the public on request from the Attorney General.

This statement shall be made available to the public.

(d) The obligations of a hospital under this Act, except for the filing of its audited financial report, shall take effect beginning with the hospital's fiscal year that begins after the effective date of this Act. Within 60 days of the

effective date of this Act, a hospital shall file the audited annual financial report that has been completed for its most recently completed fiscal year. Thereafter, a hospital shall include its audited annual financial report for its most recently completed fiscal year in its annual report of its community benefits plan.

Section 25. Failure to file annual report. The Attorney General may assess a late filing fee against a nonprofit hospital that fails to make a report of the community benefits plan as required under this Act in an amount not to exceed \$100. The Attorney General may grant extensions for good cause. No penalty may be assessed against a hospital under this Section until 30 business days have elapsed after written notification to the hospital of its failure to file a report.

Section 30. Other rights and remedies retained. The rights and remedies provided for in this Act are in addition to other statutory or common law rights or remedies available to the State.

Section 40. Home rule. A home rule unit may not regulate hospitals in a manner inconsistent with the provisions of this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

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