**Section 1130.570 Validity of an Exemption** **and Reporting Requirements**

a) A project that has received an exemption shall be completed on or before the completion date approved by HFSRB or mandated by the Act and this Part. An exemption shall be valid through completion provided the requirements of this Section are met.

b) For purposes of this Section, "completion" occurs on the following date:

1) for change of ownership of a health care facility, the date that a new license has been issued (or, if licensing is not applicable, Medicare and/or Medicaid certification has been obtained), or a stock transfer has been accomplished, or a majority change in voting membership or sponsorship of a not-for-profit corporation has been accomplished, or the transfer of assets has occurred, or the merger or consolidation has been accomplished, whichever is applicable;

2) for discontinuations, the date the entire health care facility or category of service ceases operation, such as when the facility stops providing services to patients or surrenders its license to the Department.

c) The exemption holder shall provide written notice and related documentation to HFSRB of the following:

1) for discontinuations, notice of project completion no later than 90 days following the project completion date;

2) for changes of ownership in which the applicant submitted key terms of the transaction, certification that the transaction was or was not completed according to the key terms contained in the application. The exemption holder must submit the certification within 90 days after the closing date of the transaction; and

3) for changes of ownership in which the applicant submitted the final transaction documents, notice of project completion, no later 90 days after the change of ownership.

d) An exemption for a change of ownership of a health care facility shall be invalid if the health care facility ceases to be an existing health care facility.

e) When an applicant has submitted key terms of the transaction rather than final transaction documents, an *exemption for a change of ownership* of a health care facility shall be invalid if the exemption holder fails to *submit a statement to the Board within 90 days after the closing date of the transaction, or such longer period as provided by the Board, certifying that the change of ownership has been completed in accordance with the key terms contained in the application. If such key terms of the transaction change, a new application is required.* [20 ILCS 3960/8.5(a)]

f) Other events causing an exemption to become invalid include:

1) Change of permit (see Section 1130.710(c));

2) Failure to submit the Expenditure Commitment or Financial Commitment Report, which should be included with the annual progress reports;

3) Failure to submit annual progress reports to HFSRB;

4) Failure to submit Final Cost Reports to HFSRB;

5) Implementation of a prohibited alteration (see Section 1130.750(c)); and

6) Relinquishment of an exemption without Board approval.

g) *The State Board may approve the transfer of an existing permit without regard to whether the permit to be transferred has yet been obligated, except for permits establishing a new facility or a new category of service.* [20 ILCS 3960/6(b)]

h) Failure to comply with the requirements of this Section within the specified time frames shall subject the exemption holder to the sanctions and penalties provided by the Act (see 20 ILCS 3960/14.1) and Section 1130.790.

HFSRB NOTE: See Section 1130.520 regarding changes of ownership for facilities with outstanding permits.

(Source: Amended at 40 Ill. Reg. 14647, effective October 14, 2016)