



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB4010

Introduced 3/8/2023, by Rep. Terra Costa Howard

#### SYNOPSIS AS INTRODUCED:

20 ILCS 505/5a

from Ch. 23, par. 5005a

Amends the Children and Family Services Act. In provisions concerning reimbursable services for which the Department of Children and Family Services shall pay 100% of the reasonable cost pursuant to a written contract negotiated between the Department and the agency furnishing the services, adds the following services to the list of reimbursable services: (i) pass-through payments to foster parents; (ii) technology infrastructure, including computers, equipment, software and security services; and (iii) records, including electronic medical records. Removes telegram services from the list of reimbursable services. Provides that the Department shall not establish or enforce any rule, procedure, or contract term that reduces, limits or restricts reimbursement to less than 100% of the reasonable cost for any object expenses, service activities, or administrative costs described in the amendatory Act. Provides that to ensure provider agencies have access to cash reserves for operations in the face of rising costs and increased expenses, provider agencies shall be allowed to retain all moneys received in excess of actual reimbursable costs so long as the provider agency invests the excess revenue in, and uses the excess revenue for: (1) direct service, (2) object expenses, (3) and other states purposes. Provides that the use of excess revenue shall be subject to review and audit consistent with the Department's certified audits, cost reports, and desk review procedures in the usual course.

LRB103 31176 KTG 57994 b

1 AN ACT concerning State government.

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

4 Section 5. The Children and Family Services Act is amended  
5 by changing Sections 5a, 5b, and 5c as follows:

6 (20 ILCS 505/5a) (from Ch. 23, par. 5005a)

7 (Text of Section before amendment by P.A. 102-926)

8 Sec. 5a. Reimbursable services for which the Department of  
9 Children and Family Services shall pay 100% of the reasonable  
10 cost pursuant to a written contract negotiated between the  
11 Department and the agency furnishing the services (which shall  
12 include but not be limited to the determination of reasonable  
13 cost, the services being purchased and the duration of the  
14 agreement) include, but are not limited to:

15 SERVICE ACTIVITIES

16 Adjunctive Therapy;

17 Child Care Service, including day care;

18 Clinical Therapy;

19 Custodial Service;

20 Field Work Students;

21 Food Service;

22 Normal Education;

1 In-Service Training;  
2 Intake or Evaluation, or both;  
3 Medical Services;  
4 Pass-through payments to foster parents;  
5 Recreation;  
6 Social Work or Counselling, or both;  
7 Supportive Staff;  
8 Volunteers.

9 OBJECT EXPENSES

10 Professional Fees and Contract Service Payments;  
11 Supplies;  
12 Technology infrastructure, including computers,  
13 equipment, software, and security services;  
14 Records, including electronic medical records;  
15 Telephone ~~and Telegram;~~  
16 Occupancy;  
17 Local Transportation;  
18 Equipment and Other Fixed Assets, including amortization  
19 of same;  
20 Miscellaneous.

21 ADMINISTRATIVE COSTS

22 Program Administration;  
23 Supervision and Consultation;  
24 Inspection and Monitoring for purposes of issuing

1 licenses;  
2 Determination of Children who are eligible  
3 for federal or other reimbursement;  
4 Postage and Shipping;  
5 Outside Printing, Artwork, etc. ;  
6 Subscriptions and Reference Publications;  
7 Management and General Expense.

8 The Department shall not establish or enforce any rule,  
9 procedure, or contract term that reduces, limits, or restricts  
10 reimbursement to less than 100% of the reasonable cost for any  
11 object expenses, service activities, or administrative costs  
12 described in this Section.

13 To ensure provider agencies have access to cash reserves  
14 for operations in the face of rising costs and increased  
15 expenses, provider agencies shall be allowed to retain all  
16 moneys received in excess of actual reimbursable costs so long  
17 as the provider agency invests the excess revenue in, and uses  
18 the excess revenue for any of the following: (i) direct  
19 service, (ii) object expenses, (iii) service activities, (iv)  
20 administrative costs, or (v) increasing positive cash flow, up  
21 to 3-months cash on hand, to ensure available funds for  
22 operations during the current and next fiscal year. The use of  
23 excess revenue shall be subject to review and audit consistent  
24 with the Department's certified audits, cost reports, and desk  
25 review procedures in the usual course. Reimbursement of  
26 administrative costs other than inspection and monitoring for

1 ~~purposes of issuing licenses may not exceed 20% of the costs~~  
2 ~~for other services.~~

3 The Department may offer services to any child or family  
4 with respect to whom a report of suspected child abuse or  
5 neglect has been called in to the hotline after completion of a  
6 family assessment as provided under subsection (a-5) of  
7 Section 7.4 of the Abused and Neglected Child Reporting Act  
8 and the Department has determined that services are needed to  
9 address the safety of the child and other family members and  
10 the risk of subsequent maltreatment. Acceptance of such  
11 services shall be voluntary.

12 All Object Expenses, Service Activities and Administrative  
13 Costs are allowable.

14 If a survey instrument is used in the rate setting  
15 process:

16 (a) with respect to any day care centers, it shall be  
17 limited to those agencies which receive reimbursement from  
18 the State;

19 (b) the cost survey instrument shall be promulgated by  
20 rule;

21 (c) any requirements of the respondents shall be  
22 promulgated by rule;

23 (d) all screens, limits or other tests of  
24 reasonableness, allowability and reimbursability shall be  
25 promulgated by rule;

26 (e) adjustments may be made by the Department to rates

1 when it determines that reported wage and salary levels  
2 are insufficient to attract capable caregivers in  
3 sufficient numbers.

4 The Department of Children and Family Services may pay  
5 100% of the reasonable costs of research and valuation focused  
6 exclusively on services to youth in care. Such research  
7 projects must be approved, in advance, by the Director of the  
8 Department.

9 In addition to reimbursements otherwise provided for in  
10 this Section, the Department of Human Services shall, in  
11 accordance with annual written agreements, make advance  
12 quarterly disbursements to local public agencies for child day  
13 care services with funds appropriated from the Local Effort  
14 Day Care Fund.

15 Neither the Department of Children and Family Services nor  
16 the Department of Human Services shall pay or approve  
17 reimbursement for day care in a facility which is operating  
18 without a valid license or permit, except in the case of day  
19 care homes or day care centers which are exempt from the  
20 licensing requirements of the "Child Care Act of 1969".

21 (Source: P.A. 100-159, eff. 8-18-17.)

22 (Text of Section after amendment by P.A. 102-926)

23 Sec. 5a. Reimbursable services for which the Department of  
24 Children and Family Services shall pay 100% of the reasonable  
25 cost pursuant to a written contract negotiated between the

1 Department and the agency furnishing the services (which shall  
2 include but not be limited to the determination of reasonable  
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1       equipment, software, and security services;  
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4       Occupancy;  
5       Local Transportation;  
6       Equipment and Other Fixed Assets, including amortization  
7           of same;  
8       Miscellaneous.

9       ADMINISTRATIVE COSTS

10       Program Administration;  
11       Supervision and Consultation;  
12       Inspection and Monitoring for purposes of issuing  
13           licenses;  
14       Determination of Children who are eligible  
15       for federal or other reimbursement;  
16       Postage and Shipping;  
17       Outside Printing, Artwork, etc.;  
18       Subscriptions and Reference Publications;  
19       Management and General Expense.

20       The Department shall not establish or enforce any rule,  
21       procedure, or contract term that reduces, limits, or restricts  
22       reimbursement to less than 100% of the reasonable cost for any  
23       object expenses, service activities, or administrative costs  
24       described in this Act.

25       To ensure provider agencies have access to cash reserves



1 for operations in the face of rising costs and increased  
2 expenses, provider agencies shall be allowed to retain all  
3 moneys received in excess of actual reimbursable costs so long  
4 as the provider agency invests the excess revenue in, and uses  
5 the excess revenue for any of the following: (i) direct  
6 service, (ii) object expenses, (iii) service activities, (iv)  
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8 to 3-months cash on hand, to ensure available funds for  
9 operations during the current and next fiscal year. The use of  
10 excess revenue shall be subject to review and audit consistent  
11 with the Department's certified audits, cost reports, and desk  
12 review procedures in the usual course.

13 ~~Reimbursement of administrative costs other than inspection~~  
14 ~~and monitoring for purposes of issuing licenses may not exceed~~  
15 ~~20% of the costs for other services.~~

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17 with respect to whom a report of suspected child abuse or  
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18 100% of the reasonable costs of research and valuation focused  
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4 reimbursement for day care in a facility which is operating  
5 without a valid license or permit, except in the case of day  
6 care homes or day care centers which are exempt from the  
7 licensing requirements of the "Child Care Act of 1969".

8 The rates paid to day care providers by the Department of  
9 Children and Family Services shall match the rates paid to  
10 child care providers by the Department of Human Services under  
11 the child care assistance program, including base rates and  
12 any relevant rate enhancements.

13 (Source: P.A. 102-926, eff. 7-1-23.)

14 Section 95. No acceleration or delay. Where this Act makes  
15 changes in a statute that is represented in this Act by text  
16 that is not yet or no longer in effect (for example, a Section  
17 represented by multiple versions), the use of that text does  
18 not accelerate or delay the taking effect of (i) the changes  
19 made by this Act or (ii) provisions derived from any other  
20 Public Act.