



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB2955

Introduced 1/31/2024, by Sen. Ann Gillespie

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-86  
210 ILCS 76/10  
210 ILCS 76/20

Amends the Property Tax Code. Provides that the assessor shall publish the assessed value of all property that qualifies for a hospital exemption under the Code in the taxable year as well as the estimated property tax liability for that property. Provides that general services, such as health fairs or the preparation and distribution of marketing materials, shall not qualify as a reimbursable cost when determining whether property qualifies for the hospital exemption. Provides that, when calculating the hospital exemption, discounts provided to managed care organizations or commercial insurers are not included unless those services are provided directly pursuant to a contract with the Department of Healthcare and Family Services. Provides that no more than 30% of the total services being claimed as a benefit may be related to residency programs or research. Provides that no more than 50% of the total services being claimed as a benefit may be related to government-sponsored health care. Amends the Community Benefits Act. Makes changes to the definition of "charity care." Provides that the Attorney General shall post certain reports on the Attorney General's website.

LRB103 38486 HLH 68622 b

1 AN ACT concerning revenue.

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

4 Section 5. The Property Tax Code is amended by changing  
5 Section 15-86 as follows:

6 (35 ILCS 200/15-86)

7 Sec. 15-86. Exemptions related to access to hospital and  
8 health care services by low-income and underserved  
9 individuals.

10 (a) The General Assembly finds:

11 (1) (Blank). ~~Despite the Supreme Court's decision in~~  
12 ~~*Provena Covenant Medical Center v. Dept. of Revenue*, 236~~  
13 ~~Ill.2d 368, there is considerable uncertainty surrounding~~  
14 ~~the test for charitable property tax exemption, especially~~  
15 ~~regarding the application of a quantitative or monetary~~  
16 ~~threshold. In *Provena*, the Department stated that the~~  
17 ~~primary basis for its decision was the hospital's~~  
18 ~~inadequate amount of charitable activity, but the~~  
19 ~~Department has not articulated what constitutes an~~  
20 ~~adequate amount of charitable activity. After *Provena*, the~~  
21 ~~Department denied property tax exemption applications of 3~~  
22 ~~more hospitals, and, on the effective date of this~~  
23 ~~amendatory Act of the 97th General Assembly, at least 20~~

1 ~~other hospitals are awaiting rulings on applications for~~  
2 ~~property tax exemption.~~

3 (2) (Blank). ~~In *Provona*, two Illinois Supreme Court~~  
4 ~~justices opined that "setting a monetary or quantum~~  
5 ~~standard is a complex decision which should be left to our~~  
6 ~~legislature, should it so choose". The Appellate Court in~~  
7 ~~*Provona* stated: "The language we use in the State of~~  
8 ~~Illinois to determine whether real property is used for a~~  
9 ~~charitable purpose has its genesis in our 1870~~  
10 ~~Constitution. It is obvious that such language may be~~  
11 ~~difficult to apply to the modern face of our nation's~~  
12 ~~health care delivery systems". The court noted the many~~  
13 ~~significant changes in the health care system since that~~  
14 ~~time, but concluded that taking these changes into account~~  
15 ~~is a matter of public policy, and "it is the legislature's~~  
16 ~~job, not ours, to make public policy".~~

17 (3) It is essential to ensure that tax exemption law  
18 relating to hospitals accounts for the complexities of the  
19 modern health care delivery system. Health care is moving  
20 beyond the walls of the hospital. In addition to treating  
21 individual patients, hospitals are assuming responsibility  
22 for improving the health status of communities and  
23 populations. Low-income and underserved communities  
24 benefit disproportionately by these activities.

25 (4) (Blank). ~~The Supreme Court has explained that:~~  
26 ~~"the fundamental ground upon which all exemptions in favor~~

1 ~~of charitable institutions are based is the benefit~~  
2 ~~conferred upon the public by them, and a consequent~~  
3 ~~relief, to some extent, of the burden upon the state to~~  
4 ~~care for and advance the interests of its citizens".~~  
5 ~~Hospitals relieve the burden of government in many ways,~~  
6 ~~but most significantly through their participation in and~~  
7 ~~substantial financial subsidization of the Illinois~~  
8 ~~Medicaid program, which could not operate without the~~  
9 ~~participation and partnership of Illinois hospitals.~~

10 (5) ~~Working with the Illinois hospital community and~~  
11 ~~other interested parties, the General Assembly has~~  
12 ~~developed a comprehensive combination of related~~  
13 ~~legislation that addresses hospital property tax~~  
14 ~~exemption, significantly increases access to free health~~  
15 ~~care for indigent persons, and strengthens the Medical~~  
16 ~~Assistance program. It is the intent of the General~~  
17 ~~Assembly to establish a new category of ownership for~~  
18 ~~charitable property tax exemption to be applied to~~  
19 ~~not for profit hospitals and hospital affiliates in lieu~~  
20 ~~of the existing ownership category of "institutions of~~  
21 ~~public charity". It is also the intent of the General~~  
22 ~~Assembly to establish quantifiable standards for the~~  
23 ~~issuance of charitable exemptions for such property. It is~~  
24 ~~not the intent of the General Assembly to declare any~~  
25 ~~property exempt ipso facto, but rather to establish~~  
26 ~~criteria to be applied to the facts on a case-by-case~~

1 basis.

2 (b) For the purpose of this Section and Section 15-10, the  
3 following terms shall have the meanings set forth below:

4 (1) "Hospital" means any institution, place, building,  
5 buildings on a campus, or other health care facility  
6 located in Illinois that is licensed under the Hospital  
7 Licensing Act and has a hospital owner.

8 (2) "Hospital owner" means a not-for-profit  
9 corporation that is the titleholder of a hospital, or the  
10 owner of the beneficial interest in an Illinois land trust  
11 that is the titleholder of a hospital.

12 (3) "Hospital affiliate" means any corporation,  
13 partnership, limited partnership, joint venture, limited  
14 liability company, association or other organization,  
15 other than a hospital owner, that directly or indirectly  
16 controls, is controlled by, or is under common control  
17 with one or more hospital owners and that supports, is  
18 supported by, or acts in furtherance of the exempt health  
19 care purposes of at least one of those hospital owners'  
20 hospitals.

21 (4) "Hospital system" means a hospital and one or more  
22 other hospitals or hospital affiliates related by common  
23 control or ownership.

24 (5) "Control" relating to hospital owners, hospital  
25 affiliates, or hospital systems means possession, direct  
26 or indirect, of the power to direct or cause the direction

1 of the management and policies of the entity, whether  
2 through ownership of assets, membership interest, other  
3 voting or governance rights, by contract or otherwise.

4 (6) "Hospital applicant" means a hospital owner or  
5 hospital affiliate that files an application for a  
6 property tax exemption pursuant to Section 15-5 and this  
7 Section.

8 (7) "Relevant hospital entity" means (A) the hospital  
9 owner, in the case of a hospital applicant that is a  
10 hospital owner, and (B) at the election of a hospital  
11 applicant that is a hospital affiliate, either (i) the  
12 hospital affiliate or (ii) the hospital system to which  
13 the hospital applicant belongs, including any hospitals or  
14 hospital affiliates that are related by common control or  
15 ownership.

16 (8) "Subject property" means property for which a  
17 hospital applicant files an application for an exemption  
18 pursuant to Section 15-5 and this Section.

19 (9) "Hospital year" means the fiscal year of the  
20 relevant hospital entity, or the fiscal year of one of the  
21 hospital owners in the hospital system if the relevant  
22 hospital entity is a hospital system with members with  
23 different fiscal years, that ends in the year for which  
24 the exemption is sought.

25 (c) A hospital applicant satisfies the conditions for an  
26 exemption under this Section with respect to the subject

1 property, and shall be issued a charitable exemption for that  
2 property, if the value of services or activities listed in  
3 subsection (e) for the hospital year equals or exceeds the  
4 relevant hospital entity's estimated property tax liability,  
5 as determined under subsection (g), for the year for which  
6 exemption is sought. For purposes of making the calculations  
7 required by this subsection (c), if the relevant hospital  
8 entity is a hospital owner that owns more than one hospital,  
9 the value of the services or activities listed in subsection  
10 (e) shall be calculated on the basis of only those services and  
11 activities relating to the hospital that includes the subject  
12 property, and the relevant hospital entity's estimated  
13 property tax liability shall be calculated only with respect  
14 to the properties comprising that hospital. In the case of a  
15 multi-state hospital system or hospital affiliate, the value  
16 of the services or activities listed in subsection (e) shall  
17 be calculated on the basis of only those services and  
18 activities that occur in Illinois and the relevant hospital  
19 entity's estimated property tax liability shall be calculated  
20 only with respect to its property located in Illinois.

21 Notwithstanding any other provisions of this Act, any  
22 parcel or portion thereof, that is owned by a for-profit  
23 entity whether part of the hospital system or not, or that is  
24 leased, licensed or operated by a for-profit entity regardless  
25 of whether healthcare services are provided on that parcel  
26 shall not qualify for exemption. If a parcel has both exempt

1 and non-exempt uses, an exemption may be granted for the  
2 qualifying portion of that parcel. In the case of parking lots  
3 and common areas serving both exempt and non-exempt uses those  
4 parcels or portions thereof may qualify for an exemption in  
5 proportion to the amount of qualifying use.

6 (d) The hospital applicant shall include information in  
7 its exemption application establishing that it satisfies the  
8 requirements of subsection (c). For purposes of making the  
9 calculations required by subsection (c), the hospital  
10 applicant may for each year elect to use either (1) the value  
11 of the services or activities listed in subsection (e) for the  
12 hospital year or (2) the average value of those services or  
13 activities for the 3 fiscal years ending with the hospital  
14 year. If the relevant hospital entity has been in operation  
15 for less than 3 completed fiscal years, then the latter  
16 calculation, if elected, shall be performed on a pro rata  
17 basis.

18 (e) Services that address the health care needs of  
19 low-income or underserved individuals or relieve the burden of  
20 government with regard to health care services. The following  
21 services and activities shall be considered for purposes of  
22 making the calculations required by subsection (c):

23 (1) Charity care. Free or discounted services provided  
24 pursuant to the relevant hospital entity's financial  
25 assistance policy, measured at cost, including discounts  
26 provided under the Hospital Uninsured Patient Discount

1 Act.

2 (2) Health services to low-income and underserved  
3 individuals. Other unreimbursed costs of the relevant  
4 hospital entity for providing without charge, paying for,  
5 or subsidizing goods, activities, or services for the  
6 purpose of addressing the health of low-income or  
7 underserved individuals. Those activities or services may  
8 include, but are not limited to: financial or in-kind  
9 support to affiliated or unaffiliated hospitals, hospital  
10 affiliates, community clinics, or programs that treat  
11 low-income or underserved individuals; paying for or  
12 subsidizing health care professionals who care for  
13 low-income or underserved individuals; providing or  
14 subsidizing outreach ~~or educational~~ services to low-income  
15 or underserved individuals for disease management and  
16 prevention; free or subsidized goods, supplies, or  
17 services needed by low-income or underserved individuals  
18 because of their medical condition; and prenatal or  
19 childbirth outreach services to low-income or underserved  
20 persons. General services, such as health fairs or the  
21 preparation and distribution of marketing materials, shall  
22 not qualify as reimbursable costs under this subsection.

23 (3) Subsidy of State or local governments. Direct or  
24 indirect financial or in-kind subsidies of State or local  
25 governments by the relevant hospital entity that pay for  
26 or subsidize activities or programs related to health care

1 for low-income or underserved individuals.

2 (4) Support for State health care programs for  
3 low-income individuals. At the election of the hospital  
4 applicant for each applicable year, either (A) 10% of  
5 payments to the relevant hospital entity and any hospital  
6 affiliate designated by the relevant hospital entity  
7 (provided that such hospital affiliate's operations  
8 provide financial or operational support for or receive  
9 financial or operational support from the relevant  
10 hospital entity) under Medicaid or other means-tested  
11 programs, including, but not limited to, General  
12 Assistance, the Covering ALL KIDS Health Insurance Act,  
13 and the State Children's Health Insurance Program or (B)  
14 the amount of subsidy provided by the relevant hospital  
15 entity and any hospital affiliate designated by the  
16 relevant hospital entity (provided that such hospital  
17 affiliate's operations provide financial or operational  
18 support for or receive financial or operational support  
19 from the relevant hospital entity) to State or local  
20 government in treating Medicaid recipients and recipients  
21 of means-tested programs, including but not limited to  
22 General Assistance, the Covering ALL KIDS Health Insurance  
23 Act, and the State Children's Health Insurance Program.  
24 The amount of subsidy for purposes of this item (4) is  
25 calculated in the same manner as unreimbursed costs are  
26 calculated for Medicaid and other means-tested government

1 programs in the Schedule H of IRS Form 990 in effect on the  
2 effective date of this amendatory Act of the 97th General  
3 Assembly; provided, however, that in any event  
4 unreimbursed costs shall be net of fee-for-services  
5 payments, payments from managed care organizations,  
6 payments pursuant to an assessment, quarterly payments,  
7 and all other payments included on the schedule H of the  
8 IRS form 990.

9 (5) Dual-eligible subsidy. The amount of subsidy  
10 provided to government by treating dual-eligible  
11 Medicare/Medicaid patients. The amount of subsidy for  
12 purposes of this item (5) is calculated by multiplying the  
13 relevant hospital entity's unreimbursed costs for  
14 Medicare, calculated in the same manner as determined in  
15 the Schedule H of IRS Form 990 in effect on the effective  
16 date of this amendatory Act of the 97th General Assembly,  
17 by the relevant hospital entity's ratio of dual-eligible  
18 patients to total Medicare patients.

19 (6) Relief of the burden of government related to  
20 health care of low-income individuals. Except to the  
21 extent otherwise taken into account in this subsection,  
22 the portion of unreimbursed costs of the relevant hospital  
23 entity attributable to providing, paying for, or  
24 subsidizing goods, activities, or services that relieve  
25 the burden of government related to health care for  
26 low-income individuals. Such activities or services shall

1 include, but are not limited to, providing emergency,  
2 trauma, burn, neonatal, psychiatric, rehabilitation, or  
3 other special services; providing medical education; and  
4 conducting medical research or training of health care  
5 professionals. The portion of those unreimbursed costs  
6 attributable to benefiting low-income individuals shall be  
7 determined using the ratio calculated by adding the  
8 relevant hospital entity's costs attributable to charity  
9 care, Medicaid, other means-tested government programs,  
10 Medicare patients with disabilities under age 65, and  
11 dual-eligible Medicare/Medicaid patients and dividing that  
12 total by the relevant hospital entity's total costs. Such  
13 costs for the numerator and denominator shall be  
14 determined by multiplying gross charges by the cost to  
15 charge ratio taken from the hospitals' most recently filed  
16 Medicare cost report (CMS 2252-10 Worksheet C, Part I). In  
17 the case of emergency services, the ratio shall be  
18 calculated using costs (gross charges multiplied by the  
19 cost to charge ratio taken from the hospitals' most  
20 recently filed Medicare cost report (CMS 2252-10 Worksheet  
21 C, Part I)) of patients treated in the relevant hospital  
22 entity's emergency department.

23 (7) Any other activity by the relevant hospital entity  
24 that the Department determines relieves the burden of  
25 government or addresses the health of low-income or  
26 underserved individuals.

1 (f) For purposes of making the calculations required by  
2 subsections (c) and (e):

3 (1) particular services or activities eligible for  
4 consideration under any of the paragraphs (1) through (7)  
5 of subsection (e) may not be counted under more than one of  
6 those paragraphs; ~~and~~

7 (2) the amount of unreimbursed costs and the amount of  
8 subsidy shall not be reduced by restricted or unrestricted  
9 payments received by the relevant hospital entity as  
10 contributions deductible under Section 170(a) of the  
11 Internal Revenue Code; ~~-~~

12 (3) discounts provided to managed care organizations  
13 or commercial insurers shall not be included unless those  
14 services are provided directly pursuant to a contract  
15 between the managed care organization and the Department  
16 of Healthcare and Family Services or the commercial  
17 insurer and the Department of Healthcare and Family  
18 Services;

19 (4) no more than 30% of the total services being  
20 claimed as a benefit may be related to residency programs  
21 or research; and

22 (5) no more than 50% of the total services being  
23 claimed as a benefit may be related to  
24 government-sponsored health care.

25 (g) Estimation of Exempt Property Tax Liability. The  
26 estimated property tax liability used for the determination in

1 subsection (c) shall be calculated as follows:

2 (1) "Estimated property tax liability" means the  
3 estimated dollar amount of property tax that would be  
4 owed, with respect to the exempt portion of each of the  
5 relevant hospital entity's properties that are already  
6 fully or partially exempt, or for which an exemption in  
7 whole or in part is currently being sought, and then  
8 aggregated as applicable, as if the exempt portion of  
9 those properties were subject to tax, calculated with  
10 respect to each such property by multiplying:

11 (A) the lesser of (i) the actual assessed value,  
12 if any, of the portion of the property for which an  
13 exemption is sought or (ii) an estimated assessed  
14 value of the exempt portion of such property as  
15 determined in item (2) of this subsection (g), by:

16 (B) the applicable State equalization rate  
17 (yielding the equalized assessed value), by

18 (C) the applicable tax rate.

19 (2) The estimated assessed value of the exempt portion  
20 of the property equals the sum of (i) the estimated fair  
21 market value of buildings on the property, as determined  
22 in accordance with subparagraphs (A) and (B) of this item  
23 (2), multiplied by the applicable assessment factor, and  
24 (ii) the estimated assessed value of the land portion of  
25 the property, as determined in accordance with  
26 subparagraph (C).

1 (A) The "estimated fair market value of buildings  
2 on the property" means the replacement value of any  
3 exempt portion of buildings on the property, minus  
4 depreciation, determined utilizing the cost  
5 replacement method whereby the exempt square footage  
6 of all such buildings is multiplied by the replacement  
7 cost per square foot for Class A Average building  
8 found in the most recent edition of the Marshall &  
9 Swift Valuation Services Manual, adjusted by any  
10 appropriate current cost and local multipliers.

11 (B) Depreciation, for purposes of calculating the  
12 estimated fair market value of buildings on the  
13 property, is applied by utilizing a weighted mean life  
14 for the buildings based on original construction and  
15 assuming a 40-year life for hospital buildings and the  
16 applicable life for other types of buildings as  
17 specified in the American Hospital Association  
18 publication "Estimated Useful Lives of Depreciable  
19 Hospital Assets". In the case of hospital buildings,  
20 the remaining life is divided by 40 and this ratio is  
21 multiplied by the replacement cost of the buildings to  
22 obtain an estimated fair market value of buildings. If  
23 a hospital building is older than 35 years, a  
24 remaining life of 5 years for residual value is  
25 assumed; and if a building is less than 8 years old, a  
26 remaining life of 32 years is assumed.

1 (C) The estimated assessed value of the land  
2 portion of the property shall be determined by  
3 multiplying (i) the per square foot average of the  
4 assessed values of three parcels of land (not  
5 including farm land, and excluding the assessed value  
6 of the improvements thereon) reasonably comparable to  
7 the property, by (ii) the number of square feet  
8 comprising the exempt portion of the property's land  
9 square footage.

10 (3) The assessment factor, State equalization rate,  
11 and tax rate (including any special factors such as  
12 Enterprise Zones) used in calculating the estimated  
13 property tax liability shall be for the most recent year  
14 that is publicly available from the applicable chief  
15 county assessment officer or officers at least 90 days  
16 before the end of the hospital year.

17 (4) The method utilized to calculate estimated  
18 property tax liability for purposes of this Section 15-86  
19 shall not be utilized for the actual valuation,  
20 assessment, or taxation of property pursuant to the  
21 Property Tax Code.

22 (5) Assessments shall be made by the chief county  
23 assessment officer.

24 (h) Application. Each hospital applicant applying for a  
25 property tax exemption pursuant to Section 15-5 and this  
26 Section shall use an application form provided by the

1 Department. The application form shall specify the records  
2 required in support of the application and those records shall  
3 be submitted to the Department with the application form. Each  
4 application or affidavit shall contain a verification by the  
5 Chief Executive Officer of the hospital applicant under oath  
6 or affirmation stating that each statement in the application  
7 or affidavit and each document submitted with the application  
8 or affidavit are true and correct. The records submitted with  
9 the application pursuant to this Section shall include an  
10 exhibit prepared by the relevant hospital entity showing (A)  
11 the value of the relevant hospital entity's services and  
12 activities, if any, under paragraphs (1) through (7) of  
13 subsection (e) of this Section stated separately for each  
14 paragraph, and (B) the value relating to the relevant hospital  
15 entity's estimated property tax liability under subsections  
16 (g) (1) (A), (B), and (C), subsections (g) (2) (A), (B), and (C),  
17 and subsection (g) (3) of this Section stated separately for  
18 each item. Such exhibit will be made available to the public by  
19 the chief county assessment officer. Nothing in this Section  
20 shall be construed as limiting the Attorney General's  
21 authority under the Illinois False Claims Act.

22 (i) Nothing in this Section shall be construed to limit  
23 the ability of otherwise eligible hospitals, hospital owners,  
24 hospital affiliates, or hospital systems to obtain or maintain  
25 property tax exemptions pursuant to a provision of the  
26 Property Tax Code other than this Section.

1       (j) Notwithstanding any other provision of law, at least  
2       once per year, the chief county assessment officer shall  
3       publish, on the assessor's website and in a newspaper of  
4       general circulation in the county where the property is  
5       located, the assessed value of all property that qualifies for  
6       an exemption under this Section in the taxable year, as well as  
7       the estimated property tax liability for that property.

8       (Source: P.A. 99-143, eff. 7-27-15.)

9       Section 10. The Community Benefits Act is amended by  
10      changing Sections 10 and 20 as follows:

11      (210 ILCS 76/10)

12      Sec. 10. Definitions. As used in this Act:

13      "Bad debt" means the current period charge for actual or  
14      expected doubtful accounting resulting from the extension of  
15      credit.

16      "Charity care" means the delivery of health care services  
17      for free or at a reduced cost to poor and low-income  
18      individuals who could not otherwise afford the health care  
19      they are receiving. ~~care provided by a health care provider~~  
20      ~~for which the provider does not expect to receive payment from~~  
21      ~~the patient or a third party payer.~~ "Charity care" includes  
22      the actual cost of services provided based upon the total cost  
23      to charge ratio derived from a nonprofit hospital's most  
24      recently filed Medicare cost report Worksheet C and not based

1 upon the charges for the services. "Charity care" does not  
2 include bad debt.

3 "Community benefits" means the unreimbursed cost to a  
4 hospital or health system of providing charity care, language  
5 assistant services, government-sponsored health care,  
6 donations, volunteer services, education,  
7 government-sponsored program services, research, and  
8 subsidized health services and collecting bad debts.  
9 "Community benefits" does not include the cost of paying any  
10 taxes or other governmental assessments, health fairs, or  
11 marketing materials.

12 "Financial assistance" means a discount provided to a  
13 patient under the terms and conditions the hospital offers to  
14 qualified patients or as required by law.

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

20 "Health system" means an entity that owns or operates at  
21 least one hospital.

22 "Net patient revenue" means gross service revenue less  
23 provisions for contractual adjustments with third-party  
24 payors, courtesy and policy discounts, or other adjustments  
25 and deductions, excluding charity care.

26 "Nonprofit hospital" means a hospital that is organized as

1 a nonprofit corporation, including religious organizations, or  
2 a charitable trust under Illinois law or the laws of any other  
3 state or country.

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

15 (Source: P.A. 102-581, eff. 1-1-22.)

16 (210 ILCS 76/20)

17 Sec. 20. Annual report for community benefits plan.

18 (a) Each nonprofit hospital shall prepare an annual report  
19 of the community benefits plan. The report must include, in  
20 addition to the community benefits plan itself, all of the  
21 following background information:

22 (1) The hospital's mission statement.

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

1           (3) A disclosure of the amount and types of community  
2           benefits actually provided, including charity care, and  
3           details about financial assistance applications received  
4           and processed by the hospital as specified in paragraph  
5           (5) of subsection (a) of Section 22. Charity care must be  
6           reported separate from other community benefits. In  
7           reporting charity care, the hospital must report the  
8           actual cost of services provided, based on the total cost  
9           to charge ratio derived from the hospital's Medicare cost  
10          report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient  
11          Ratios), not the charges for the services. For a health  
12          system that includes more than one hospital, charity care  
13          spending and financial assistance application data must be  
14          reported separately for each individual hospital within  
15          the health system.

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

18          (b) Each nonprofit hospital shall annually file a report  
19          of the community benefits plan with the Attorney General. The  
20          report must be filed not later than the last day of the sixth  
21          month after the close of the hospital's fiscal year, beginning  
22          with the hospital fiscal year that ends in 2004. Reports that  
23          are filed under this Section on or after the effective date of  
24          this amendatory Act of the 103rd General Assembly shall be  
25          posted on the Attorney General's website.

26          (c) Each nonprofit hospital shall prepare a statement that

1 notifies the public that the annual report of the community  
2 benefits plan is:

- 3 (1) public information;  
4 (2) filed with the Attorney General; and  
5 (3) available to the public on request from the  
6 Attorney General.

7 This statement shall be made available to the public.

8 (d) The obligations of a hospital under this Act, except  
9 for the filing of its audited financial report, shall take  
10 effect beginning with the hospital's fiscal year that begins  
11 after the effective date of this Act. Within 60 days of the  
12 effective date of this Act, a hospital shall file the audited  
13 annual financial report that has been completed for its most  
14 recently completed fiscal year. Thereafter, a hospital shall  
15 include its audited annual financial report for its most  
16 recently completed fiscal year in its annual report of its  
17 community benefits plan.

18 (Source: P.A. 102-581, eff. 1-1-22.)