

1 AMENDMENT TO HOUSE BILL 701

2 AMENDMENT NO. _____. Amend House Bill 701 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Sections 5.620, 5.621, and 6z-56 and changing Section 8h as
6 follows:

7 (30 ILCS 105/5.620 new)

8 Sec. 5.620. The Health Care Services Trust Fund.

9 (30 ILCS 105/5.621 new)

10 Sec. 5.621. The Community Mental Health and
11 Developmental Disabilities Medicaid Fund.

12 (30 ILCS 105/6z-56 new)

13 Sec. 6z-56. The Health Care Services Trust Fund. The
14 Health Care Services Trust Fund is hereby created as a
15 special fund in the State treasury.

16 The Fund shall consist of moneys deposited, transferred,
17 or appropriated into the Fund from units of local government
18 other than a county with a population greater than 3,000,000,
19 from the State, from federal matching funds, or from any
20 other legal source.

1 Subject to appropriation, the moneys in the Fund shall be
2 used by the Department of Public Aid to make payments to
3 providers of services covered under the Medicaid or State
4 Children's Health Insurance programs. Payments may be made
5 out of the Fund only to providers located within the
6 geographic jurisdiction of units of local government that
7 make deposits, transfers, or appropriations into the Fund.

8 The Department of Public Aid shall adopt rules concerning
9 application for and disbursement of the moneys in the Fund.

10 (30 ILCS 105/8h)

11 Sec. 8h. Transfers to General Revenue Fund.
12 Notwithstanding any other State law to the contrary, the
13 Director of the Governor's Office of Management and Budget
14 ~~Bureau-of-the-Budget~~ may from time to time direct the State
15 Treasurer and Comptroller to transfer a specified sum from
16 any fund held by the State Treasurer to the General Revenue
17 Fund in order to help defray the State's operating costs for
18 the fiscal year. The total transfer under this Section from
19 any fund in any fiscal year shall not exceed the lesser of 8%
20 of the revenues to be deposited into the fund during that
21 year or 25% of the beginning balance in the fund. No
22 transfer may be made from a fund under this Section that
23 would have the effect of reducing the available balance in
24 the fund to an amount less than the amount remaining
25 unexpended and unreserved from the total appropriation from
26 that fund for that fiscal year. This Section does not apply
27 to any funds that are restricted by federal law to a specific
28 use or to any funds in the Motor Fuel Tax Fund or the
29 Hospital Provider Fund. Notwithstanding any other provision
30 of this Section, the total transfer under this Section from
31 the Road Fund or the State Construction Account Fund shall
32 not exceed 5% of the revenues to be deposited into the fund
33 during that year.

1 In determining the available balance in a fund, the
 2 Director of the Governor's Office of Management and Budget
 3 ~~Bureau-of-the-Budget~~ may include receipts, transfers into the
 4 fund, and other resources anticipated to be available in the
 5 fund in that fiscal year.

6 The State Treasurer and Comptroller shall transfer the
 7 amounts designated under this Section as soon as may be
 8 practicable after receiving the direction to transfer from
 9 the Director of the Governor's Office of Management and
 10 Budget ~~Bureau-of-the-Budget~~.

11 (Source: P.A. 93-32, eff. 6-20-03; revised 8-21-03.)

12 Section 10. The Illinois Public Aid Code is amended by
 13 changing Sections 5A-1, 5A-2, 5A-3, 5A-4, 5A-5, 5A-7, 5A-8,
 14 5A-10, and 14-1 and by adding Sections 5A-12, 5A-13, and
 15 5A-14 as follows:

16 (305 ILCS 5/5A-1) (from Ch. 23, par. 5A-1)

17 Sec. 5A-1. Definitions. As used in this Article, unless
 18 the context requires otherwise:

19 "Fund" means the Hospital Provider Fund.

20 "Hospital" means an institution, place, building, or
 21 agency located in this State that is subject to licensure by
 22 the Illinois Department of Public Health under the Hospital
 23 Licensing Act, whether public or private and whether
 24 organized for profit or not-for-profit.

25 "Hospital provider" means a person licensed by the
 26 Department of Public Health to conduct, operate, or maintain
 27 a hospital, regardless of whether the person is a Medicaid
 28 provider. For purposes of this paragraph, "person" means any
 29 political subdivision of the State, municipal corporation,
 30 individual, firm, partnership, corporation, company, limited
 31 liability company, association, joint stock association, or
 32 trust, or a receiver, executor, trustee, guardian, or other

1 representative appointed by order of any court.

2 "Occupied bed days" means the sum of the number of days
3 that each bed was occupied by a patient for all beds during
4 calendar year 2001. Occupied bed days shall be computed
5 separately for each hospital operated or maintained by a
6 hospital provider.

7 "Adjusted-gross-hospital-revenue" shall be determined
8 separately for each hospital conducted, operated, or
9 maintained by a hospital provider, and means the hospital
10 provider's total gross patient revenues less Medicare
11 contractual allowances, but does not include gross patient
12 revenue (and the portion of any Medicare contractual
13 allowance related thereto) from skilled or intermediate
14 long-term care services within the meaning of Title XVIII or
15 XIX of the Social Security Act.

16 "Intergovernmental transfer payment" means the payments
17 established under Section 15-3 of this Code, and includes
18 without limitation payments payable under that Section for
19 July, August, and September of 1992.

20 (Source: P.A. 87-861; 88-88.)

21 (305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)

22 Sec. 5A-2. Assessment; no local authorization to tax.

23 (a) Subject to Sections 5A-3 and 5A-10, an annual
24 assessment on inpatient services is imposed on each hospital
25 provider for State fiscal years 2004 and 2005 in an amount
26 equal to the hospital's occupied bed days multiplied by
27 \$84.19.

28 The Department of Public Aid shall use the number of
29 occupied bed days as reported by each hospital on the Annual
30 Survey of Hospitals conducted by the Department of Public
31 Health to calculate the hospital's annual assessment. If the
32 sum of a hospital's occupied bed days is not reported on the
33 Annual Survey of Hospitals, then the Department of Public Aid

1 may obtain the sum of occupied bed days from any source
 2 available, including, but not limited to, records maintained
 3 by the hospital provider, which may be inspected at all times
 4 during business hours of the day by the Department of Public
 5 Aid or its duly authorized agents and employees. For the
 6 ~~privilege of engaging in the occupation of hospital provider,~~
 7 ~~an assessment is imposed upon each hospital provider for the~~
 8 ~~State fiscal year beginning on July 1, 1993 and ending on~~
 9 ~~June 30, 1994, in an amount equal to 1.88% of the provider's~~
 10 ~~adjusted gross hospital revenue for the most recent calendar~~
 11 ~~year ending before the beginning of that State fiscal year.~~

12 Effective July 1, 1994 through June 30, 1996, an annual
 13 assessment is imposed upon each hospital provider in an
 14 amount equal to the provider's adjusted gross hospital
 15 revenue for the most recent calendar year ending before the
 16 beginning of that State fiscal year multiplied by the
 17 Provider's Savings Rate.

18 Effective July 1, 1996 through March 31, 1997, an
 19 assessment is imposed upon each hospital provider in an
 20 amount equal to three-fourths of the provider's adjusted
 21 gross hospital revenue for calendar year 1995 multiplied by
 22 the Provider's Savings Rate. No assessment shall be imposed
 23 on or after April 1, 1997.

24 Before July 1, 1995, the Provider's Savings Rate is 1.88%
 25 multiplied by a fraction, the numerator of which is the
 26 Maximum Section 5A-2 Contribution minus the Cigarette Tax
 27 Contribution, and the denominator of which is the Maximum
 28 Section 5A-2 Contribution. Effective July 1, 1995, the
 29 Provider's Savings Rate is 1.25% multiplied by a fraction,
 30 the numerator of which is the Maximum Section 5A-2
 31 Contribution minus the Cigarette Tax Contribution, and the
 32 denominator of which is the Maximum Section 5A-2
 33 Contribution.

34 The Cigarette Tax Contribution is the sum of the total

1 amount--deposited--in--the--Hospital--Provider--Fund--in--the
 2 previous-State-fiscal-year-pursuant-to-Section--2(a)--of--the
 3 Cigarette--Tax--Act,--plus--the-total-amount-deposited-in-the
 4 Hospital-Provider-Fund-in--the--previous--State--fiscal--year
 5 pursuant-to-Section-5A-3(e)-of-this-Code.

6 The-Maximum-Section-5A-2-Contribution-is-the-total-amount
 7 of--tax--imposed-by-this-Section-in-the-previous-State-fiscal
 8 year-on-providers--subject--to--this--Act,--multiplied--by--a
 9 fraction--the--numerator--of-which-is-adjusted-gross-hospital
 10 revenues-reported-to-the-Department-by-providers--subject--to
 11 this---Act--for--the--previous--State--fiscal--year--and--the
 12 denominator-of-which--is--adjusted--gross--hospital--revenues
 13 reported--to--the-Department-by-providers-subject-to-this-Act
 14 for-the-State-fiscal-year-immediately-preceding-the--previous
 15 State-fiscal-year.

16 The--Department--shall--notify--hospital-providers-of-the
 17 Provider's--Savings--Rate--by--mailing--a--notice---to---each
 18 provider's--last-known-address-as-reflected-by-the-records-of
 19 the-Illinois-Department.

20 (b) Nothing in this amendatory Act of the 93rd General
 21 Assembly 1995 shall be construed to authorize any home rule
 22 unit or other unit of local government to license for revenue
 23 or to impose a tax or assessment upon hospital providers or
 24 the occupation of hospital provider, or a tax or assessment
 25 measured by the income or earnings of a hospital provider.

26 (c) As provided in Section 5A-14, this Section is
 27 repealed on July 1, 2005.

28 (Source: P.A. 88-88; 89-21, eff. 7-1-95; 89-499, eff.
 29 6-28-96.)

30 (305 ILCS 5/5A-3) (from Ch. 23, par. 5A-3)
 31 Sec. 5A-3. Exemptions;-intergovernmental-transfers.

32 (a) Blank). A-hospital-provider-which-is-a-county-with-a
 33 population----of----more----than----3,000,000----that---makes

1 intergovernmental-transfer-payments-as--provided--in--Section
2 15-3-of-this-Code-shall-be-exempt-from-the-assessment-imposed
3 by--Section--5A-2,--unless--the--exemption--is-adjudged-to-be
4 unconstitutional-or-otherwise--invalid,--in--which--case--the
5 county--shall--pay-the-assessment-imposed-by-Section-5A-2-for
6 all-assessment-periods-beginning-on-or-after--July--1,--1992,
7 and--the--assessment--so-paid-shall-be-creditable-against-the
8 intergovernmental-transfer-payments.

9 (b) A hospital provider that is a State agency, a State
10 university, or a county with a population of 3,000,000 or
11 more is exempt from the assessment imposed by Section 5A-2. A
12 hospital-organized-under-the-University-of-Illinois--Hospital
13 Act-and-exempt-from-the-assessment-imposed-by-Section-5A-2-is
14 hereby-authorized-to-enter-into-an-interagency-agreement-with
15 the--Illinois--Department--to-make-intergovernmental-transfer
16 payments-to-the-Illinois-Department.--These-payments-shall-be
17 deposited-into-the-University-of-Illinois--Hospital--Services
18 Fund--or,--if--that--Fund--ceases--to-exist,--into-the-General
19 Revenue-Fund.

20 (b-2) A hospital provider that is a county with a
21 population of less than 3,000,000 or a township,
22 municipality, hospital district, or any other local
23 governmental unit is exempt from the assessment imposed by
24 Section 5A-2.

25 (b-5) (Blank). A-hospital-operated-by-the-Department--of
26 Human--Services-in-the-course-of-performing-its-mental-health
27 and-developmental-disabilities-functions-is-exempt--from--the
28 assessment-imposed-by-Section-5A-2.

29 (b-10) A hospital provider whose hospital does not
30 charge for its services is exempt from the assessment imposed
31 by Section 5A-2, unless the exemption is adjudged to be
32 unconstitutional or otherwise invalid, in which case the
33 hospital provider shall pay the assessment imposed by Section
34 5A-2.

1 (b-15) A hospital provider whose hospital is licensed by
 2 the Department of Public Health as a psychiatric hospital is
 3 exempt from the assessment imposed by Section 5A-2, unless
 4 the exemption is adjudged to be unconstitutional or otherwise
 5 invalid, in which case the hospital provider shall pay the
 6 assessment imposed by Section 5A-2.

7 (b-20) A hospital provider whose hospital is licensed by
 8 the Department of Public Health as a rehabilitation hospital
 9 is exempt from the assessment imposed by Section 5A-2, unless
 10 the exemption is adjudged to be unconstitutional or otherwise
 11 invalid, in which case the hospital provider shall pay the
 12 assessment imposed by Section 5A-2.

13 (b-25) A hospital provider whose hospital (i) is not a
 14 psychiatric hospital, rehabilitation hospital, or children's
 15 hospital and (ii) has an average length of inpatient stay
 16 greater than 25 days is exempt from the assessment imposed by
 17 Section 5A-2, unless the exemption is adjudged to be
 18 unconstitutional or otherwise invalid, in which case the
 19 hospital provider shall pay the assessment imposed by Section
 20 5A-2.

21 (c) (Blank). The---Illinois---Department---is---hereby
 22 authorized--to--enter--into--agreements--with--publicly--owned--or
 23 operated--hospitals--to---make---intergovernmental---transfer
 24 payments--to--the--Illinois--Department--.---These--payments--shall--be
 25 deposited--into--the--Hospital--Provider--Fund₇--except--that--any
 26 payments--arising--under--an--agreement--with--a--hospital--organized
 27 under--the--University--of--Illinois--Hospital--Act--shall--be
 28 deposited--into--the--University--of--Illinois--Hospital--Services
 29 Fund₇--if--that--Fund--exists--.

30 (Source: P.A. 88-88; 88-554, eff. 7-26-94; 89-21, eff.
 31 7-1-95; 89-507, eff. 7-1-97.)

32 (305 ILCS 5/5A-4) (from Ch. 23, par. 5A-4)

33 Sec. 5A-4. Payment of assessment; penalty.

1 (a) The annual assessment imposed by Section 5A-2 for
2 State fiscal year 2004 shall be due and payable on June 18 of
3 the year. The assessment imposed by Section 5A-2 for a State
4 fiscal year 2005 shall be due and payable in quarterly
5 installments, each equalling one-fourth of the assessment for
6 the year, on July 19, October 19, January 18, and April 19
7 September-30, December-31, March-31, and May-31 of the year;
8 ~~except--that--for--the--period--July-1,--1996--through--March-31,~~
9 ~~1997,--the--assessment--imposed--by--Section--5A-2--for--that--period~~
10 ~~shall--be--due--and--payable--in--3--equal--installments--on--September~~
11 ~~30,--December-31,--and--March-31--of--that--period.~~ No installment
12 payment of an assessment imposed by Section 5A-2 shall be due
13 and payable, however, until after: (i) the hospital provider
14 receives written notice from the Department of Public Aid
15 that the payment methodologies to hospitals required under
16 Section 5A-12 have been approved by the Centers for Medicare
17 and Medicaid Services of the U.S. Department of Health and
18 Human Services and the waiver under 42 CFR 433.68 for the
19 assessment imposed by Section 5A-2 has been granted by the
20 Centers for Medicare and Medicaid Services of the U.S.
21 Department of Health and Human Services; and (ii) the
22 hospital has received the payments required under Section
23 5A-12.

24 (b) The Illinois Department is authorized to establish
25 delayed payment schedules for hospital providers that are
26 unable to make installment payments when due under this
27 Section due to financial difficulties, as determined by the
28 Illinois Department.

29 (c) If a hospital provider fails to pay the full amount
30 of an installment when due (including any extensions granted
31 under subsection (b)), there shall, unless waived by the
32 Illinois Department for reasonable cause, be added to the
33 assessment imposed by Section 5A-2 a penalty assessment equal
34 to the lesser of (i) 5% of the amount of the installment not

1 paid on or before the due date plus 5% of the portion thereof
 2 remaining unpaid on the last day of each 30-day period month
 3 thereafter or (ii) 100% of the installment amount not paid on
 4 or before the due date. For purposes of this subsection,
 5 payments will be credited first to unpaid installment amounts
 6 (rather than to penalty or interest), beginning with the most
 7 delinquent installments.

8 (Source: P.A. 88-88; 89-499, eff. 6-28-96.)

9 (305 ILCS 5/5A-5) (from Ch. 23, par. 5A-5)

10 Sec. 5A-5. Notice Reporting; penalty; maintenance of
 11 records.

12 (a) After December 31 of each year (except as otherwise
 13 provided in this subsection), and on or before March 31 of
 14 the succeeding year, the Department of Public Aid shall send
 15 a notice of assessment to every hospital provider subject to
 16 assessment under this Article ~~shall file a return with the~~
 17 ~~Illinois Department.~~ The notice of assessment shall notify
 18 the hospital of its ~~return shall report the adjusted gross~~
 19 ~~hospital revenue from the calendar year just ended and shall~~
 20 ~~be utilized by the Illinois Department to calculate the~~
 21 assessment for the State fiscal year commencing on the next
 22 July 1, except that the notice ~~return~~ for the State fiscal
 23 year commencing July 1, 2003 ~~1992 and the report of revenue~~
 24 ~~for calendar year 1991~~ shall be sent filed on or before
 25 December 15, 2003 ~~September 30, 1992~~. The notice return
 26 shall be on a form prepared by the Illinois Department and
 27 shall state the following:

- 28 (1) The name of the hospital provider.
- 29 (2) The address of the hospital provider's
 30 principal place of business from which the provider
 31 engages in the occupation of hospital provider in this
 32 State, and the name and address of each hospital
 33 operated, conducted, or maintained by the provider in

1 this State.

2 (3) The occupied bed days adjusted-gross-hospital
3 revenue of the hospital provider for--the--calendar--year
4 just--ended, the amount of assessment imposed under
5 Section 5A-2 for the State fiscal year for which the
6 notice return is sent filed, and the amount of each
7 quarterly installment to be paid during the State fiscal
8 year.

9 (4) (Blank). The-amount-of-penalty-due,--if-any-

10 (5) Other reasonable information as determined by
11 the Illinois Department requires.

12 (b) If a hospital provider conducts, operates, or
13 maintains more than one hospital licensed by the Illinois
14 Department of Public Health, the provider shall may-not-file
15 a-single-return-covering-all-these-hospitals,--but-shall--file
16 a-separate-return-for-each-hospital-and-shall-compute-and pay
17 the assessment for each hospital separately.

18 (c) Notwithstanding any other provision in this Article,
19 in the case of a person who ceases to conduct, operate, or
20 maintain a hospital in respect of which the person is subject
21 to assessment under this Article as a hospital provider, the
22 assessment for the State fiscal year in which the cessation
23 occurs shall be adjusted by multiplying the assessment
24 computed under Section 5A-2 by a fraction, the numerator of
25 which is the number of days months in the year during which
26 the provider conducts, operates, or maintains the hospital
27 and the denominator of which is 365 12. Immediately upon
28 ceasing to conduct, operate, or maintain a hospital, the
29 person shall pay file--a--final,--amended--return-with-the
30 Illinois-Department-not-more-than-90-days-after-the-cessation
31 reflecting-the-adjustment-and-shall-pay-with-the-final-return
32 the assessment for the year as so adjusted (to the extent not
33 previously paid).

34 (d) Notwithstanding any other provision in this Article,

1 a provider who commences conducting, operating, or
 2 maintaining a hospital, upon notice by the Illinois
 3 Department, shall file an initial return for the State fiscal
 4 year in which the commencement occurs within 90 days
 5 thereafter and shall pay the assessment computed under
 6 Section 5A-2 and subsection (e) in equal installments on the
 7 due dates stated in the notice date of the return and on the
 8 regular installment due dates for the State fiscal year
 9 occurring after the due dates date of the initial notice
 10 return.

11 (e) Notwithstanding any other provision in this Article,
 12 in the case of a hospital provider that did not conduct,
 13 operate, or maintain a hospital throughout the calendar year
 14 2001 preceding a State fiscal year, the assessment for that
 15 State fiscal year shall be computed on the basis of
 16 hypothetical occupied bed days adjusted gross hospital
 17 revenue for the full calendar year as determined by rules
 18 adopted by the Illinois Department (which may be based on
 19 annualization of the provider's actual revenues for a portion
 20 of the calendar year, or revenues of a comparable hospital
 21 for the year, including revenues realized by a prior provider
 22 from the same hospital during the year).

23 (f) (Blank). In the case of a hospital provider existing
 24 as a corporation or legal entity other than an individual,
 25 the return filed by it shall be signed by its president,
 26 vice-president, secretary, or treasurer or by its properly
 27 authorized agent.

28 (g) (Blank). If a hospital provider fails to file its
 29 return for a State fiscal year on or before the due date of
 30 the return, there shall, unless waived by the Illinois
 31 Department for reasonable cause, be added to the assessment
 32 imposed by Section 5A-2 for the State fiscal year a penalty
 33 assessment equal to 25% of the assessment imposed for the
 34 year.

1 (h) (Blank). Every---hospital---provider---subject---to
 2 assessment--under--this-Article-shall-keep-sufficient-records
 3 to--permit--the--determination--of--adjusted--gross--hospital
 4 revenue-on-a-calendar-year-basis.--All-such-records-shall--be
 5 kept--in--the-English-language-and-shall,--at-all-times-during
 6 business-hours-of-the-day,--be-subject-to--inspection--by--the
 7 Illinois---Department--or--its--duly--authorized--agents--and
 8 employees.

9 (Source: P.A. 87-861.)

10 (305 ILCS 5/5A-7) (from Ch. 23, par. 5A-7)

11 Sec. 5A-7. Administration; enforcement provisions.

12 (a) To the extent practicable, the Illinois Department
 13 shall administer and enforce this Article and collect the
 14 assessments, interest, and penalty assessments imposed under
 15 this Article using procedures employed in its administration
 16 of this Code generally and, as it deems appropriate, in a
 17 manner similar to that in which the Department of Revenue
 18 administers and collects the retailers' occupation tax under
 19 the Retailers' Occupation Tax Act ("ROTA"). Instead of
 20 certificates of registration, the Illinois Department shall
 21 establish and maintain a listing of all hospital providers
 22 appearing in the licensing records of the Department of
 23 Public Health, which shall show each provider's name,
 24 principal place of business, and the name and address of each
 25 hospital operated, conducted, or maintained by the provider
 26 in this State. In addition, the following specified
 27 provisions of the Retailers' Occupation Tax Act are
 28 incorporated by reference into this Section except that the
 29 Illinois Department and its Director (rather than the
 30 Department of Revenue and its Director) and every hospital
 31 provider subject to assessment measured by occupied bed days
 32 adjusted--gross--hospital--revenue--and--to--the--return-filing
 33 requirements-of-this-Article (rather than persons subject to

1 retailers' occupation tax measured by gross receipts from the
2 sale of tangible personal property at retail and ~~to the~~
3 ~~return-filing-requirements-of-ROTA~~) shall have the powers,
4 duties, and rights specified in these ROTA provisions, as
5 modified in this Section or by the Illinois Department in a
6 manner consistent with this Article and except as manifestly
7 inconsistent with the other provisions of this Article:

8 (1) ROTA, Section 4 (examination of return; notice
9 of correction; evidence; limitations; protest and
10 hearing), except that (i) the Illinois Department shall
11 issue notices of assessment liability (rather than
12 notices of tax liability as provided in ROTA, Section 4);
13 (ii) in the case of a fraudulent return or in the case of
14 an extended period agreed to by the Illinois Department
15 and the hospital provider before the expiration of the
16 limitation period, no notice of assessment liability
17 shall be issued more than 3 years after the later of the
18 due date of the return required by Section 5A-5 or the
19 date the return (or an amended return) was filed (rather
20 within the period stated in ROTA, Section 4); and (iii)
21 the penalty provisions of ROTA, Section 4 shall not
22 apply.

23 (2) ROTA, Sec. 5 (failure to make return; failure
24 to pay assessment), except that the penalty and interest
25 provisions of ROTA, Section 5 shall not apply.

26 (3) ROTA, Section 5a (lien; attachment;
27 termination; notice; protest; review; release of lien;
28 status of lien).

29 (4) ROTA, Section 5b (State lien notices; State
30 lien index; duties of recorder and registrar of titles).

31 (5) ROTA, Section 5c (liens; certificate of
32 release).

33 (6) ROTA, Section 5d (Department not required to
34 furnish bond; claim to property attached or levied upon).

1 (7) ROTA, Section 5e (foreclosure on liens;
2 enforcement).

3 (8) ROTA, Section 5f (demand for payment; levy and
4 sale of property; limitation).

5 (9) ROTA, Section 5g (sale of property;
6 redemption).

7 (10) ROTA, Section 5j (sales on transfers outside
8 usual course of business; report; payment of assessment;
9 rights and duties of purchaser; penalty), except that
10 notice shall be provided to the Illinois Department as
11 specified by rule.

12 (11) ROTA, Section 6 (erroneous payments; credit or
13 refund), provided that (i) the Illinois Department may
14 only apply an amount otherwise subject to credit or
15 refund to a liability arising under this Article; (ii)
16 except in the case of an extended period agreed to by the
17 Illinois Department and the hospital provider before the
18 expiration of this limitation period, a claim for credit
19 or refund must be filed no more than 3 years after the
20 due date of the return required by Section 5A-5 (rather
21 than the time limitation stated in ROTA, Section 6); and
22 (iii) credits or refunds shall not bear interest.

23 (12) ROTA, Section 6a (claims for credit or
24 refund).

25 (13) ROTA, Section 6b (tentative determination of
26 claim; notice; hearing; review), provided that a hospital
27 provider or its representative shall have 60 days (rather
28 than 20 days) within which to file a protest and request
29 for hearing in response to a tentative determination of
30 claim.

31 (14) ROTA, Section 6c (finality of tentative
32 determinations).

33 (15) ROTA, Section 8 (investigations and
34 hearings).

1 (16) ROTA, Section 9 (witness; immunity).

2 (17) ROTA, Section 10 (issuance of subpoenas;
3 attendance of witnesses; production of books and
4 records).

5 (18) ROTA, Section 11 (information confidential;
6 exceptions).

7 (19) ROTA, Section 12 (rules and regulations;
8 hearing; appeals), except that a hospital provider shall
9 not be required to file a bond or be subject to a lien in
10 lieu thereof in order to seek court review under the
11 Administrative Review Law of a final assessment or
12 revised final assessment or the equivalent thereof issued
13 by the Illinois Department under this Article.

14 (b) In addition to any other remedy provided for and
15 without sending a notice of assessment liability, the
16 Illinois Department may collect an unpaid assessment by
17 withholding, as payment of the assessment, reimbursements or
18 other amounts otherwise payable by the Illinois Department to
19 the provider.

20 (Source: P.A. 87-861.)

21 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)
22 Sec. 5A-8. Hospital Provider Fund.

23 (a) There is created in the State Treasury the Hospital
24 Provider Fund. Interest earned by the Fund shall be credited
25 to the Fund. The Fund shall not be used to replace any
26 moneys appropriated to the Medicaid program by the General
27 Assembly.

28 (b) The Fund is created for the purpose of receiving
29 moneys in accordance with Section 5A-6 and disbursing moneys
30 only for the following purposes, notwithstanding any other
31 provision of law as follows:

32 (1) For making payments to hospitals as required
33 under Articles V, VI, and XIV hospital--inpatient--care,

1 hospital--ambulatory--care,--and--disproportionate--share
2 hospital--distributive--expenditures--made--under--Title--XIX
3 of--the--Social--Security--Act--and--Article--V of this Code and
4 under the Children's Health Insurance Program Act.

5 (2) For the reimbursement of moneys collected by
6 the Illinois Department from hospitals or hospital
7 providers through error or mistake in performing the
8 activities authorized under this Article and Article V of
9 this Code and-for-making-required-payments-under-Section
10 14-9-of-this-Code-if-there-are-no--moneys--available--for
11 these-payments-in-the-Hospital-Services-Trust-Fund.

12 (3) For payment of administrative expenses incurred
13 by the Illinois Department or its agent in performing the
14 activities authorized by this Article.

15 (4) For payments of any amounts which are
16 reimbursable to the federal government for payments from
17 this Fund which are required to be paid by State warrant.

18 (5) For making transfers to-the-General-Obligation
19 Bond-Retirement-and-Interest-Fund, as those transfers are
20 authorized in the proceedings authorizing debt under the
21 Short Term Borrowing Act, but transfers made under this
22 paragraph (5) shall not exceed the principal amount of
23 debt issued in anticipation of the receipt by the State
24 of moneys to be deposited into the Fund.

25 (6) For making transfers to any other fund in the
26 State treasury, but transfers made under this paragraph
27 (6) shall not exceed the amount transferred previously
28 from that other fund into the Hospital Provider Fund.

29 (7) For making transfers to the Community Mental
30 Health and Developmental Disabilities Medicaid Fund,
31 including 4% of the moneys received from hospital
32 providers under Section 5A-4 and transferred into the
33 Hospital Provider Fund under Section 5A-6. Transfers
34 under this paragraph shall be made within 7 days after

1 the payments have been received pursuant to the schedule
2 of payments provided in subsection (a) of Section 5A-4.

3 (8) For making transfers to the Budget
4 Stabilization Fund, including 16% of the moneys received
5 from hospital providers under Section 5A-4 and
6 transferred into the Hospital Provider Fund under Section
7 5A-6. Transfers under this paragraph shall be made within
8 7 days after the payments have been received pursuant to
9 the schedule of payments provided in subsection (a) of
10 Section 5A-4.

11 (9) For making refunds to hospital providers
12 pursuant to Section 5A-10.

13 Disbursements from the Fund, other than transfers
14 authorized under paragraphs (5) and (6) of this subsection to
15 the-General-Obligation-Bond--Retirement--and--Interest--Fund,
16 shall be by warrants drawn by the State Comptroller upon
17 receipt of vouchers duly executed and certified by the
18 Illinois Department.

19 (c) The Fund shall consist of the following:

20 (1) All moneys collected or received by the
21 Illinois Department from the hospital provider assessment
22 imposed by this Article.

23 (2) All federal matching funds received by the
24 Illinois Department as a result of expenditures made by
25 the Illinois Department that are attributable to moneys
26 deposited in the Fund.

27 (3) Any interest or penalty levied in conjunction
28 with the administration of this Article.

29 (4) Moneys transferred from another fund in the
30 State treasury. Any--balance--in--the--Hospital--Services
31 Trust--Fund--in--the--State--Treasury.--The--balance--shall--be
32 transferred---to--the--Fund--upon--certification--by--the
33 Illinois--Department--to--the--State--Comptroller--that--all--of
34 the--disbursements--required--by--Section--14-2(b)--of--this

1 Code-have-been-made.

2 (5) All other moneys received for the Fund from any
3 other source, including interest earned thereon.

4 (d) (Blank). The-Fund-shall-cease-to-exist-on-October-1,
5 1999.--Any-balance-in-the-Fund--as--of--that--date--shall--be
6 transferred--to--the--General--Revenue-Fund.--Any-moneys-that
7 otherwise-would-be-paid-into-the-Fund-on-or-after--that--date
8 shall--be--deposited--into--the--General--Revenue--Fund.--Any
9 disbursements-on-or-after-that-date-that-otherwise--would--be
10 made--from--the--Fund--may--be--appropriated--by--the-General
11 Assembly-from-the-General-Revenue-Fund.

12 (Source: P.A. 89-626, eff. 8-9-96; 90-587, eff. 7-1-98.)

13 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

14 Sec. 5A-10. Applicability.

15 (a) The assessment imposed by Section 5A-2 shall not
16 take effect or shall cease to be imposed, and any moneys
17 remaining in the Fund shall be refunded to hospital providers
18 in proportion to the amounts paid by them, if:

19 (1) the sum of the appropriations for State fiscal
20 years 2004 and 2005 from the General Revenue Fund for
21 hospital payments under the medical assistance program is
22 less than \$4,475,000,000; or

23 (2) the Department of Public Aid makes changes in
24 its rules that reduce the hospital inpatient or
25 outpatient payment rates, including adjustment payment
26 rates, in effect on October 1, 2003, except for hospitals
27 described in subsection (b) of Section 5A-3 and except
28 for changes in outpatient payment rates made to comply
29 with the federal Health Insurance Portability and
30 Accountability Act, so long as those changes do not
31 reduce aggregate expenditures below the amount expended
32 in State fiscal year 2003 for such services; or

33 (3) the payments to hospitals required under

1 Section 5A-12 are changed or are not eligible for federal
2 matching funds under Title XIX or XXI of the Social
3 Security Act.

4 (b) The assessment imposed by Section 5A-2 shall not
5 take effect or shall cease to be imposed if the assessment is
6 determined to be an impermissible tax amount-of-matching
7 federal-funds under Title XIX of the Social Security Act is
8 eliminated---or--significantly--reduced--on--account--of--the
9 assessment. Moneys in the Hospital Provider Fund derived
10 from assessments imposed prior thereto shall be disbursed in
11 accordance with Section 5A-8 to the extent federal matching
12 is not reduced due to the impermissibility of by the
13 assessments, and any remaining moneys assessments shall be
14 refunded to hospital providers in proportion to the amounts
15 paid by them.

16 (Source: P.A. 87-861.)

17 (305 ILCS 5/5A-12 new)

18 Sec. 5A-12. Hospital access improvement payments.

19 (a) To improve access to hospital services, for hospital
20 services rendered on or after May 1, 2004, the Department of
21 Public Aid shall make payments to hospitals as set forth in
22 this Section, except for hospitals described in subsection
23 (b) of Section 5A-3. These payments shall be paid on a
24 quarterly basis. For State fiscal year 2004, the Department
25 shall pay the total amounts required under this Section;
26 these amounts shall be paid on or before June 15 of the year.
27 In subsequent State fiscal years, the total amounts required
28 under this Section shall be paid in 4 equal installments on
29 or before July 15, October 15, January 14, and April 15 of
30 the year. Payments under this Section are not due and
31 payable, however, until (i) the methodologies described in
32 this Section are approved by the federal government in an
33 appropriate State Plan amendment, (ii) the assessment imposed

1 under this Article is determined to be a permissible tax
2 under Title XIX of the Social Security Act, and (iii) the
3 assessment is in effect.

4 (b) High volume payment. In addition to rates paid for
5 inpatient hospital services, the Department of Public Aid
6 shall pay, to each Illinois hospital that provided more than
7 20,000 Medicaid inpatient days of care during State fiscal
8 year 2001 (except for hospitals that qualify for adjustment
9 payments under Section 5-5.02 for the 12-month period
10 beginning on October 1, 2002), \$190 for each Medicaid
11 inpatient day of care provided during that fiscal year. A
12 hospital that provided less than 30,000 Medicaid inpatient
13 days of care during that period, however, is not entitled to
14 receive more than \$3,500,000 per year in such payments.

15 (c) Medicaid inpatient utilization rate adjustment. In
16 addition to rates paid for inpatient hospital services, the
17 Department of Public Aid shall pay each Illinois hospital
18 (except for hospitals described in Section 5A-3), for each
19 Medicaid inpatient day of care provided during State fiscal
20 year 2001, an amount equal to the product of \$57.25
21 multiplied by the quotient of 1 divided by the greater of
22 1.6% or the hospital's Medicaid inpatient utilization rate
23 (as used to determine eligibility for adjustment payments
24 under Section 5-5.02 for the 12-month period beginning on
25 October 1, 2002). The total payments under this subsection to
26 a hospital may not exceed \$10,500,000 annually.

27 (d) Psychiatric base rate adjustment.

28 (1) In addition to rates paid for inpatient
29 psychiatric services, the Department of Public Aid shall
30 pay each Illinois general acute care hospital with a
31 distinct part-psychiatric unit, for each Medicaid
32 inpatient psychiatric day of care provided in State
33 fiscal year 2001, an amount equal to \$400 less the
34 hospital's per-diem rate for Medicaid inpatient

1 psychiatric services as in effect on October 1, 2003. In
2 no event, however, shall that amount be less than zero.

3 (2) For distinct part-psychiatric units of Illinois
4 general acute care hospitals, except for all hospitals
5 excluded in Section 5A-3, whose inpatient per-diem rate
6 as in effect on October 1, 2003 is greater than \$400, the
7 Department shall pay, in addition to any other amounts
8 authorized under this Code, \$25 for each Medicaid
9 inpatient psychiatric day of care provided in State
10 fiscal year 2001.

11 (e) Supplemental tertiary care adjustment. In addition
12 to rates paid for inpatient services, the Department of
13 Public Aid shall pay to each Illinois hospital eligible for
14 tertiary care adjustment payments under 89 Ill. Adm. Code
15 148.296, as in effect for State fiscal year 2003, a
16 supplemental tertiary care adjustment payment equal to the
17 tertiary care adjustment payment required under 89 Ill. Adm.
18 Code 148.296, as in effect for State fiscal year 2003.

19 (f) Medicaid outpatient utilization rate adjustment. In
20 addition to rates paid for outpatient hospital services, the
21 Department of Public Aid shall pay each Illinois hospital
22 (except for hospitals described in Section 5A-3), an amount
23 equal to the product of 2.45% multiplied by the hospital's
24 Medicaid outpatient charges multiplied by the quotient of 1
25 divided by the greater of 1.6% or the hospital's Medicaid
26 outpatient utilization rate. The total payments under this
27 subsection to a hospital may not exceed \$6,750,000 annually.

28 For purposes of this subsection:

29 "Medicaid outpatient charges" means the charges for
30 outpatient services provided to Medicaid patients for State
31 fiscal year 2001 as submitted by the hospital on the UB-92
32 billing form or under the ambulatory procedure listing and
33 adjudicated by the Department of Public Aid on or before
34 September 12, 2003.

1 "Medicaid outpatient utilization rate" means a fraction,
2 the numerator of which is the hospital's Medicaid outpatient
3 charges and the denominator of which is the total number of
4 the hospital's charges for outpatient services for the
5 hospital's fiscal year ending in 2001.

6 (g) State outpatient service adjustment. In addition to
7 rates paid for outpatient hospital services, the Department
8 of Public Aid shall pay each Illinois hospital an amount
9 equal to the product of 75.5% multiplied by the hospital's
10 Medicaid outpatient services submitted to the Department on
11 the UB-92 billing form for State fiscal year 2001 multiplied
12 by the hospital's outpatient access fraction.

13 For purposes of this subsection, "outpatient access
14 fraction" means a fraction, the numerator of which is the
15 hospital's Medicaid payments for outpatient services for
16 ambulatory procedure listing services submitted to the
17 Department on the UB-92 billing form for State fiscal year
18 2001, and the denominator of which is the hospital's Medicaid
19 outpatient services submitted to the Department on the UB-92
20 billing form for State fiscal year 2001.

21 The total payments under this subsection to a hospital
22 may not exceed \$3,000,000 annually.

23 (h) Rural hospital outpatient adjustment. In addition to
24 rates paid for outpatient hospital services, the Department
25 of Public Aid shall pay each Illinois rural hospital an
26 amount equal to the product of \$14,500,000 multiplied by the
27 rural hospital outpatient adjustment fraction.

28 For purposes of this subsection, "rural hospital
29 outpatient adjustment fraction" means a fraction, the
30 numerator of which is the hospital's Medicaid visits for
31 outpatient services for ambulatory procedure listing services
32 submitted to the Department on the UB-92 billing form for
33 State fiscal year 2001, and the denominator of which is the
34 total Medicaid visits for outpatient services for ambulatory

1 procedure listing services for all Illinois rural hospitals
2 submitted to the Department on the UB-92 billing form for
3 State fiscal year 2001.

4 For purposes of this subsection, "rural hospital" has the
5 same meaning as in 89 Ill. Adm. Code 148.25, as in effect on
6 September 30, 2003.

7 (i) Merged/closed hospital adjustment. If any hospital
8 files a combined Medicaid cost report with another hospital
9 after January 1, 2001, and if that hospital subsequently
10 closes, then except for the payments described in subsection
11 (e), all payments described in the various subsections of
12 this Section shall, before the application of the annual
13 limitation amount specified in each such subsection, be
14 multiplied by a fraction, the numerator of which is the
15 number of occupied bed days attributable to the open hospital
16 and the denominator of which is the sum of the number of
17 occupied bed days of each open hospital and each closed
18 hospital. For purposes of this subsection, "occupied bed
19 days" has the same meaning as the term is defined in
20 subsection (a) of Section 5A-2.

21 (j) For purposes of this Section, the terms "Medicaid
22 days", "Medicaid charges", and "Medicaid services" do not
23 include any days, charges, or services for which Medicare was
24 liable for payment.

25 (k) As provided in Section 5A-14, this Section is
26 repealed on July 1, 2005.

27 (305 ILCS 5/5A-13 new)

28 Sec. 5A-13. Emergency rulemaking. The Department of
29 Public Aid may adopt rules necessary to implement this
30 amendatory Act of the 93rd General Assembly through the use
31 of emergency rulemaking in accordance with Section 5-45 of
32 the Illinois Administrative Procedure Act. For purposes of
33 that Act, the General Assembly finds that the adoption of

1 rules to implement this amendatory Act of the 93rd General
2 Assembly is deemed an emergency and necessary for the public
3 interest, safety, and welfare.

4 (305 ILCS 5/5A-14 new)

5 Sec. 5A-14. Repeal of assessments and disbursements.

6 (a) Section 5A-2 is repealed on July 1, 2005.

7 (b) Section 5A-12 is repealed on July 1, 2005.

8 (305 ILCS 5/14-1) (from Ch. 23, par. 14-1)

9 Sec. 14-1. Definitions. As used in this Article, unless
10 the context requires otherwise:

11 "Fund" means the Hospital Services Trust Fund.

12 "Estimated--Rate--Year--Utilization" means the hospital's
13 projected utilization for the State fiscal year in which the
14 fee is due (for example, fiscal year 1992 for fees imposed in
15 State fiscal year 1992, fiscal year 1993 for fees imposed in
16 State fiscal year 1993, and so forth).

17 "Gross Receipts" means all payments for medical--services
18 delivered--under--Title--XIX--of--the--Social--Security--Act--and
19 Articles V, VI, and VII of this Code and shall mean--any--and
20 all--payments--made--by--the--Illinois--Department,--or--a--Division
21 thereof,--to--a--Medical--Assistance--Program--provider--certified
22 to--participate--in--the--Illinois--Medical--Assistance--Program,
23 for services rendered eligible for Medical--Assistance--under
24 Articles--V,--VI--and--VII--of--this--Code,--State--regulations--and
25 the--federal--Medicaid--Program--as--defined--in--Title--XIX--of--the
26 Social--Security--Act--and--federal--regulations.

27 "Hospital" means any institution, place, building, or
28 agency, public or private, whether organized for profit or
29 not-for-profit, which is located in the State and is subject
30 to licensure by the Illinois Department of Public Health
31 under the Hospital Licensing Act or any institution, place,
32 building, or agency, public or private, whether organized for

1 profit or not-for-profit, which meets all comparable
 2 conditions and requirements of the Hospital Licensing Act in
 3 effect for the state in which it is located, and is required
 4 to submit cost reports to the Illinois Department under Title
 5 89, Part 148, of the Illinois Administrative Code, but shall
 6 not include the University of Illinois Hospital as defined in
 7 the University of Illinois Hospital Act or a county hospital
 8 in a county of over 3 million population.

9 ~~"Total--Medicaid-Base-Year-Spending"--means-the-hospital's~~
 10 ~~State-fiscal-year-1991-weighted--average--payment--rates,--as~~
 11 ~~defined--by--rule,--excluding-payments-under-Section-5-5.02-of~~
 12 ~~this-Code,--reduced-by-5%-and--multiplied--by--the--hospital's~~
 13 ~~estimated-rate-year-utilization.~~

14 (Source: P.A. 87-13.)

15 (305 ILCS 5/Art. V-D rep.)

16 (305 ILCS 5/14-2 rep.)

17 (305 ILCS 5/14-3 rep.)

18 (305 ILCS 5/14-4 rep.)

19 (305 ILCS 5/14-5 rep.)

20 (305 ILCS 5/14-6 rep.)

21 (305 ILCS 5/14-7 rep.)

22 (305 ILCS 5/14-9 rep.)

23 (305 ILCS 5/14-10 rep.)

24 Section 11. The Illinois Public Aid Code is amended by
 25 repealing Article V-D and Sections 14-2, 14-3, 14-4, 14-5,
 26 14-6, 14-7, 14-9, and 14-10.

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