



**Adopted in House Comm. on Mar 04, 2004**

09300HB4735ham001

LRB093 19043 AMC 48092 a

1 AMENDMENT TO HOUSE BILL 4735

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4735 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Nursing Facility Bed Conversion and Modernization Act.

6 Section 5. Nursing Facility Conversion and Modernization  
7 Program.

8 (a) For the purposes of this Section, "nursing facility"  
9 means (1) a skilled nursing or intermediate long term care  
10 facility, whether public or private and whether organized for  
11 profit or not-for-profit, that is subject to licensure by the  
12 Department of Public Health under the Nursing Home Care Act,  
13 including a county nursing home directed and maintained under  
14 Section 5-1005 of the Counties Code, and (2) a part of a  
15 hospital in which skilled or intermediate long term care  
16 services within the meaning of Title XVIII or XIX of the Social  
17 Security Act are provided.

18 (b) Any nursing facility that has, for the previous 3  
19 years, provided services to at least 35% of its resident  
20 population under the medical assistance program under Title XIX  
21 of the Social Security Act is eligible to apply for a Nursing  
22 Facility Conversion and Modernization Grant.

23 (c) Nursing Facility Conversion and Modernization Grants  
24 shall be available for the construction, alteration,

1 reconstruction, renovation, modernization, or improvement of  
2 existing nursing facility beds or areas within a nursing  
3 facility for any or a combination of any of the following uses:

4 (1) Conversion of a portion of or all nursing facility  
5 beds to an assisted living establishment as defined in the  
6 Assisted Living and Shared Housing Act or to a supported  
7 living facility as provided pursuant to Section 5-5.01a of  
8 the Public Aid Code.

9 (2) Conversion of shared nursing facility bedrooms to  
10 private, single-bed rooms.

11 (3) Provision of any alternatives to nursing facility  
12 care, which, for purposes of this Section, means those  
13 services included in the program of home and  
14 community-based waiver services for seniors under the  
15 medical assistance program under Title XIX of the Security  
16 Act, including, but not limited to, adult day services or  
17 respite care living space within a nursing facility.

18 (d) Construction projects for conversion or modernization  
19 of existing nursing facilities shall not have the effect of:

20 (1) diminishing or reducing the quality of services  
21 available to nursing facility residents; or

22 (2) forcing any nursing facility resident to  
23 involuntarily accept home or community-based services in  
24 lieu of nursing facility services; or

25 (3) diminishing or reducing the supply of long-term  
26 care services in any community below the level of need.

27 (e) Grants may not be used to expand a current building,  
28 except (i) for additional space required to accommodate related  
29 supportive services, such as dining rooms, kitchen and  
30 recreation areas, or other community use areas; or (ii) if the  
31 facility demonstrates that new construction is more cost  
32 effective than the conversion of existing space.

33 (f) Notwithstanding any local ordinance related to  
34 development, planning, or zoning to the contrary, the

1 conversion, modernization, or reuse of a nursing facility that  
2 closes or that curtails, reduces, or changes operations shall  
3 be considered a conforming use permitted under local law,  
4 provided that the facility is converted to another long-term  
5 care service.

6 (g) Conversions or modernization pursuant to this Act are  
7 exempt from the requirements of the Health Facilities Planning  
8 Act.

9 (h) Subject to available appropriations, Nursing Facility  
10 Conversion and Modernization Grants shall be available from the  
11 Nursing Facility Conversion and Modernization Fund, a special  
12 fund hereby created in the State treasury, for capital or  
13 one-time capital expenditures, for a maximum of \$1,000,000 per  
14 nursing facility; provided that grantees shall be required to  
15 provide 20% as match toward the total cost of the capital  
16 project. Any application for a Nursing Facility Conversion and  
17 Modernization Grant shall include the total budget that will be  
18 necessary, including State and federal funding, for services to  
19 operate the program once the capital project is completed, and  
20 shall specify the number of existing nursing facility beds that  
21 the nursing facility provider agrees to de-license. In  
22 distribution of the grants, the following factors shall be  
23 considered:

24 (1) the bed need in the area in which the facility is  
25 located; and

26 (2) The extent to which the conversion or modernization  
27 results in the reduction of licensed nursing facility beds  
28 in an area with excess beds.

29 The application and grant process, including rules and  
30 regulations for the Nursing Facility Conversion and  
31 Modernization Program, shall be promulgated by the Director of  
32 Public Health, in coordination with the Director of Public Aid  
33 and the Director of Aging.

34 (i) Any nursing facility receiving a grant pursuant to the

1 Nursing Facility Conversion and Modernization Program shall  
2 reduce the number of licensed nursing facility beds by an  
3 amount equal to or greater than the number of beds being  
4 constructed or modernized for one or more of the permitted uses  
5 pursuant to subsection (c).

6 (j) Any nursing facility receiving a grant pursuant to the  
7 Nursing Facility Conversion and Modernization Program shall  
8 agree, for a minimum of 10 years after the date that the grant  
9 is awarded, to maintain a minimum of 35% of its occupancy for  
10 residents eligible for services under the medical assistance  
11 program under Title XIX of the Social Security Act. In the  
12 event the nursing facility provider or its successor in  
13 interest ceases to comply with the requirement set forth in  
14 this subsection, the provider shall refund to the Nursing  
15 Facility Conversion and Modernization Fund, on an amortized  
16 basis, the amount of the grant.

17 (k) Any nursing facility receiving a grant pursuant to the  
18 Nursing Facility Conversion and Modernization Program shall  
19 not segregate residents receiving nursing facility services  
20 under the medical assistance program under Title XIX of the  
21 Social Security Act in an area, section, or portion of the  
22 nursing facility and shall not relocate a resident within the  
23 nursing facility solely due to a change in payment status from  
24 private payment to government subsidy.

25 Section 10. Reporting. The Director of Public Health, in  
26 coordination with the Director of Public Aid and the Director  
27 of Aging, shall implement mechanisms to monitor and analyze the  
28 effect of the Nursing Facility Conversion and Modernization  
29 Program, including documenting and verifying the savings to the  
30 Medicaid program attributable to this Act. A report containing  
31 the analysis shall be submitted to the Governor and the General  
32 Assembly on January 1, 2006 and on January 1 of each year  
33 thereafter.

1           Section 95. The State Finance Act is amended by adding  
2           Section 5.625 as follows:

3           (30 ILCS 105/5.625 new)

4           Sec. 5.625. The Nursing Facility Conversion and  
5           Modernization Fund.

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