

1 AN ACT concerning health care.

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

4 Section 1. Short title. This Act may be cited as the
5 Community Benefits Act.

6 Section 5. Applicability. This Act does not apply to a
7 hospital operated by a unit of government, a hospital located
8 outside of a metropolitan statistical area, or a hospital
9 with 100 or fewer beds. Hospitals that are owned or operated
10 by or affiliated with a health system shall be deemed to be
11 in compliance with this Act if the health system has met the
12 requirements of this Act.

13 Section 10. Definitions. As used in this Act:

14 "Charity care" means care provided by a health care
15 provider for which the provider does not expect to receive
16 payment from the patient or a third party payer.

17 "Community benefits" means the unreimbursed cost to a
18 hospital or health system of providing charity care, language
19 assistant services, government-sponsored indigent health
20 care, donations, volunteer services, education,
21 government-sponsored program services, research, and
22 subsidized health services and collecting bad debts.

23 "Community benefits" does not include the cost of paying any
24 taxes or other governmental assessments.

25 "Government sponsored indigent health care" means the
26 unreimbursed cost to a hospital or health system of Medicare,
27 providing health care services to recipients of Medicaid, and
28 other federal, State, or local indigent health care programs,
29 eligibility for which is based on financial need.

30 "Health system" means an entity that owns or operates at

1 least one hospital.

2 "Nonprofit hospital" means a hospital that is organized
3 as a nonprofit corporation, including religious
4 organizations, or a charitable trust under Illinois law or
5 the laws of any other state or country.

6 "Subsidized health services" means those services
7 provided by a hospital in response to community needs for
8 which the reimbursement is less than the hospital's cost of
9 providing the services that must be subsidized by other
10 hospital or nonprofit supporting entity revenue sources.

11 "Subsidized health services" includes, but is not limited to,
12 emergency and trauma care, neonatal intensive care, community
13 health clinics, and collaborative efforts with local
14 government or private agencies to prevent illness and improve
15 wellness, such as immunization programs.

16 Section 15. Organizational mission statement; community
17 benefits plan. A nonprofit hospital shall develop:

18 (1) an organizational mission statement that
19 identifies the hospital's commitment to serving the
20 health care needs of the community; and

21 (2) a community benefits plan defined as an
22 operational plan for serving the community's health care
23 needs that:

24 (A) sets out goals and objectives for
25 providing community benefits that include charity
26 care and government sponsored indigent health care;
27 and

28 (B) identifies the populations and communities
29 served by the hospital.

30 Section 20. Annual report for community benefits plan.

31 (a) Each nonprofit hospital shall prepare an annual
32 report of the community benefits plan. The report must

1 include, in addition to the community benefits plan itself,
2 all of the following background information:

3 (1) The hospital's mission statement.

4 (2) A disclosure of the health care needs of the
5 community that were considered in developing the
6 hospital's community benefits plan.

7 (3) A disclosure of the amount and types of
8 community benefits actually provided, including charity
9 care. Charity care must be reported separate from other
10 community benefits. In reporting charity care, the
11 hospital must report the actual cost of services
12 provided, based on the total cost to charge ratio derived
13 from the hospital's Medicare cost report (CMS 2552-96
14 Worksheet C, Part 1, PPS Inpatient Ratios), not the
15 charges for the services.

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,
22 beginning with the hospital fiscal year that ends in 2004.

23 (c) Each nonprofit hospital shall prepare a statement
24 that notifies the public that the annual report of the
25 community benefits plan is:

26 (1) public information;

27 (2) filed with the Attorney General; and

28 (3) available to the public on request from the
29 Attorney General.

30 This statement shall be made available to the public.

31 (d) The obligations of a hospital under this Act, except
32 for the filing of its audited financial report, shall take
33 effect beginning with the hospital's fiscal year that begins
34 after the effective date of this Act. Within 60 days of the

1 effective date of this Act, a hospital shall file the audited
2 annual financial report that has been completed for its most
3 recently completed fiscal year. Thereafter, a hospital shall
4 include its audited annual financial report for its most
5 recently completed fiscal year in its annual report of its
6 community benefits plan.

7 Section 25. Failure to file annual report. The Attorney
8 General may assess a late filing fee against a nonprofit
9 hospital that fails to make a report of the community
10 benefits plan as required under this Act in an amount not to
11 exceed \$100. The Attorney General may grant extensions for
12 good cause. No penalty may be assessed against a hospital
13 under this Section until 30 business days have elapsed after
14 written notification to the hospital of its failure to file a
15 report.

16 Section 30. Other rights and remedies retained. The
17 rights and remedies provided for in this Act are in addition
18 to other statutory or common law rights or remedies available
19 to the State.

20 Section 40. Home rule. A home rule unit may not
21 regulate hospitals in a manner inconsistent with the
22 provisions of this Act. This Section is a limitation under
23 subsection (i) of Section 6 of Article VII of the Illinois
24 Constitution on the concurrent exercise by home rule units of
25 powers and functions exercised by the State.

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