

**93RD GENERAL ASSEMBLY****State of Illinois****2003 and 2004**

Introduced 2/6/2004, by Iris Y. Martinez

SYNOPSIS AS INTRODUCED:

New Act

20 ILCS 3960/3	from Ch. 111 1/2, par. 1153
30 ILCS 105/5.621 new	
30 ILCS 105/5.622 new	
30 ILCS 105/5.623 new	
210 ILCS 45/3-103	from Ch. 111 1/2, par. 4153-103

Creates the Comprehensive Housing, Health, and Supportive Services for Older Adults Act and amends the Illinois Health Facilities Planning Act, the State Finance Act, and the Nursing Home Care Act. Requires the Department on Aging and the departments of Public Health and Public Aid to analyze the distribution of housing and services for older adults in the different geographic areas of the State and implement corrective action plans by July 1, 2005. Provides for a program for conversion of nursing homes to assisted living or shared housing establishments; makes such conversions exempt from the requirements of the Illinois Health Facilities Planning Act, and provides for transition planning grants to nursing homes making such conversions. Creates special funds in the State treasury for use in implementing the Comprehensive Housing, Health, and Supportive Services for Older Adults Act. Provides for transfers from the Long Term Care Monitor/Receiver Fund to the new Nursing Home Conversion Fund and the new Nursing Home Transition Planning Grant Fund. Makes other changes. Effective immediately.

LRB093 19012 DRJ 46698 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning aging.

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 Comprehensive Housing, Health, and Supportive Services for
6 Older Adults Act.

7 Section 5. Purpose. The purpose of this Act is to permit
8 the development and availability of a comprehensive,
9 affordable, and sustainable system of housing, health
10 services, and supportive services for older residents of
11 Illinois. A basic set of services should be available in all
12 areas of the State. Services must be of the highest quality,
13 client-focused, consumer-directed, and cost-effective. These
14 services shall be designed to meet the individual and his or
15 her family's changing needs and preferences and to encourage
16 family and community involvement. The services available are
17 intended to assist individuals to remain as independent as
18 possible, regardless of their residential setting.

19 Section 10. Definitions. In this Act:

20 "Caregiver" means the family member or other natural person
21 who normally provides the daily care or supervision of an older
22 adult.

23 "Comprehensive case management" means services and
24 activities that will assist eligible persons to gain access to
25 housing, health services, and supportive services, regardless
26 of the setting in which provided.

27 "Critical access area" means an area of the State that is
28 identified by the directors of Public Health and Aging as being
29 underserved in the areas of housing, health services, and
30 supportive services on the basis of being more than 30 minutes
31 in travel time, under normal driving conditions, from the next

1 nearest provider or being the sole provider located in an
2 underserved area or health professional shortage area.

3 "Critical access plan" means the plan developed pursuant to
4 Section 15 of this Act.

5 "Critical access provider" means a housing, health
6 services, or supportive service provider located in a critical
7 access area as under a critical access plan.

8 "Eligible nursing home" means any nursing home licensed
9 under the Nursing Home Care Act and certified under Title XVIII
10 of the Social Security Act to participate as a vendor in the
11 medical assistance program under Article V of the Illinois
12 Public Aid Code.

13 "Health services" means activities that promote, maintain,
14 improve, or restore mental or physical health.

15 "Long-term care services" means the range of services,
16 other than acute care services that provide time-limited
17 curative or restorative treatment, that are delivered to an
18 older adult with functional or cognitive limitations who
19 requires assistance to perform activities of daily living,
20 regardless of the setting in which the services are delivered,
21 by a nurse, health aide, or personal attendant.

22 "Older adult" means a person age 60 or older.

23 "Provider" means any supplier of housing, health services,
24 or supportive services to an older adult under this Act.

25 "Residential setting" means the place where an older adult
26 lives, independent of ownership, including but not limited to
27 the older adult's own residence, respite care, a nursing home,
28 senior housing, a supportive living facility, an assisted
29 living or shared housing establishment, or a community-based
30 residential alternative.

31 "Respite care" means the provision of intermittent and
32 temporary substitute care or supervision to an older adult on
33 behalf of and in the absence of the primary caregiver, for the
34 purpose of providing relief from the responsibilities of
35 providing constant care, so as to enable the caregiver to
36 continue to provide care in the older adult's home. The term

1 includes care provided in the older adult's home, in adult day
2 care, in a senior center during the day or overnight, or in
3 another residential setting.

4 "Senior center" means a community senior services and
5 resource center as described in the Community Senior Services
6 and Resources Act to conserve community resources by providing
7 older adults with access to services most appropriate to the
8 individual. The term includes a non-profit organization or unit
9 of local government located in a permanent facility that offers
10 5 or more programs that meet the needs of older adults and
11 their families, 7 hours per day, 5 days per week.

12 "Services" includes health and supportive services.

13 "Supportive services" includes the following: adult day
14 services; caregiver support; case management; computer
15 literacy; congregate meals; counseling; elder abuse prevention
16 and intervention; emergency response systems; home-delivered
17 meals; in-home services; job training and placement;
18 medication reminder systems; monitoring systems; ombudsman
19 services; respite care; senior benefits outreach;
20 telemedicine; transportation; wellness and fitness programs;
21 and any other program that maximizes participants' health,
22 safety, and well-being, regardless of residential setting.

23 "Telemedicine" means the use of telecommunications
24 technology by a provider to deliver health services at a site
25 other than the site where the provider is located.

26 Section 15. Distribution of housing and services.

27 (a) The Director of Public Health, in coordination with the
28 Director of Aging and the Director of Public Aid, shall monitor
29 and analyze the distribution of housing and services for older
30 adults in each geographic area of the State. The Director of
31 Public Health shall submit to the legislature, no later than
32 July 1, 2005, and every 5 years thereafter, an assessment of
33 the impact of the distribution of housing and services by
34 geographic area, with particular attention to service deficits
35 or problems, designating critical access service areas and a

1 corrective action plan.

2 (b) The directors of Public Health, Aging, and Public Aid
3 shall identify and designate specific geographic areas as
4 critical access service areas.

5 (c) No later than July 1, 2005, for programs under their
6 respective jurisdiction, the directors of Public Health,
7 Aging, and Public Aid shall implement the initial stages of a
8 plan to do the following:

9 (1) develop and implement specific waivers of
10 regulations governing housing and services to address
11 housing and service needs for older adults in critical
12 access service areas;

13 (2) give priority to the distribution of funds for
14 new, expansion, or transition housing and services to
15 critical access service areas; and

16 (3) identify funding barriers and provide
17 recommendations on changes to reimbursement methodologies
18 to facilitate the continued operation of these services in
19 critical access service areas.

20 Section 20. Barriers to alternative long-term care
21 services. The directors of Public Aid and Public Health, in
22 consultation with long-term care providers, advocates, and
23 consumers, shall identify barriers to the provision of
24 alternative long-term care services by licensed long-term care
25 facilities and shall implement a plan to address these barriers
26 no later than July 1, 2005. Areas to be examined shall include,
27 but are not limited to, regulatory complexity, State
28 requirements, and federal requirements. The plan may include,
29 but is not limited to, changes to State or federal laws or
30 rules or regulations, or application for federal waivers.

31 Section 25. Nursing home conversion program.

32 (a) The Illinois Finance Authority shall administer the
33 nursing home conversion program. The Nursing Home Conversion
34 Fund is created for this purpose. Beginning June 30, 2004, on

1 June 30 of each State fiscal year the State Comptroller shall
2 direct and the State Treasurer shall transfer an amount equal
3 to 25% of the balance in the Long Term Care Monitor/Receiver
4 Fund to the Nursing Home Conversion Fund. Amounts transferred
5 to the Nursing Home Conversion Fund under this subsection shall
6 carry over into subsequent fiscal years and shall not revert to
7 the General Revenue Fund.

8 (b) The Illinois Finance Authority shall establish an
9 application process for the conversion program. The Authority
10 shall make grants available to nursing home facilities from the
11 Nursing Home Conversion Fund for capital and other costs
12 related to (i) the conversion of a nursing home facility to an
13 assisted living establishment licensed under the Assisted
14 Living and Shared Housing Act or a supportive living facility
15 established under Section 5-5.01a of the Illinois Public Aid
16 Code or (ii) the conversion of multi-resident bedrooms in the
17 facility into single-occupancy rooms. The Authority must seek
18 recommendations from the directors of Aging and Public Aid
19 before making a grant under this Section.

20 (c) A facility may not use a grant under this Section to
21 expand a current building:

22 (1) except for additional space required to
23 accommodate related supportive services, such as dining
24 rooms, kitchen and recreation areas, or other community use
25 areas; or

26 (2) unless new construction of assisted living units,
27 which would expand parameters of the existing building, is
28 more cost-effective than the conversion of existing space,
29 in which case the facility must agree to de-license an
30 equivalent number of existing nursing facility beds.

31 (d) A nursing home facility that is currently certified as
32 a Medicaid provider under Title XVIII of the Social Security
33 Act is eligible to apply for a nursing home facility conversion
34 grant under this Section.

35 (e) A conversion funded in whole or in part by a grant
36 under this Section may not have the effect of:

1 (1) diminishing or reducing the quality of services
2 available to nursing home residents; or

3 (2) forcing any nursing home resident to involuntarily
4 accept home or community-based services instead of nursing
5 home services; or

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

8 (f) The Illinois Finance Authority shall consider the
9 following factors in determining the distribution of grants
10 under this Section:

11 (1) the bed need in the area in which the facility is
12 located; and

13 (2) the extent to which the conversion results in the
14 reduction of licensed nursing home beds in an area with
15 excess beds.

16 (g) In approving grants under this Section, the Illinois
17 Finance Authority shall ensure that conversion projects do not
18 increase overall medical assistance costs for long-term care
19 services and ensure that the supply and distribution of
20 long-term care services are not diminished in any community.

21 (h) A conversion funded in whole or in part by grants under
22 this Section is exempt from the requirements of the Illinois
23 Health Facilities Planning Act.

24 (i) The Illinois Finance Authority shall document and
25 verify the savings to the Medicaid program attributable to the
26 nursing home conversion program annually and shall notify the
27 General Assembly, the Department on Aging, and the Coordinating
28 Committee of State Agencies Serving Older Persons of the
29 savings no later than January 1 of the next fiscal year.

30 Section 30. Transition planning grants.

31 (a) The Department of Public Health shall establish a
32 program of transition planning grants to assist eligible
33 nursing homes. The Nursing Home Transition Planning Grant Fund
34 is created for this purpose. Beginning June 30, 2004, on June
35 30 of each State fiscal year the State Comptroller shall direct

1 and the State Treasurer shall transfer an amount equal to 25%
2 of the balance in the Long Term Care Monitor/Receiver Fund to
3 the Nursing Home Transition Planning Grant Fund. Amounts
4 transferred to the Nursing Home Transition Planning Grant Fund
5 under this subsection shall carry over into subsequent fiscal
6 years and shall not revert to the General Revenue Fund.

7 (b) The Director of Public Health shall award grants to
8 nursing homes for either or both of the following purposes:

9 (1) To develop strategic plans that identify the
10 appropriate institutional and non-institutional settings
11 necessary to meet the older adult service needs of the
12 community. At a minimum, a strategic plan must consist of:

13 (A) a needs assessment to determine what older
14 adult services are needed and desired by the community;

15 (B) an assessment of the appropriate settings in
16 which to provide needed older adult services;

17 (C) an assessment identifying currently available
18 services and their settings in the community; and

19 (D) a transition plan to achieve the needed outcome
20 identified by the assessment.

21 (2) To implement transition projects identified in a
22 strategic plan, including but not limited to those
23 requiring capital expenditures.

24 (c) In determining which nursing homes will receive grants
25 under this Section, the Director of Public Health shall
26 consider the following factors:

27 (1) A description of the problem, a description of the
28 project, and the likelihood of the project meeting
29 identified needs. The applicant should describe achievable
30 objectives, a timetable, and roles and capabilities of
31 responsible individuals and organizations.

32 (2) The extent of community support for the nursing
33 home and this proposed project, including support by other
34 local long-term care providers and local community and
35 government leaders.

36 (3) A balanced distribution of grants among geographic

1 regions, and among small and large nursing homes.

2 (4) The financial condition of the nursing home.

3 (d) Construction necessitated by transition projects under
4 this Section is exempt from the requirements of the Illinois
5 Health Facilities Planning Act.

6 (e) The Director of Public Health shall evaluate the
7 overall effectiveness of the transition planning grant
8 program. The Director may collect, from the nursing homes
9 receiving grants under this Section, the information necessary
10 to evaluate the grant program. Information related to the
11 financial condition of individual nursing homes shall be
12 classified as nonpublic data.

13 (f) The Director of Public Health shall document and verify
14 the amount of savings to the Medicaid program attributable to
15 the transition planning grant program annually and shall notify
16 the General Assembly, the Department on Aging, and the
17 Coordinating Committee of State Agencies Serving Older Persons
18 of the savings no later than January 1 of the next fiscal year.

19 Section 35. Alternative long-term care services for older
20 adults.

21 (a) At the end of each State fiscal year, any unspent and
22 unencumbered State general fund appropriations for long-term
23 care for the elderly, including nursing facility, elderly
24 waiver, alternative care, and home care services, shall be
25 deposited in the Alternative Long-Term Care Services for Older
26 Adults Fund, which is hereby created. Moneys in the Alternative
27 Long-Term Care Services for Older Adults Fund may be used only
28 to pay for services listed in subsection (d).

29 (b) Any reduction in nursing home expenditures resulting
30 from (A) the nursing home conversion program, as documented and
31 verified pursuant to subsection (i) of Section 25, or (B) the
32 transition planning grant program, as documented and verified
33 pursuant to subsection (f) of Section 30, and moneys in the
34 Alternative Long-Term Care Services for Older Adults Fund,
35 shall be used to fund the services described in subsection (d)

1 of this Section.

2 (c) Nothing in this Act prevents a nursing home from being
3 eligible to provide any of the services listed in subsection
4 (d).

5 (d) Alternative long-term care services for older adults
6 include all of the following:

7 (1) adult day services;

8 (2) home health services;

9 (3) homemaker services;

10 (4) personal care;

11 (5) case management;

12 (6) respite care;

13 (7) services provided under the Assisted Living and
14 Shared Housing Act, or sheltered care services that meet
15 the requirements of the Assisted Living and Shared Housing
16 Act, or services provided under Section 5-5.01a of the
17 Illinois Public Aid Code (the Supportive Living Facilities
18 Pilot Program);

19 (8) emergency response services;

20 (9) transition services;

21 (10) residential care services;

22 (11) care-related supplies and equipment;

23 (12) meals delivered to the home;

24 (13) congregate meals;

25 (14) money management

26 (15) transportation;

27 (16) companion services;

28 (17) nutrition services;

29 (18) family care services;

30 (19) training for direct informal caregivers;

31 (20) telemedicine devices to monitor recipients in
32 their own homes as an alternative to hospital care, nursing
33 home care, or home visits;

34 (21) environmental modifications; and

35 (22) other programs designed to assist older
36 Illinoisans to remain independent and receive services in

1 the most integrated setting possible for that person.

2 Section 40. Interagency Council on Aging.

3 (a) No later than July 1, 2005, the Director of Aging, in
4 consultation with the Coordinating Committee of State Agencies
5 Serving Older Persons, shall implement a statewide system of
6 comprehensive case management services to minimize
7 administrative costs, improve access to services, and minimize
8 obstacles to the delivery of long-term care services to people
9 in need. In no instance may a provider of comprehensive case
10 management services provide to an older adult a list that
11 includes any unlicensed or uncertified provider of housing or
12 services if the provider of housing or services is required to
13 be licensed or certified.

14 (b) No later than July 1, 2005, the Director of Aging, in
15 consultation with the Coordinating Committee of State Agencies
16 Serving Older Persons, shall provide coordination of a
17 statewide system of comprehensive case management services,
18 regardless of the setting in which the services are provided.
19 Comprehensive case management services include, but are not
20 limited to, the development of a comprehensive care plan
21 through:

22 (A) a comprehensive assessment of the person's need for
23 case management services;

24 (B) the development of a written service delivery plan;

25 (C) implementation of the written service delivery
26 plan, including communication between the service provider
27 and the referral agency, which shall be reviewed annually
28 or whenever a significant change in the client's condition
29 warrants a review of the plan; and

30 (D) monitoring overall service delivery to ensure
31 quality and effectiveness of services, including
32 appropriate adjustments to the plan.

33 (c) No later than July 1, 2005, the Director of Aging, in
34 consultation with the Coordinating Committee of State Agencies
35 Serving Older Persons, the nursing home profession, consumer

1 advocates, consumers, and other long-term service providers,
2 shall propose a plan to implement, no later than July 1, 2006,
3 methods to contain costs and encourage the reduction of
4 Medicaid long-term care expenditures. The plan shall include,
5 but shall not be limited to:

6 (1) Development of a uniform, audited provider cost
7 reporting system that is used by all payment entities to
8 establish payments that are fair to the State and to
9 providers.

10 (2) Maximization of Medicare billing.

11 (3) Identification of mechanisms to reduce the number
12 of nursing home beds, including recommendations for
13 various sources of funding for payments to nursing homes to
14 reduce the number of licensed beds or to assist in the
15 conversion to other uses.

16 (4) Elimination or modification of State nursing home
17 rules that do not advance the quality of patient care and
18 are not cost effective.

19 (5) Development of innovative service delivery models
20 and applications for waivers of federal nursing home
21 regulations to improve the efficiency and reduce the cost
22 and paperwork required to regulate the nursing home
23 profession that do not advance the quality of patient care
24 and are not cost effective.

25 (6) Initiation of State and federal regulatory changes
26 to permit:

27 (i) greater cooperation among housing, health
28 services and supportive services providers in such
29 areas as discharge planning and staff sharing;

30 (ii) greater cooperation between housing, health
31 services, and supportive services providers,
32 regardless of setting in which the service is provided;
33 and

34 (iii) the use of vacant nursing home beds for
35 alternative purposes such as respite care, protective
36 services, or adult day services.

1 (7) Development of strategies to provide alternative
2 financing of long-term care services by shifting the
3 balance of the financial responsibility for payment for
4 long-term care services from public to private sources by
5 promoting public-private partnerships and personal
6 responsibility for long-term care. These strategies may
7 include, but are not limited to, waivers of federal
8 requirements for:

9 (i) private insurance coverage for long-term care;

10 (ii) employment programs such as medical savings
11 accounts for long-term care;

12 (iii) family responsibility options, including
13 family supplementation;

14 (iv) changes in Medicaid eligibility requirements
15 to increase consumers' financial responsibility for
16 long-term care; and

17 (v) methods to supplement and support family and
18 community care giving.

19 (8) Design and implementation of a voucher program to
20 permit appropriate consumers to contract or secure,
21 direct, manage and pay for their housing, health services,
22 and supportive services. The Department of Public Aid shall
23 apply for any federal waivers required to implement this
24 program.

25 (d) No later than July 1, 2005, the Director of Aging, in
26 consultation with the Coordinating Committee of State Agencies
27 Serving Older Persons, the nursing home profession, consumer
28 advocates, consumers and other long-term service providers,
29 shall propose a plan to implement, no later than July 1, 2006,
30 methods to improve quality, including but not limited to:

31 (1) Development and implementation of a plan to
32 stabilize the worker pool by using resources such as
33 grants, education, and promotion of long-term care
34 careers.

35 (2) Design, development, and implementation of
36 provider standards.

1 (3) Design, development, and implementation of a plan
2 for a comprehensive Internet based resource of available
3 housing, health services, and supportive services.

4 (e) Long-term care service models that are developed as
5 alternatives to nursing home models must be comparable in cost
6 or more cost-effective than the nursing home models that
7 provide equivalent services. Any alternative long-term care
8 service models identified must be financially viable, must be
9 cost-effective, must promote consumer independence,
10 participation, and non-institutionalization and, when
11 appropriate, consumer direction, and may include one or a
12 combination of services such as assisted living, adult foster
13 care, attendant care, and modifications of the residential care
14 home system.

15 (f) On July 1, 2005, and annually thereafter, the
16 Department of Public Aid shall report to the General Assembly
17 regarding the progress made in complying with the requirements
18 of this Section 40.

19 Section 45. Local regulation. Notwithstanding any local
20 ordinance related to development, planning, or zoning to the
21 contrary, the conversion or reuse of a nursing home that closes
22 or that curtails, reduces, or changes operations shall be
23 considered a conforming use permitted under local law, provided
24 that the facility is converted to another long-term care
25 service.

26 Section 50. Quality standards.

27 (a) The directors of Public Health and Aging shall
28 establish a core set of uniform quality standards for all
29 housing and services providers under this Act. The standards
30 must focus on outcomes and take into consideration client
31 choices and satisfaction.

32 (b) Each provider must implement a continuous quality
33 improvement process to address client issues that must include
34 the core set of uniform quality standards identified by the

1 directors. The continuous quality improvement process must
2 benchmark performance, be client-centered and data-driven, and
3 focus on client satisfaction.

4 Section 90. The Illinois Health Facilities Planning Act is
5 amended by changing Section 3 as follows:

6 (20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

7 (Section scheduled to be repealed on July 1, 2008)

8 Sec. 3. Definitions. As used in this Act:

9 "Health care facilities" means and includes the following
10 facilities and organizations:

11 1. An ambulatory surgical treatment center required to
12 be licensed pursuant to the Ambulatory Surgical Treatment
13 Center Act;

14 2. An institution, place, building, or agency required
15 to be licensed pursuant to the Hospital Licensing Act;

16 3. Skilled and intermediate long term care facilities
17 licensed under the Nursing Home Care Act;

18 3. Skilled and intermediate long term care facilities
19 licensed under the Nursing Home Care Act;

20 4. Hospitals, nursing homes, ambulatory surgical
21 treatment centers, or kidney disease treatment centers
22 maintained by the State or any department or agency
23 thereof;

24 5. Kidney disease treatment centers, including a
25 free-standing hemodialysis unit; and

26 6. An institution, place, building, or room used for
27 the performance of outpatient surgical procedures that is
28 leased, owned, or operated by or on behalf of an
29 out-of-state facility.

30 No federally owned facility shall be subject to the
31 provisions of this Act, nor facilities used solely for healing
32 by prayer or spiritual means.

33 No facility licensed under the Supportive Residences
34 Licensing Act or the Assisted Living and Shared Housing Act

1 shall be subject to the provisions of this Act.

2 A facility designated as a supportive living facility that
3 is in good standing with the demonstration project established
4 under Section 5-5.01a of the Illinois Public Aid Code shall not
5 be subject to the provisions of this Act.

6 This Act does not apply to facilities granted waivers under
7 Section 3-102.2 of the Nursing Home Care Act. However, if a
8 demonstration project under that Act applies for a certificate
9 of need to convert to a nursing facility, it shall meet the
10 licensure and certificate of need requirements in effect as of
11 the date of application.

12 This Act shall not apply to the closure of an entity or a
13 portion of an entity licensed under the Nursing Home Care Act
14 that elects to convert, in whole or in part, to an assisted
15 living or shared housing establishment licensed under the
16 Assisted Living and Shared Housing Act.

17 With the exception of those health care facilities
18 specifically included in this Section, nothing in this Act
19 shall be intended to include facilities operated as a part of
20 the practice of a physician or other licensed health care
21 professional, whether practicing in his individual capacity or
22 within the legal structure of any partnership, medical or
23 professional corporation, or unincorporated medical or
24 professional group. Further, this Act shall not apply to
25 physicians or other licensed health care professional's
26 practices where such practices are carried out in a portion of
27 a health care facility under contract with such health care
28 facility by a physician or by other licensed health care
29 professionals, whether practicing in his individual capacity
30 or within the legal structure of any partnership, medical or
31 professional corporation, or unincorporated medical or
32 professional groups. This Act shall apply to construction or
33 modification and to establishment by such health care facility
34 of such contracted portion which is subject to facility
35 licensing requirements, irrespective of the party responsible
36 for such action or attendant financial obligation.

1 "Person" means any one or more natural persons, legal
2 entities, governmental bodies other than federal, or any
3 combination thereof.

4 "Consumer" means any person other than a person (a) whose
5 major occupation currently involves or whose official capacity
6 within the last 12 months has involved the providing,
7 administering or financing of any type of health care facility,
8 (b) who is engaged in health research or the teaching of
9 health, (c) who has a material financial interest in any
10 activity which involves the providing, administering or
11 financing of any type of health care facility, or (d) who is or
12 ever has been a member of the immediate family of the person
13 defined by (a), (b), or (c).

14 "State Board" means the Health Facilities Planning Board.

15 "Construction or modification" means the establishment,
16 erection, building, alteration, reconstruction, modernization,
17 improvement, extension, discontinuation, change of ownership,
18 of or by a health care facility, or the purchase or acquisition
19 by or through a health care facility of equipment or service
20 for diagnostic or therapeutic purposes or for facility
21 administration or operation, or any capital expenditure made by
22 or on behalf of a health care facility which exceeds the
23 capital expenditure minimum; however, any capital expenditure
24 made by or on behalf of a health care facility for (i) the
25 construction or modification of a facility licensed under the
26 Assisted Living and Shared Housing Act or (ii) a conversion or
27 transition project undertaken in accordance with Section 25 or
28 30 of the Comprehensive Housing, Health, and Supportive
29 Services for Older Adults Act shall be excluded from any
30 obligations under this Act.

31 "Establish" means the construction of a health care
32 facility or the replacement of an existing facility on another
33 site.

34 "Major medical equipment" means medical equipment which is
35 used for the provision of medical and other health services and
36 which costs in excess of the capital expenditure minimum,

1 except that such term does not include medical equipment
2 acquired by or on behalf of a clinical laboratory to provide
3 clinical laboratory services if the clinical laboratory is
4 independent of a physician's office and a hospital and it has
5 been determined under Title XVIII of the Social Security Act to
6 meet the requirements of paragraphs (10) and (11) of Section
7 1861(s) of such Act. In determining whether medical equipment
8 has a value in excess of the capital expenditure minimum, the
9 value of studies, surveys, designs, plans, working drawings,
10 specifications, and other activities essential to the
11 acquisition of such equipment shall be included.

12 "Capital Expenditure" means an expenditure: (A) made by or
13 on behalf of a health care facility (as such a facility is
14 defined in this Act); and (B) which under generally accepted
15 accounting principles is not properly chargeable as an expense
16 of operation and maintenance, or is made to obtain by lease or
17 comparable arrangement any facility or part thereof or any
18 equipment for a facility or part; and which exceeds the capital
19 expenditure minimum.

20 For the purpose of this paragraph, the cost of any studies,
21 surveys, designs, plans, working drawings, specifications, and
22 other activities essential to the acquisition, improvement,
23 expansion, or replacement of any plant or equipment with
24 respect to which an expenditure is made shall be included in
25 determining if such expenditure exceeds the capital
26 expenditures minimum. Donations of equipment or facilities to a
27 health care facility which if acquired directly by such
28 facility would be subject to review under this Act shall be
29 considered capital expenditures, and a transfer of equipment or
30 facilities for less than fair market value shall be considered
31 a capital expenditure for purposes of this Act if a transfer of
32 the equipment or facilities at fair market value would be
33 subject to review.

34 "Capital expenditure minimum" means \$6,000,000, which
35 shall be annually adjusted to reflect the increase in
36 construction costs due to inflation, for major medical

1 equipment and for all other capital expenditures; provided,
2 however, that when a capital expenditure is for the
3 construction or modification of a health and fitness center,
4 "capital expenditure minimum" means the capital expenditure
5 minimum for all other capital expenditures in effect on March
6 1, 2000, which shall be annually adjusted to reflect the
7 increase in construction costs due to inflation.

8 "Non-clinical service area" means an area (i) for the
9 benefit of the patients, visitors, staff, or employees of a
10 health care facility and (ii) not directly related to the
11 diagnosis, treatment, or rehabilitation of persons receiving
12 services from the health care facility. "Non-clinical service
13 areas" include, but are not limited to, chapels; gift shops;
14 news stands; computer systems; tunnels, walkways, and
15 elevators; telephone systems; projects to comply with life
16 safety codes; educational facilities; student housing;
17 patient, employee, staff, and visitor dining areas;
18 administration and volunteer offices; modernization of
19 structural components (such as roof replacement and masonry
20 work); boiler repair or replacement; vehicle maintenance and
21 storage facilities; parking facilities; mechanical systems for
22 heating, ventilation, and air conditioning; loading docks; and
23 repair or replacement of carpeting, tile, wall coverings,
24 window coverings or treatments, or furniture. Solely for the
25 purpose of this definition, "non-clinical service area" does
26 not include health and fitness centers.

27 "Areawide" means a major area of the State delineated on a
28 geographic, demographic, and functional basis for health
29 planning and for health service and having within it one or
30 more local areas for health planning and health service. The
31 term "region", as contrasted with the term "subregion", and the
32 word "area" may be used synonymously with the term "areawide".

33 "Local" means a subarea of a delineated major area that on
34 a geographic, demographic, and functional basis may be
35 considered to be part of such major area. The term "subregion"
36 may be used synonymously with the term "local".

1 "Areawide health planning organization" or "Comprehensive
2 health planning organization" means the health systems agency
3 designated by the Secretary, Department of Health and Human
4 Services or any successor agency.

5 "Local health planning organization" means those local
6 health planning organizations that are designated as such by
7 the areawide health planning organization of the appropriate
8 area.

9 "Physician" means a person licensed to practice in
10 accordance with the Medical Practice Act of 1987, as amended.

11 "Licensed health care professional" means a person
12 licensed to practice a health profession under pertinent
13 licensing statutes of the State of Illinois.

14 "Director" means the Director of the Illinois Department of
15 Public Health.

16 "Agency" means the Illinois Department of Public Health.

17 "Comprehensive health planning" means health planning
18 concerned with the total population and all health and
19 associated problems that affect the well-being of people and
20 that encompasses health services, health manpower, and health
21 facilities; and the coordination among these and with those
22 social, economic, and environmental factors that affect
23 health.

24 "Alternative health care model" means a facility or program
25 authorized under the Alternative Health Care Delivery Act.

26 "Out-of-state facility" means a person that is both (i)
27 licensed as a hospital or as an ambulatory surgery center under
28 the laws of another state or that qualifies as a hospital or an
29 ambulatory surgery center under regulations adopted pursuant
30 to the Social Security Act and (ii) not licensed under the
31 Ambulatory Surgical Treatment Center Act, the Hospital
32 Licensing Act, or the Nursing Home Care Act. Affiliates of
33 out-of-state facilities shall be considered out-of-state
34 facilities. Affiliates of Illinois licensed health care
35 facilities 100% owned by an Illinois licensed health care
36 facility, its parent, or Illinois physicians licensed to

1 practice medicine in all its branches shall not be considered
2 out-of-state facilities. Nothing in this definition shall be
3 construed to include an office or any part of an office of a
4 physician licensed to practice medicine in all its branches in
5 Illinois that is not required to be licensed under the
6 Ambulatory Surgical Treatment Center Act.

7 "Change of ownership of a health care facility" means a
8 change in the person who has ownership or control of a health
9 care facility's physical plant and capital assets. A change in
10 ownership is indicated by the following transactions: sale,
11 transfer, acquisition, lease, change of sponsorship, or other
12 means of transferring control.

13 "Related person" means any person that: (i) is at least 50%
14 owned, directly or indirectly, by either the health care
15 facility or a person owning, directly or indirectly, at least
16 50% of the health care facility; or (ii) owns, directly or
17 indirectly, at least 50% of the health care facility.

18 (Source: P.A. 93-41, eff. 6-27-03.)

19 Section 95. The State Finance Act is amended by adding
20 Sections 5.621, 5.622, and 5.623 as follows:

21 (30 ILCS 105/5.621 new)

22 Sec. 5.621. The Nursing Home Conversion Fund.

23 (30 ILCS 105/5.622 new)

24 Sec. 5.622. The Nursing Home Transition Planning Grant
25 Fund.

26 (30 ILCS 105/5.623 new)

27 Sec. 5.623. The Alternative Long-Term Care Services for
28 Older Adults Fund.

29 Section 96. The Nursing Home Care Act is amended by
30 changing Section 3-103 as follows:

1 (210 ILCS 45/3-103) (from Ch. 111 1/2, par. 4153-103)

2 Sec. 3-103. The procedure for obtaining a valid license
3 shall be as follows:

4 (1) Application to operate a facility shall be made to the
5 Department on forms furnished by the Department.

6 (2) All license applications shall be accompanied with an
7 application fee. The fee for an annual license shall be based
8 on the licensed capacity of the facility and shall be
9 determined as follows: 0-49 licensed beds, a flat fee of \$500;
10 50-99 licensed beds, a flat fee of \$750; and for any facility
11 with 100 or more licensed beds, a fee of \$1,000 plus \$10 per
12 licensed bed. The fee for a 2-year license shall be double the
13 fee for the annual license set forth in the preceding sentence.
14 The first \$600,000 of such fees collected each fiscal year
15 shall be deposited with the State Treasurer into the Long Term
16 Care Monitor/Receiver Fund, which has been created as a special
17 fund in the State treasury. Any such fees in excess of \$600,000
18 collected in a fiscal year shall be deposited into the General
19 Revenue Fund. This special fund is to be used by the Department
20 for expenses related to the appointment of monitors and
21 receivers as contained in Sections 3-501 through 3-517. At the
22 end of each fiscal year, any funds in excess of \$1,000,000 held
23 in the Long Term Care Monitor/Receiver Fund after transfers to
24 the Nursing Home Conversion Fund and the Nursing Home
25 Transition Planning Grant Fund as provided in the Comprehensive
26 Housing, Health, and Supportive Services for Older Adults Act
27 shall be deposited in the State's General Revenue Fund. The
28 application shall be under oath and the submission of false or
29 misleading information shall be a Class A misdemeanor. The
30 application shall contain the following information:

31 (a) The name and address of the applicant if an
32 individual, and if a firm, partnership, or association, of
33 every member thereof, and in the case of a corporation, the
34 name and address thereof and of its officers and its
35 registered agent, and in the case of a unit of local
36 government, the name and address of its chief executive

1 officer;

2 (b) The name and location of the facility for which a
3 license is sought;

4 (c) The name of the person or persons under whose
5 management or supervision the facility will be conducted;

6 (d) The number and type of residents for which
7 maintenance, personal care, or nursing is to be provided;
8 and

9 (e) Such information relating to the number,
10 experience, and training of the employees of the facility,
11 any management agreements for the operation of the
12 facility, and of the moral character of the applicant and
13 employees as the Department may deem necessary.

14 (3) Each initial application shall be accompanied by a
15 financial statement setting forth the financial condition of
16 the applicant and by a statement from the unit of local
17 government having zoning jurisdiction over the facility's
18 location stating that the location of the facility is not in
19 violation of a zoning ordinance. An initial application for a
20 new facility shall be accompanied by a permit as required by
21 the "Illinois Health Facilities Planning Act". After the
22 application is approved, the applicant shall advise the
23 Department every 6 months of any changes in the information
24 originally provided in the application.

25 (4) Other information necessary to determine the identity
26 and qualifications of an applicant to operate a facility in
27 accordance with this Act shall be included in the application
28 as required by the Department in regulations.

29 (Source: P.A. 93-32, eff. 7-1-03.)

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.