

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 Older
5 Adult Services Act.

6 Section 5. Purpose. The purpose of this Act is to promote a
7 transformation of Illinois' comprehensive system of older
8 adult services from funding a primarily facility-based service
9 delivery system to primarily a home-based and community-based
10 system, taking into account the continuing need for 24-hour
11 skilled nursing care and congregate housing with services. Such
12 restructuring shall encompass the provision of housing,
13 health, financial, and supportive older adult services. It is
14 envisioned that this restructuring will promote the
15 development, availability, and accessibility of a
16 comprehensive, affordable, and sustainable service delivery
17 system that places a high priority on home-based and
18 community-based services. Such restructuring will encompass
19 all aspects of the delivery system regardless of the setting in
20 which the service is provided.

21 Section 10. Definitions. In this Act:

22 "Advisory Committee" means the Older Adult Services
23 Advisory Committee.

24 "Certified nursing home" means any nursing home licensed
25 under the Nursing Home Care Act and certified under Title XIX
26 of the Social Security Act to participate as a vendor in the
27 medical assistance program under Article V of the Illinois
28 Public Aid Code.

29 "Comprehensive case management" means the assessment of
30 needs and preferences of an older adult at the direction of the
31 older adult or the older adult's designated representative and

1 the arrangement, coordination, and monitoring of an optimum
2 package of services to meet the needs of the older adult.

3 "Consumer-directed" means decisions made by an informed
4 older adult from available services and care options, which may
5 range from independently making all decisions and managing
6 services directly to limited participation in decision-making,
7 based upon the functional and cognitive level of the older
8 adult.

9 "Coordinated point of entry" means an integrated access
10 point where consumers receive information and assistance,
11 assessment of needs, care planning, referral, assistance in
12 completing applications, authorization of services where
13 permitted, and follow-up to ensure that referrals and services
14 are accessed.

15 "Department" means the Department on Aging, in
16 collaboration with the departments of Public Health and Public
17 Aid and other relevant agencies and in consultation with the
18 Advisory Committee, except as otherwise provided.

19 "Departments" means the Department on Aging, the
20 departments of Public Health and Public Aid, and other relevant
21 agencies in collaboration with each other and in consultation
22 with the Advisory Committee, except as otherwise provided.

23 "Family caregiver" means an adult family member or another
24 individual who is an uncompensated provider of home-based or
25 community-based care to an older adult.

26 "Health services" means activities that promote, maintain,
27 improve, or restore mental or physical health or that are
28 palliative in nature.

29 "Older adult" means a person age 60 or older and, if
30 appropriate, the person's family caregiver.

31 "Person-centered" means a process that builds upon an older
32 adult's strengths and capacities to engage in activities that
33 promote community life and that reflect the older adult's
34 preferences, choices, and abilities, to the extent
35 practicable.

36 "Priority service area" means an area identified by the

1 Departments as being less-served with respect to the
2 availability of and access to older adult services in Illinois.
3 The Departments shall determine by rule the criteria and
4 standards used to designate such areas.

5 "Priority service plan" means the plan developed pursuant
6 to Section 25 of this Act.

7 "Provider" means any supplier of services under this Act.

8 "Residential setting" means the place where an older adult
9 lives.

10 "Restructuring" means the transformation of Illinois'
11 comprehensive system of older adult services from funding
12 primarily a facility-based service delivery system to
13 primarily a home-based and community-based system, taking into
14 account the continuing need for 24-hour skilled nursing care
15 and congregate housing with services.

16 "Services" means the range of housing, health, financial,
17 and supportive services, other than acute health care services,
18 that are delivered to an older adult with functional or
19 cognitive limitations, or socialization needs, who requires
20 assistance to perform activities of daily living, regardless of
21 the residential setting in which the services are delivered.

22 "Supportive services" means non-medical assistance given
23 over a period of time to an older adult that is needed to
24 compensate for the older adult's functional or cognitive
25 limitations, or socialization needs, or those services
26 designed to restore, improve, or maintain the older adult's
27 functional or cognitive abilities.

28 Section 15. Designation of lead agency; annual report.

29 (a) The Department on Aging shall be the lead agency for:
30 the provision of services to older adults and their family
31 caregivers; restructuring Illinois' service delivery system
32 for older adults; and implementation of this Act, except where
33 otherwise provided. The Department on Aging shall collaborate
34 with the departments of Public Health and Public Aid and any
35 other relevant agencies, and shall consult with the Advisory

1 Committee, in all aspects of these duties, except as otherwise
2 provided in this Act.

3 (b) The Departments shall promulgate rules to implement
4 this Act pursuant to the Illinois Administrative Procedure Act.

5 (c) On January 1, 2006, and each January 1 thereafter, the
6 Department shall issue a report to the General Assembly on
7 progress made in complying with this Act, impediments thereto,
8 recommendations of the Advisory Committee, and any
9 recommendations for legislative changes necessary to implement
10 this Act. To the extent practicable, all reports required by
11 this Act shall be consolidated into a single report.

12 Section 20. Priority service areas; service expansion.

13 (a) The requirements of this Section are subject to the
14 availability of funding.

15 (b) The Department shall expand older adult services that
16 promote independence and permit older adults to remain in their
17 own homes and communities. Priority shall be given to both the
18 expansion of services and the development of new services in
19 priority service areas.

20 (c) Inventory of services. The Department shall develop and
21 maintain an inventory and assessment of (i) the types and
22 quantities of public older adult services and, to the extent
23 possible, privately provided older adult services, including
24 the unduplicated count, location, and characteristics of
25 individuals served by each facility, program, or service and
26 (ii) the resources supporting those services.

27 (d) Priority service areas. The Departments shall assess
28 the current and projected need for older adult services
29 throughout the State, analyze the results of the inventory, and
30 identify priority service areas, which shall serve as the basis
31 for a priority service plan to be filed with the Governor and
32 the General Assembly no later than July 1, 2006, and every 5
33 years thereafter.

34 (e) Moneys appropriated by the General Assembly for the
35 purpose of this Section, receipts from donations, grants, fees,

1 or taxes that may accrue from any public or private sources to
2 the Department for the purpose of this Section, and savings
3 attributable to the nursing home conversion program as
4 calculated in subsection (h) shall be deposited into the
5 Department on Aging State Projects Fund. Interest earned by
6 those moneys in the Fund shall be credited to the Fund.

7 (f) Moneys described in subsection (e) from the Department
8 on Aging State Projects Fund shall be used for older adult
9 services, regardless of where the older adult receives the
10 service, with priority given to both the expansion of services
11 and the development of new services in priority service areas.
12 Fundable services shall include:

- 13 (1) Housing, health services, and supportive services:
14 (A) adult day care;
15 (B) adult day care for persons with Alzheimer's
16 disease and related disorders;
17 (C) activities of daily living;
18 (D) care-related supplies and equipment;
19 (E) case management;
20 (F) community reintegration;
21 (G) companion;
22 (H) congregate meals;
23 (I) counseling and education;
24 (J) elder abuse prevention and intervention;
25 (K) emergency response and monitoring;
26 (L) environmental modifications;
27 (M) family caregiver support;
28 (N) financial;
29 (O) home delivered meals;
30 (P) homemaker;
31 (Q) home health;
32 (R) hospice;
33 (S) laundry;
34 (T) long-term care ombudsman;
35 (U) medication reminders;
36 (V) money management;

- 1 (W) nutrition services;
- 2 (X) personal care;
- 3 (Y) respite care;
- 4 (Z) residential care;
- 5 (AA) senior benefits outreach;
- 6 (BB) senior centers;
- 7 (CC) services provided under the Assisted Living
8 and Shared Housing Act, or sheltered care services that
9 meet the requirements of the Assisted Living and Shared
10 Housing Act, or services provided under Section
11 5-5.01a of the Illinois Public Aid Code (the Supportive
12 Living Facilities Pilot Program);
- 13 (DD) telemedicine devices to monitor recipients in
14 their own homes as an alternative to hospital care,
15 nursing home care, or home visits;
- 16 (EE) training for direct family caregivers;
- 17 (FF) transition;
- 18 (GG) transportation;
- 19 (HH) wellness and fitness programs; and
- 20 (II) other programs designed to assist older
21 adults in Illinois to remain independent and receive
22 services in the most integrated residential setting
23 possible for that person.

24 (2) Older Adult Services Demonstration Grants,
25 pursuant to subsection (g) of this Section.

26 (g) Older Adult Services Demonstration Grants. The
27 Department shall establish a program of demonstration grants to
28 assist in the restructuring of the delivery system for older
29 adult services and provide funding for innovative service
30 delivery models and system change and integration initiatives.
31 The Department shall prescribe, by rule, the grant application
32 process. At a minimum, every application must include:

- 33 (1) The type of grant sought;
- 34 (2) A description of the project;
- 35 (3) The objective of the project;
- 36 (4) The likelihood of the project meeting identified

1 needs;

2 (5) The plan for financing, administration, and
3 evaluation of the project;

4 (6) The timetable for implementation;

5 (7) The roles and capabilities of responsible
6 individuals and organizations;

7 (8) Documentation of collaboration with other service
8 providers, local community government leaders, and other
9 stakeholders, other providers, and any other stakeholders
10 in the community;

11 (9) Documentation of community support for the
12 project, including support by other service providers,
13 local community government leaders, and other
14 stakeholders;

15 (10) The total budget for the project;

16 (11) The financial condition of the applicant; and

17 (12) Any other application requirements that may be
18 established by the Department by rule.

19 Each project may include provisions for a designated staff
20 person who is responsible for the development of the project
21 and recruitment of providers.

22 Projects may include, but are not limited to: adult family
23 foster care; family adult day care; assisted living in a
24 supervised apartment; personal services in a subsidized
25 housing project; evening and weekend home care coverage; small
26 incentive grants to attract new providers; money following the
27 person; cash and counseling; managed long-term care; and at
28 least one respite care project that establishes a local
29 coordinated network of volunteer and paid respite workers,
30 coordinates assignment of respite workers to caregivers and
31 older adults, ensures the health and safety of the older adult,
32 provides training for caregivers, and ensures that support
33 groups are available in the community.

34 A demonstration project funded in whole or in part by an
35 Older Adult Services Demonstration Grant is exempt from the
36 requirements of the Illinois Health Facilities Planning Act. To

1 the extent applicable, however, for the purpose of maintaining
2 the statewide inventory authorized by the Illinois Health
3 Facilities Planning Act, the Department shall send to the
4 Health Facilities Planning Board a copy of each grant award
5 made under this subsection (g).

6 The Department, in collaboration with the Departments of
7 Public Health and Public Aid, shall evaluate the effectiveness
8 of the projects receiving grants under this Section.

9 (h) No later than July 1 of each year, the Department of
10 Public Health shall provide information to the Department of
11 Public Aid to enable the Department of Public Aid to annually
12 document and verify the savings attributable to the nursing
13 home conversion program for the previous fiscal year to
14 estimate an annual amount of such savings that may be
15 appropriated to the Department on Aging State Projects Fund and
16 notify the General Assembly, the Department on Aging, the
17 Department of Human Services, and the Advisory Committee of the
18 savings no later than October 1 of the same fiscal year.

19 Section 25. Older adult services restructuring. No later
20 than January 1, 2005, the Department shall commence the process
21 of restructuring the older adult services delivery system.
22 Priority shall be given to both the expansion of services and
23 the development of new services in priority service areas.
24 Subject to the availability of funding, the restructuring shall
25 include, but not be limited to, the following:

26 (1) Planning. The Department shall develop a plan to
27 restructure the State's service delivery system for older
28 adults. The plan shall include a schedule for the
29 implementation of the initiatives outlined in this Act and all
30 other initiatives identified by the participating agencies to
31 fulfill the purposes of this Act. Financing for older adult
32 services shall be based on the principle that "money follows
33 the individual". The plan shall also identify potential
34 impediments to delivery system restructuring and include any
35 known regulatory or statutory barriers.

1 (2) Comprehensive case management. The Department shall
2 implement a statewide system of holistic comprehensive case
3 management. The system shall include the identification and
4 implementation of a universal, comprehensive assessment tool
5 to be used statewide to determine the level of functional,
6 cognitive, socialization, and financial needs of older adults.
7 This tool shall be supported by an electronic intake,
8 assessment, and care planning system linked to a central
9 location. "Comprehensive case management" includes services
10 and coordination such as (i) comprehensive assessment of the
11 older adult (including the physical, functional, cognitive,
12 psycho-social, and social needs of the individual); (ii)
13 development and implementation of a service plan with the older
14 adult to mobilize the formal and family resources and services
15 identified in the assessment to meet the needs of the older
16 adult, including coordination of the resources and services
17 with any other plans that exist for various formal services,
18 such as hospital discharge plans, and with the information and
19 assistance services; (iii) coordination and monitoring of
20 formal and family service delivery, including coordination and
21 monitoring to ensure that services specified in the plan are
22 being provided; (iv) periodic reassessment and revision of the
23 status of the older adult with the older adult or, if
24 necessary, the older adult's designated representative; and
25 (v) in accordance with the wishes of the older adult, advocacy
26 on behalf of the older adult for needed services or resources.

27 (3) Coordinated point of entry. The Department shall
28 implement and publicize a statewide coordinated point of entry
29 using a uniform name, identity, logo, and toll-free number.

30 (4) Public web site. The Department shall develop a public
31 web site that provides links to available services, resources,
32 and reference materials concerning caregiving, diseases, and
33 best practices for use by professionals, older adults, and
34 family caregivers.

35 (5) Expansion of older adult services. The Department shall
36 expand older adult services that promote independence and

1 permit older adults to remain in their own homes and
2 communities.

3 (6) Consumer-directed home and community-based services.
4 The Department shall expand the range of service options
5 available to permit older adults to exercise maximum choice and
6 control over their care.

7 (7) Comprehensive delivery system. The Department shall
8 expand opportunities for older adults to receive services in
9 systems that integrate acute and chronic care.

10 (8) Enhanced transition and follow-up services. The
11 Department shall implement a program of transition from one
12 residential setting to another and follow-up services,
13 regardless of residential setting, pursuant to rules with
14 respect to (i) resident eligibility, (ii) assessment of the
15 resident's health, cognitive, social, and financial needs,
16 (iii) development of transition plans, and (iv) the level of
17 services that must be available before transitioning a resident
18 from one setting to another.

19 (9) Family caregiver support. The Department shall develop
20 strategies for public and private financing of services that
21 supplement and support family caregivers.

22 (10) Quality standards and quality improvement. The
23 Department shall establish a core set of uniform quality
24 standards for all providers that focus on outcomes and take
25 into consideration consumer choice and satisfaction, and the
26 Department shall require each provider to implement a
27 continuous quality improvement process to address consumer
28 issues. The continuous quality improvement process must
29 benchmark performance, be person-centered and data-driven, and
30 focus on consumer satisfaction.

31 (11) Workforce. The Department shall develop strategies to
32 attract and retain a qualified and stable worker pool, provide
33 living wages and benefits, and create a work environment that
34 is conducive to long-term employment and career development.
35 Resources such as grants, education, and promotion of career
36 opportunities may be used.

1 (12) Coordination of services. The Department shall
2 identify methods to better coordinate service networks to
3 maximize resources and minimize duplication of services and
4 ease of application.

5 (13) Barriers to services. The Department shall identify
6 barriers to the provision, availability, and accessibility of
7 services and shall implement a plan to address those barriers.
8 The plan shall: (i) identify barriers, including but not
9 limited to, statutory and regulatory complexity, reimbursement
10 issues, payment issues, and labor force issues; (ii) recommend
11 changes to State or federal laws or administrative rules or
12 regulations; (iii) recommend application for federal waivers
13 to improve efficiency and reduce cost and paperwork; (iv)
14 develop innovative service delivery models; and (v) recommend
15 application for federal or private service grants.

16 (14) Reimbursement and funding. The Department shall
17 investigate and evaluate costs and payments by defining costs
18 to implement a uniform, audited provider cost reporting system
19 to be considered by all Departments in establishing payments.
20 To the extent possible, multiple cost reporting mandates shall
21 not be imposed.

22 (15) Medicaid nursing home cost containment and Medicare
23 utilization. The Department of Public Aid, in collaboration
24 with the Department on Aging and the Department of Public
25 Health and in consultation with the Advisory Committee, shall
26 propose a plan to contain Medicaid nursing home costs and
27 maximize Medicare utilization. The plan must not impair the
28 ability of an older adult to choose among available services.
29 The plan shall include, but not be limited to, (i) techniques
30 to maximize the use of the most cost-effective services without
31 sacrificing quality and (ii) methods to identify and serve
32 older adults in need of minimal services to remain independent,
33 but who are likely to develop a need for more extensive
34 services in the absence of those minimal services.

35 (16) Bed reduction. The Department of Public Health shall
36 implement a nursing home conversion program to reduce the

1 number of Medicaid-certified nursing home beds in areas with
2 excess beds. The Department of Public Aid shall investigate
3 changes to the Medicaid nursing facility reimbursement system
4 in order to reduce beds. Such changes may include, but are not
5 limited to, incentive payments that will enable facilities to
6 adjust to the restructuring and expansion of services required
7 by the Older Adult Services Act, including adjustments for the
8 voluntary closure or layaway of nursing home beds certified
9 under Title XIX of the federal Social Security Act. Any savings
10 shall be reallocated to fund home-based or community-based
11 older adult services pursuant to Section 20.

12 (17) Financing. The Department shall investigate and
13 evaluate financing options for older adult services and shall
14 make recommendations in the report required by Section 15
15 concerning the feasibility of these financing arrangements.
16 These arrangements shall include, but are not limited to:

17 (A) private long-term care insurance coverage for
18 older adult services;

19 (B) enhancement of federal long-term care financing
20 initiatives;

21 (C) employer benefit programs such as medical savings
22 accounts for long-term care;

23 (D) individual and family cost-sharing options;

24 (E) strategies to reduce reliance on government
25 programs;

26 (F) fraudulent asset divestiture and financial
27 planning prevention; and

28 (G) methods to supplement and support family and
29 community caregiving.

30 (18) Older Adult Services Demonstration Grants. The
31 Department shall implement a program of demonstration grants
32 that will assist in the restructuring of the older adult
33 services delivery system, and shall provide funding for
34 innovative service delivery models and system change and
35 integration initiatives pursuant to subsection (g) of Section
36 20.

1 (19) Bed need methodology update. For the purposes of
2 determining areas with excess beds, the Departments shall
3 provide information and assistance to the Health Facilities
4 Planning Board to update the Bed Need Methodology for Long-Term
5 Care to update the assumptions used to establish the
6 methodology to make them consistent with modern older adult
7 services.

8 Section 30. Nursing home conversion program.

9 (a) The Department of Public Health, in collaboration with
10 the Department on Aging and the Department of Public Aid, shall
11 establish a nursing home conversion program. Start-up grants,
12 pursuant to subsections (l) and (m) of this Section, shall be
13 made available to nursing homes as appropriations permit as an
14 incentive to reduce certified beds, retrofit, and retool
15 operations to meet new service delivery expectations and
16 demands.

17 (b) Grant moneys shall be made available for capital and
18 other costs related to: (1) the conversion of all or a part of
19 a nursing home to an assisted living establishment or a special
20 program or unit for persons with Alzheimer's disease or related
21 disorders licensed under the Assisted Living and Shared Housing
22 Act or a supportive living facility established under Section
23 5-5.01a of the Illinois Public Aid Code; (2) the conversion of
24 multi-resident bedrooms in the facility into single-occupancy
25 rooms; and (3) the development of any of the services
26 identified in a priority service plan that can be provided by a
27 nursing home within the confines of a nursing home or
28 transportation services. Grantees shall be required to provide
29 a minimum of a 20% match toward the total cost of the project.

30 (c) Nothing in this Act shall prohibit the co-location of
31 services or the development of multifunctional centers under
32 subsection (f) of Section 20, including a nursing home offering
33 community-based services or a community provider establishing
34 a residential facility.

35 (d) A certified nursing home with at least 50% of its

1 resident population having their care paid for by the Medicaid
2 program is eligible to apply for a grant under this Section.

3 (e) Any nursing home receiving a grant under this Section
4 shall reduce the number of certified nursing home beds by a
5 number equal to or greater than the number of beds being
6 converted for one or more of the permitted uses under item (1)
7 or (2) of subsection (b). The nursing home shall retain the
8 Certificate of Need for its nursing and sheltered care beds
9 that were converted for 15 years. If the beds are reinstated by
10 the provider or its successor in interest, the provider shall
11 pay to the fund from which the grant was awarded, on an
12 amortized basis, the amount of the grant. The Department shall
13 establish, by rule, the bed reduction methodology for nursing
14 homes that receive a grant pursuant to item (3) of subsection
15 (b).

16 (f) Any nursing home receiving a grant under this Section
17 shall agree that, for a minimum of 10 years after the date that
18 the grant is awarded, a minimum of 50% of the nursing home's
19 resident population shall have their care paid for by the
20 Medicaid program. If the nursing home provider or its successor
21 in interest ceases to comply with the requirement set forth in
22 this subsection, the provider shall pay to the fund from which
23 the grant was awarded, on an amortized basis, the amount of the
24 grant.

25 (g) Before awarding grants, the Department of Public Health
26 shall seek recommendations from the Department on Aging and the
27 Department of Public Aid. The Department of Public Health shall
28 attempt to balance the distribution of grants among geographic
29 regions, and among small and large nursing homes. The
30 Department of Public Health shall develop, by rule, the
31 criteria for the award of grants based upon the following
32 factors:

33 (1) the unique needs of older adults (including those
34 with moderate and low incomes), caregivers, and providers
35 in the geographic area of the State the grantee seeks to
36 serve;

1 (2) whether the grantee proposes to provide services in
2 a priority service area;

3 (3) the extent to which the conversion or transition
4 will result in the reduction of certified nursing home beds
5 in an area with excess beds;

6 (4) the compliance history of the nursing home; and

7 (5) any other relevant factors identified by the
8 Department, including standards of need.

9 (h) A conversion funded in whole or in part by a grant
10 under this Section must not:

11 (1) diminish or reduce the quality of services
12 available to nursing home residents;

13 (2) force any nursing home resident to involuntarily
14 accept home-based or community-based services instead of
15 nursing home services;

16 (3) diminish or reduce the supply and distribution of
17 nursing home services in any community below the level of
18 need, as defined by the Department by rule; or

19 (4) cause undue hardship on any person who requires
20 nursing home care.

21 (i) The Department shall prescribe, by rule, the grant
22 application process. At a minimum, every application must
23 include:

24 (1) the type of grant sought;

25 (2) a description of the project;

26 (3) the objective of the project;

27 (4) the likelihood of the project meeting identified
28 needs;

29 (5) the plan for financing, administration, and
30 evaluation of the project;

31 (6) the timetable for implementation;

32 (7) the roles and capabilities of responsible
33 individuals and organizations;

34 (8) documentation of collaboration with other service
35 providers, local community government leaders, and other
36 stakeholders, other providers, and any other stakeholders

1 in the community;

2 (9) documentation of community support for the
3 project, including support by other service providers,
4 local community government leaders, and other
5 stakeholders;

6 (10) the total budget for the project;

7 (11) the financial condition of the applicant; and

8 (12) any other application requirements that may be
9 established by the Department by rule.

10 (j) A conversion project funded in whole or in part by a
11 grant under this Section is exempt from the requirements of the
12 Illinois Health Facilities Planning Act. The Department of
13 Public Health, however, shall send to the Health Facilities
14 Planning Board a copy of each grant award made under this
15 Section.

16 (k) Applications for grants are public information, except
17 that nursing home financial condition and any proprietary data
18 shall be classified as nonpublic data.

19 (l) The Department of Public Health may award grants from
20 the Long Term Care Civil Money Penalties Fund established under
21 Section 1919(h)(2)(A)(ii) of the Social Security Act and 42 CFR
22 488.422(g) if the award meets federal requirements.

23 Section 35. Older Adult Services Advisory Committee.

24 (a) The Older Adult Services Advisory Committee is created
25 to advise the directors of Aging, Public Aid, and Public Health
26 on all matters related to this Act and the delivery of services
27 to older adults in general.

28 (b) The Advisory Committee shall be comprised of the
29 following:

30 (1) The Director of Aging or his or her designee, who
31 shall serve as chair and shall be an ex officio and
32 nonvoting member.

33 (2) The Director of Public Aid and the Director of
34 Public Health or their designees, who shall serve as
35 vice-chairs and shall be ex officio and nonvoting members.

1 (3) One representative each of the Governor's Office,
2 the Department of Public Aid, the Department of Public
3 Health, the Department of Veterans' Affairs, the
4 Department of Human Services, the Department of Insurance,
5 the Department of Commerce and Economic Opportunity, the
6 Department on Aging, the Department on Aging's State Long
7 Term Care Ombudsman, the Illinois Housing Finance
8 Authority, and the Illinois Housing Development Authority,
9 each of whom shall be selected by his or her respective
10 director and shall be an ex officio and nonvoting member.

11 (4) Thirty-two members appointed by the Director of
12 Aging in collaboration with the directors of Public Health
13 and Public Aid, and selected from the recommendations of
14 statewide associations and organizations, as follows:

15 (A) One member representing the Area Agencies on
16 Aging;

17 (B) Four members representing nursing homes or
18 licensed assisted living establishments;

19 (C) One member representing home health agencies;

20 (D) One member representing case management
21 services;

22 (E) One member representing statewide senior
23 center associations;

24 (F) One member representing Community Care Program
25 homemaker services;

26 (G) One member representing Community Care Program
27 adult day services;

28 (H) One member representing nutrition project
29 directors;

30 (I) One member representing hospice programs;

31 (J) One member representing individuals with
32 Alzheimer's disease and related dementias;

33 (K) Two members representing statewide trade or
34 labor unions;

35 (L) One advanced practice nurse with experience in
36 gerontological nursing;

- 1 (M) One physician specializing in gerontology;
- 2 (N) One member representing regional long-term
3 care ombudsmen;
- 4 (O) One member representing township officials;
- 5 (P) One member representing municipalities;
- 6 (Q) One member representing county officials;
- 7 (R) One member representing the parish nurse
8 movement;
- 9 (S) One member representing pharmacists;
- 10 (T) Two members representing statewide
11 organizations engaging in advocacy or legal
12 representation on behalf of the senior population;
- 13 (U) Two family caregivers;
- 14 (V) Two citizen members over the age of 60;
- 15 (W) One citizen with knowledge in the area of
16 gerontology research or health care law;
- 17 (X) One representative of health care facilities
18 licensed under the Hospital Licensing Act; and
- 19 (Y) One representative of primary care service
20 providers.

21 (c) Voting members of the Advisory Committee shall serve
22 for a term of 3 years or until a replacement is named. All
23 members shall be appointed no later than January 1, 2005. Of
24 the initial appointees, as determined by lot, 10 members shall
25 serve a term of one year; 10 shall serve for a term of 2 years;
26 and 12 shall serve for a term of 3 years. Any member appointed
27 to fill a vacancy occurring prior to the expiration of the term
28 for which his or her predecessor was appointed shall be
29 appointed for the remainder of that term. The Advisory
30 Committee shall meet at least quarterly and may meet more
31 frequently at the call of the Chair. A simple majority of those
32 appointed shall constitute a quorum. The affirmative vote of a
33 majority of those present and voting shall be necessary for
34 Advisory Committee action. Members of the Advisory Committee
35 shall receive no compensation for their services.

36 (d) The Advisory Committee shall have an Executive

1 Committee comprised of the Chair, the Vice Chairs, and up to 15
2 members of the Advisory Committee appointed by the Chair who
3 have demonstrated expertise in developing, implementing, or
4 coordinating the system restructuring initiatives defined in
5 Section 25. The Executive Committee shall have responsibility
6 to oversee and structure the operations of the Advisory
7 Committee and to create and appoint necessary subcommittees and
8 subcommittee members.

9 (e) The Advisory Committee shall study and make
10 recommendations related to the implementation of this Act,
11 including but not limited to system restructuring initiatives
12 as defined in Section 25 or otherwise related to this Act.

13 Section 90. The Illinois Act on the Aging is amended by
14 adding Section 4.12 as follows:

15 (20 ILCS 105/4.12 new)

16 Sec. 4.12. Older Adult Services Act. The Department shall
17 implement the Older Adult Services Act.

18 Section 91. The Illinois Finance Authority Act is amended
19 by changing Section 840-5 as follows:

20 (20 ILCS 3501/840-5)

21 Sec. 840-5. The Authority shall have the following powers:

22 (a) To fix and revise from time to time and charge and
23 collect rates, rents, fees and charges for the use of and for
24 the services furnished or to be furnished by a project or other
25 health facilities owned, financed or refinanced by the
26 Authority or any portion thereof and to contract with any
27 person, partnership, association or corporation or other body,
28 public or private, in respect thereto; to coordinate its
29 policies and procedures and cooperate with recognized health
30 facility rate setting mechanisms which may now or hereafter be
31 established.

32 (b) To establish rules and regulations for the use of a

1 project or other health facilities owned, financed or
2 refinanced by the Authority or any portion thereof and to
3 designate a participating health institution as its agent to
4 establish rules and regulations for the use of a project or
5 other health facilities owned by the Authority undertaken for
6 that participating health institution.

7 (c) To establish or contract with others to carry out on
8 its behalf a health facility project cost estimating service
9 and to make this service available on all projects to provide
10 expert cost estimates and guidance to the participating health
11 institution and to the Authority. In order to implement this
12 service and, through it, to contribute to cost containment, the
13 Authority shall have the power to require such reasonable
14 reports and documents from health facility projects as may be
15 required for this service and for the development of cost
16 reports and guidelines. The Authority may appoint a Technical
17 Committee on Health Facility Project Costs and Cost
18 Containment.

19 (d) To make mortgage or other secured or unsecured loans to
20 or for the benefit of any participating health institution for
21 the cost of a project in accordance with an agreement between
22 the Authority and the participating health institution;
23 provided that no such loan shall exceed the total cost of the
24 project as determined by the participating health institution
25 and approved by the Authority; provided further that such loans
26 may be made to any entity affiliated with a participating
27 health institution if the proceeds of such loan are made
28 available to or applied for the benefit of such participating
29 health institution.

30 (e) To make mortgage or other secured or unsecured loans to
31 or for the benefit of a participating health institution in
32 accordance with an agreement between the Authority and the
33 participating health institution to refund outstanding
34 obligations, loans, indebtedness or advances issued, made,
35 given or incurred by such participating health institution for
36 the cost of a project; including the function to issue bonds

1 and make loans to or for the benefit of a participating health
2 institution to refinance indebtedness incurred by such
3 participating health institution in projects undertaken and
4 completed or for other health facilities acquired prior to or
5 after the enactment of this Act when the Authority finds that
6 such refinancing is in the public interest, and either
7 alleviates a financial hardship of such participating health
8 institution, or is in connection with other financing by the
9 Authority for such participating health institution or may be
10 expected to result in a lessened cost of patient care and a
11 saving to third parties, including government, and to others
12 who must pay for care, or any combination thereof; provided
13 further that such loans may be made to any entity affiliated
14 with a participating health institution if the proceeds of such
15 loan are made available to or applied for the benefit of such
16 participating health institution.

17 (f) To mortgage all or any portion of a project or other
18 health facilities and the property on which any such project or
19 other health facilities are located whether owned or thereafter
20 acquired, and to assign or pledge mortgages, deeds of trust,
21 indentures of mortgage or trust or similar instruments, notes,
22 and other securities of participating health institutions to
23 which or for the benefit of which the Authority has made loans
24 or of entities affiliated with such institutions and the
25 revenues therefrom, including payments or income from any
26 thereof owned or held by the Authority, for the benefit of the
27 holders of bonds issued to finance such project or health
28 facilities or issued to refund or refinance outstanding
29 obligations, loans, indebtedness or advances of participating
30 health institutions as permitted by this Act.

31 (g) To lease to a participating health institution the
32 project being financed or refinanced or other health facilities
33 conveyed to the Authority in connection with such financing or
34 refinancing, upon such terms and conditions as the Authority
35 shall deem proper, and to charge and collect rents therefor and
36 to terminate any such lease upon the failure of the lessee to

1 comply with any of the obligations thereof; and to include in
2 any such lease, if desired, provisions that the lessee thereof
3 shall have options to renew the lease for such period or
4 periods and at such rent as shall be determined by the
5 Authority or to purchase any or all of the health facilities or
6 that upon payment of all of the indebtedness incurred by the
7 Authority for the financing of such project or health
8 facilities or for refunding outstanding obligations, loans,
9 indebtedness or advances of a participating health
10 institution, then the Authority may convey any or all of the
11 project or such other health facilities to the lessee or
12 lessees thereof with or without consideration.

13 (h) To make studies of needed health facilities that could
14 not sustain a loan were it made under this Act and to recommend
15 remedial action to the General Assembly; to do the same with
16 regard to any laws or regulations that prevent health
17 facilities from benefiting from this Act.

18 (i) To assist the Department of Commerce and Economic
19 Opportunity to establish and implement a program to assist
20 health facilities to identify and arrange financing for energy
21 conservation projects in buildings and facilities owned or
22 leased by health facilities.

23 (j) To assist the Department of Human Services in
24 establishing a low interest loan program to help child care
25 centers and family day care homes serving children of low
26 income families under Section 22.4 of the Children and Family
27 Services Act.

28 (k) To assist the Department of Public Health and nursing
29 homes in undertaking nursing home conversion projects in
30 accordance with the Older Adult Services Act.

31 (Source: P.A. 93-205, eff. 1-1-04.)

32 Section 92. The Illinois Health Facilities Planning Act is
33 amended by changing Section 3 as follows:

34 (20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

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

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

3 "Health care facilities" means and includes the following
4 facilities and organizations:

5 1. An ambulatory surgical treatment center required to
6 be licensed pursuant to the Ambulatory Surgical Treatment
7 Center Act;

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

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

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

14 4. Hospitals, nursing homes, ambulatory surgical
15 treatment centers, or kidney disease treatment centers
16 maintained by the State or any department or agency
17 thereof;

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

20 6. An institution, place, building, or room used for
21 the performance of outpatient surgical procedures that is
22 leased, owned, or operated by or on behalf of an
23 out-of-state facility.

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

27 No facility licensed under the Supportive Residences
28 Licensing Act or the Assisted Living and Shared Housing Act
29 shall be subject to the provisions of this Act.

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

34 This Act does not apply to facilities granted waivers under
35 Section 3-102.2 of the Nursing Home Care Act. However, if a
36 demonstration project under that Act applies for a certificate

1 of need to convert to a nursing facility, it shall meet the
2 licensure and certificate of need requirements in effect as of
3 the date of application.

4 This Act shall not apply to the closure of an entity or a
5 portion of an entity licensed under the Nursing Home Care Act
6 that elects to convert, in whole or in part, to an assisted
7 living or shared housing establishment licensed under the
8 Assisted Living and Shared Housing Act.

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

29 "Person" means any one or more natural persons, legal
30 entities, governmental bodies other than federal, or any
31 combination thereof.

32 "Consumer" means any person other than a person (a) whose
33 major occupation currently involves or whose official capacity
34 within the last 12 months has involved the providing,
35 administering or financing of any type of health care facility,
36 (b) who is engaged in health research or the teaching of

1 health, (c) who has a material financial interest in any
2 activity which involves the providing, administering or
3 financing of any type of health care facility, or (d) who is or
4 ever has been a member of the immediate family of the person
5 defined by (a), (b), or (c).

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

7 "Construction or modification" means the establishment,
8 erection, building, alteration, reconstruction, modernization,
9 improvement, extension, discontinuation, change of ownership,
10 of or by a health care facility, or the purchase or acquisition
11 by or through a health care facility of equipment or service
12 for diagnostic or therapeutic purposes or for facility
13 administration or operation, or any capital expenditure made by
14 or on behalf of a health care facility which exceeds the
15 capital expenditure minimum; however, any capital expenditure
16 made by or on behalf of a health care facility for (i) the
17 construction or modification of a facility licensed under the
18 Assisted Living and Shared Housing Act or (ii) a conversion
19 project undertaken in accordance with Section 30 of the Older
20 Adult Services Act shall be excluded from any obligations under
21 this Act.

22 "Establish" means the construction of a health care
23 facility or the replacement of an existing facility on another
24 site.

25 "Major medical equipment" means medical equipment which is
26 used for the provision of medical and other health services and
27 which costs in excess of the capital expenditure minimum,
28 except that such term does not include medical equipment
29 acquired by or on behalf of a clinical laboratory to provide
30 clinical laboratory services if the clinical laboratory is
31 independent of a physician's office and a hospital and it has
32 been determined under Title XVIII of the Social Security Act to
33 meet the requirements of paragraphs (10) and (11) of Section
34 1861(s) of such Act. In determining whether medical equipment
35 has a value in excess of the capital expenditure minimum, the
36 value of studies, surveys, designs, plans, working drawings,

1 specifications, and other activities essential to the
2 acquisition of such equipment shall be included.

3 "Capital Expenditure" means an expenditure: (A) made by or
4 on behalf of a health care facility (as such a facility is
5 defined in this Act); and (B) which under generally accepted
6 accounting principles is not properly chargeable as an expense
7 of operation and maintenance, or is made to obtain by lease or
8 comparable arrangement any facility or part thereof or any
9 equipment for a facility or part; and which exceeds the capital
10 expenditure minimum.

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

25 "Capital expenditure minimum" means \$6,000,000, which
26 shall be annually adjusted to reflect the increase in
27 construction costs due to inflation, for major medical
28 equipment and for all other capital expenditures; provided,
29 however, that when a capital expenditure is for the
30 construction or modification of a health and fitness center,
31 "capital expenditure minimum" means the capital expenditure
32 minimum for all other capital expenditures in effect on March
33 1, 2000, which shall be annually adjusted to reflect the
34 increase in construction costs due to inflation.

35 "Non-clinical service area" means an area (i) for the
36 benefit of the patients, visitors, staff, or employees of a

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

18 "Areawide" means a major area of the State delineated on a
19 geographic, demographic, and functional basis for health
20 planning and for health service and having within it one or
21 more local areas for health planning and health service. The
22 term "region", as contrasted with the term "subregion", and the
23 word "area" may be used synonymously with the term "areawide".

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

28 "Areawide health planning organization" or "Comprehensive
29 health planning organization" means the health systems agency
30 designated by the Secretary, Department of Health and Human
31 Services or any successor agency.

32 "Local health planning organization" means those local
33 health planning organizations that are designated as such by
34 the areawide health planning organization of the appropriate
35 area.

36 "Physician" means a person licensed to practice in

1 accordance with the Medical Practice Act of 1987, as amended.

2 "Licensed health care professional" means a person
3 licensed to practice a health profession under pertinent
4 licensing statutes of the State of Illinois.

5 "Director" means the Director of the Illinois Department of
6 Public Health.

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

8 "Comprehensive health planning" means health planning
9 concerned with the total population and all health and
10 associated problems that affect the well-being of people and
11 that encompasses health services, health manpower, and health
12 facilities; and the coordination among these and with those
13 social, economic, and environmental factors that affect
14 health.

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

17 "Out-of-state facility" means a person that is both (i)
18 licensed as a hospital or as an ambulatory surgery center under
19 the laws of another state or that qualifies as a hospital or an
20 ambulatory surgery center under regulations adopted pursuant
21 to the Social Security Act and (ii) not licensed under the
22 Ambulatory Surgical Treatment Center Act, the Hospital
23 Licensing Act, or the Nursing Home Care Act. Affiliates of
24 out-of-state facilities shall be considered out-of-state
25 facilities. Affiliates of Illinois licensed health care
26 facilities 100% owned by an Illinois licensed health care
27 facility, its parent, or Illinois physicians licensed to
28 practice medicine in all its branches shall not be considered
29 out-of-state facilities. Nothing in this definition shall be
30 construed to include an office or any part of an office of a
31 physician licensed to practice medicine in all its branches in
32 Illinois that is not required to be licensed under the
33 Ambulatory Surgical Treatment Center Act.

34 "Change of ownership of a health care facility" means a
35 change in the person who has ownership or control of a health
36 care facility's physical plant and capital assets. A change in

1 ownership is indicated by the following transactions: sale,
2 transfer, acquisition, lease, change of sponsorship, or other
3 means of transferring control.

4 "Related person" means any person that: (i) is at least 50%
5 owned, directly or indirectly, by either the health care
6 facility or a person owning, directly or indirectly, at least
7 50% of the health care facility; or (ii) owns, directly or
8 indirectly, at least 50% of the health care facility.

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

10 Section 96. The Illinois Public Aid Code is amended by
11 adding Section 5-5d as follows:

12 (305 ILCS 5/5-5d new)

13 Sec. 5-5d. Enhanced transition and follow-up services. The
14 Department of Public Aid shall apply for any necessary waivers
15 pursuant to Section 1915(c) of the Social Security Act to
16 facilitate the transition from one residential setting to
17 another and follow-up services. Nothing in this Section shall
18 be considered as limiting current similar programs by the
19 Department of Human Services or the Department on Aging.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.