



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2509

Introduced 2/17/2005, by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.640 new

Creates the Hospital Basic Services Preservation Act. Establishes the Hospital Basic Services Preservation Fund to collateralize basic services loans from financial institutions for capital projects necessary to maintain certain basic services required for the efficient and effective operation of essential community hospital providers that may not otherwise be able to meet the credit standards of the financial institution. Requires hospitals receiving the loans to account for moneys received and ensure that those moneys are used for the basic services for which the loan was provided. Requires the State Treasurer to promulgate rules to administer the loan program. Amends the State Finance Act to create the Hospital Basic Services Preservation Fund.

LRB094 10743 MKM 41163 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning hospitals.

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 Hospital Basic Services Preservation Act.

6 Section 5. Definitions. As used in this Act:

7 "Basic services" means emergency room and obstetrical
8 services provided within a hospital. "Basic services" is
9 limited to the emergency and obstetric units and services
10 provided by those units.

11 "Eligible expenses" means expenses for expanding
12 obstetrical or emergency units, updating equipment, repairing
13 essential equipment, and purchasing new equipment that will
14 increase the quality of basic services provided. "Eligible
15 expenses" does not include expenses related to cosmetic
16 upgrades, staff expansion or salary, or structural expansion of
17 any unit or department of a hospital.

18 "Essential community hospital provider" means a facility
19 meeting criteria established by rule by the State Treasurer.

20 Section 10. Hospital Basic Services Preservation Fund.
21 There is created in the State treasury the Hospital Basic
22 Services Preservation Fund. The Fund shall be administered by
23 the State Treasurer to collateralize loans from financial
24 institutions for capital projects necessary to maintain
25 certain basic services required for the efficient and effective
26 operation of essential community hospital providers who
27 otherwise may not be able to meet financial institution credit
28 standards for issuance of a standard commercial loan. The Fund
29 shall consist of all public and private moneys donated or
30 transferred to the Fund for the purpose of enabling essential
31 community hospitals to continue to provide basic quality health

1 care services that are subject to and meet standards of need
2 under the Health Facilities Planning Act. All public funds
3 deposited into the Fund shall be subject to appropriation by
4 the General Assembly.

5 Section 15. Basic services loans. The State Treasurer may
6 collateralize basic service loans for essential community
7 hospitals for eligible expenses related to completing,
8 attaining, or upgrading basic services, including, but not
9 limited to, delivery, installation, staff training, and other
10 eligible expenses as defined by the State Treasurer by rule.
11 Applicants for collateralization of loans under this Act must
12 show proof of approval by the Illinois Health Facilities
13 Planning Board for any project to be collateralized under this
14 Act. The total cost for any one project to be undertaken by the
15 applicants shall not exceed \$10,000,000 and the amount of each
16 basic services loan collateralized under this Act shall not
17 exceed \$5,000,000. Expenditures related to basic service loans
18 shall not exceed the amount available in the Fund necessary to
19 collateralize the loans. The terms of any basic services loan
20 collateralized under this Act must be approved by the State
21 Treasurer in accordance with standards established by the
22 Treasurer by rule.

23 Section 20. Responsibility of hospitals. Each hospital
24 that receives a loan collateralized under this Act shall take
25 the necessary measures, as defined by the Treasurer by rule, to
26 account for all moneys and to ensure that they are spent on the
27 basic services for which the loan was approved. Any hospital
28 receiving a loan collateralized under this Act is not eligible
29 for collateralization of another basic services loan under this
30 Act within 10 years after the deposit of funds awarded under
31 the first collateralized loan.

32 Section 25. Rules. The State Treasurer shall promulgate
33 rules necessary for the administration of this Act, including

1 rules concerning the criteria, standards, and procedures for
2 loans collateralized under this Act.

3 Section 90. The State Finance Act is amended by adding
4 Section 5.640 as follows:

5 (30 ILCS 105/5.640 new)

6 Sec. 5.640. The Hospital Basic Services Preservation Fund.