

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 7. Hospital Basic Services Review Board.

21 (a) The Hospital Basic Services Review Board is created for
22 the purpose of reviewing and recommending to the State
23 Treasurer essential community hospitals seeking
24 collateralization of basic service loans for eligible expenses
25 related to completing, attaining, or upgrading basic services.

26 (b) The Board shall consist of 5 members as follows: one
27 member appointed by the Governor; one member appointed by the
28 Speaker of the House of Representatives; one member appointed
29 by the President of the Senate; one member appointed by the
30 Minority Leader of the House of Representatives; and one member
31 appointed by the Minority Leader of the Senate. The members of

1 the Board shall serve at the pleasure of their appointing
2 authorities. Vacancies shall be filled in the same manner as
3 the original appointment.

4 (c) The Department of Public Health shall provide staff
5 assistance to the Board as is reasonably required in order for
6 the Board to carry out its responsibilities.

7 Section 10. Hospital Basic Services Preservation Fund.
8 There is created in the State treasury the Hospital Basic
9 Services Preservation Fund. The Fund shall be administered by
10 the State Treasurer to collateralize loans from financial
11 institutions for capital projects necessary to maintain
12 certain basic services required for the efficient and effective
13 operation of essential community hospital providers who
14 otherwise may not be able to meet financial institution credit
15 standards for issuance of a standard commercial loan. The Fund
16 shall consist of all public and private moneys donated or
17 transferred to the Fund for the purpose of enabling essential
18 community hospitals to continue to provide basic quality health
19 care services that are subject to and meet standards of need
20 under the Health Facilities Planning Act. All public funds
21 deposited into the Fund shall be subject to appropriation by
22 the General Assembly.

23 Section 15. Basic services loans.

24 (a) Essential community hospitals seeking
25 collateralization of loans under this Act must apply to the
26 Illinois Health Facilities Planning Board on a form prescribed
27 by the Illinois Health Facilities Planning Board by rule. The
28 Illinois Health Facilities Planning Board shall review the
29 application and, if it approves the applicant's plan, shall
30 forward the application and its approval to the Hospital Basic
31 Services Review Board.

32 (b) Upon receipt of the applicant's application and
33 approval from the Illinois Health Facilities Planning Board,
34 the Hospital Basic Services Review Board shall request from the

1 applicant and the applicant shall submit to the Hospital Basic
2 Services Review Board all of the following information:

3 (1) A copy of the hospital's last audited financial
4 statement.

5 (2) The percentage of the hospital's patients each year
6 who are Medicaid patients.

7 (3) The percentage of the hospital's patients each year
8 who are Medicare patients.

9 (4) The percentage of the hospital's patients each year
10 who are uninsured.

11 (5) The percentage of services provided by the hospital
12 each year for which the hospital expected payment but for
13 which no payment was received.

14 (6) Any other information required by the Hospital
15 Basic Services Review Board by rule.

16 The Hospital Basic Services Review Board shall review the
17 applicant's original application, the approval of the Illinois
18 Health Facilities Planning Board, and the information provided
19 by the applicant to the Hospital Basic Services Review Board
20 under this Section and make a recommendation to the State
21 Treasurer to accept or deny the application.

22 (c) If the Hospital Basic Services Review Board recommends
23 that the application be accepted, the State Treasurer may
24 collateralize the applicant's basic service loan for eligible
25 expenses related to completing, attaining, or upgrading basic
26 services, including, but not limited to, delivery,
27 installation, staff training, and other eligible expenses as
28 defined by the State Treasurer by rule. The total cost for any
29 one project to be undertaken by the applicants shall not exceed
30 \$10,000,000 and the amount of each basic services loan
31 collateralized under this Act shall not exceed \$5,000,000.
32 Expenditures related to basic service loans shall not exceed
33 the amount available in the Fund necessary to collateralize the
34 loans. The terms of any basic services loan collateralized
35 under this Act must be approved by the State Treasurer in
36 accordance with standards established by the State Treasurer by

1 rule.

2 Section 20. Responsibility of hospitals. Each hospital
3 that receives a loan collateralized under this Act shall take
4 the necessary measures, as defined by the State Treasurer by
5 rule, to account for all moneys and to ensure that they are
6 spent on the basic services for which the loan was approved.
7 Any hospital receiving a loan collateralized under this Act is
8 not eligible for collateralization of another basic services
9 loan under this Act within 10 years after the deposit of funds
10 awarded under the first collateralized loan.

11 Section 25. Rules. The State Treasurer shall promulgate
12 rules necessary for the administration of this Act.

13 Section 90. The State Finance Act is amended by adding
14 Section 5.640 and by changing Section 8h as follows:

15 (30 ILCS 105/5.640 new)

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

17 (30 ILCS 105/8h)

18 Sec. 8h. Transfers to General Revenue Fund.

19 (a) Except as provided in subsection (b), notwithstanding
20 any other State law to the contrary, the Governor may, through
21 June 30, 2007, from time to time direct the State Treasurer and
22 Comptroller to transfer a specified sum from any fund held by
23 the State Treasurer to the General Revenue Fund in order to
24 help defray the State's operating costs for the fiscal year.
25 The total transfer under this Section from any fund in any
26 fiscal year shall not exceed the lesser of (i) 8% of the
27 revenues to be deposited into the fund during that fiscal year
28 or (ii) an amount that leaves a remaining fund balance of 25%
29 of the July 1 fund balance of that fiscal year. In fiscal year
30 2005 only, prior to calculating the July 1, 2004 final
31 balances, the Governor may calculate and direct the State

1 Treasurer with the Comptroller to transfer additional amounts
2 determined by applying the formula authorized in Public Act
3 93-839 to the funds balances on July 1, 2003. No transfer may
4 be made from a fund under this Section that would have the
5 effect of reducing the available balance in the fund to an
6 amount less than the amount remaining unexpended and unreserved
7 from the total appropriation from that fund estimated to be
8 expended for that fiscal year. This Section does not apply to
9 any funds that are restricted by federal law to a specific use,
10 to any funds in the Motor Fuel Tax Fund, the Hospital Provider
11 Fund, the Medicaid Provider Relief Fund, ~~or~~ the Reviewing Court
12 Alternative Dispute Resolution Fund, or the Hospital Basic
13 Services Preservation Fund, or to any funds to which subsection
14 (f) of Section 20-40 of the Nursing and Advanced Practice
15 Nursing Act applies. Notwithstanding any other provision of
16 this Section, for fiscal year 2004, the total transfer under
17 this Section from the Road Fund or the State Construction
18 Account Fund shall not exceed the lesser of (i) 5% of the
19 revenues to be deposited into the fund during that fiscal year
20 or (ii) 25% of the beginning balance in the fund. For fiscal
21 year 2005 through fiscal year 2007, no amounts may be
22 transferred under this Section from the Road Fund, the State
23 Construction Account Fund, the Criminal Justice Information
24 Systems Trust Fund, the Wireless Service Emergency Fund, or the
25 Mandatory Arbitration Fund.

26 In determining the available balance in a fund, the
27 Governor may include receipts, transfers into the fund, and
28 other resources anticipated to be available in the fund in that
29 fiscal year.

30 The State Treasurer and Comptroller shall transfer the
31 amounts designated under this Section as soon as may be
32 practicable after receiving the direction to transfer from the
33 Governor.

34 (b) This Section does not apply to any fund established
35 under the Community Senior Services and Resources Act.

36 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,

1 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;
2 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.
3 1-15-05.)