

1 AN ACT concerning regulation.

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

4 Section 5. The Alternative Health Care Delivery Act is
5 amended by changing Sections 30 and 35 as follows:

6 (210 ILCS 3/30)

7 Sec. 30. Demonstration program requirements. The
8 requirements set forth in this Section shall apply to
9 demonstration programs.

10 (a) There shall be no more than:

11 (i) 3 subacute care hospital alternative health care
12 models in the City of Chicago (one of which shall be
13 located on a designated site and shall have been licensed
14 as a hospital under the Illinois Hospital Licensing Act
15 within the 10 years immediately before the application for
16 a license);

17 (ii) 2 subacute care hospital alternative health care
18 models in the demonstration program for each of the
19 following areas:

20 (1) Cook County outside the City of Chicago.

21 (2) DuPage, Kane, Lake, McHenry, and Will
22 Counties.

23 (3) Municipalities with a population greater than

1 50,000 not located in the areas described in item (i)
2 of subsection (a) and paragraphs (1) and (2) of item
3 (ii) of subsection (a); and
4 (iii) 4 subacute care hospital alternative health care
5 models in the demonstration program for rural areas.

6 In selecting among applicants for these licenses in rural
7 areas, the Health Facilities Planning Board and the Department
8 shall give preference to hospitals that may be unable for
9 economic reasons to provide continued service to the community
10 in which they are located unless the hospital were to receive
11 an alternative health care model license.

12 (a-5) There shall be no more than a total of 12
13 postsurgical recovery care center alternative health care
14 models in the demonstration program, located as follows:

15 (1) Two in the City of Chicago.

16 (2) Two in Cook County outside the City of Chicago. At
17 least one of these shall be owned or operated by a hospital
18 devoted exclusively to caring for children.

19 (3) Two in Kane, Lake, and McHenry Counties.

20 (4) Four in municipalities with a population of 50,000
21 or more not located in the areas described in paragraphs
22 (1), (2), and (3), 3 of which shall be owned or operated by
23 hospitals, at least 2 of which shall be located in counties
24 with a population of less than 175,000, according to the
25 most recent decennial census for which data are available,
26 and one of which shall be owned or operated by an

1 ambulatory surgical treatment center.

2 (5) Two in rural areas, both of which shall be owned or
3 operated by hospitals.

4 There shall be no postsurgical recovery care center
5 alternative health care models located in counties with
6 populations greater than 600,000 but less than 1,000,000. A
7 proposed postsurgical recovery care center must be owned or
8 operated by a hospital if it is to be located within, or will
9 primarily serve the residents of, a health service area in
10 which more than 60% of the gross patient revenue of the
11 hospitals within that health service area are derived from
12 Medicaid and Medicare, according to the most recently available
13 calendar year data from the Illinois Health Care Cost
14 Containment Council. Nothing in this paragraph shall preclude a
15 hospital and an ambulatory surgical treatment center from
16 forming a joint venture or developing a collaborative agreement
17 to own or operate a postsurgical recovery care center.

18 (a-10) There shall be no more than a total of 8 children's
19 respite care center alternative health care models in the
20 demonstration program, which shall be located as follows:

21 (1) One in the City of Chicago.

22 (2) One in Cook County outside the City of Chicago.

23 (3) A total of 2 in the area comprised of DuPage, Kane,
24 Lake, McHenry, and Will counties.

25 (4) A total of 2 in municipalities with a population of
26 50,000 or more and not located in the areas described in

1 paragraphs (1), (2), or (3).

2 (5) A total of 2 in rural areas, as defined by the
3 Health Facilities Planning Board.

4 No more than one children's respite care model owned and
5 operated by a licensed skilled pediatric facility shall be
6 located in each of the areas designated in this subsection
7 (a-10).

8 (a-15) There shall be an authorized community-based
9 residential rehabilitation center alternative health care
10 model in the demonstration program. The community-based
11 residential rehabilitation center shall be located in the area
12 of Illinois south of Interstate Highway 70.

13 (a-20) There shall be an authorized Alzheimer's disease
14 management center alternative health care model in the
15 demonstration program. The Alzheimer's disease management
16 center shall be located in Will County, owned by a
17 not-for-profit entity, and endorsed by a resolution approved by
18 the county board before the effective date of this amendatory
19 Act of the 91st General Assembly.

20 (a-25) There shall be no more than 10 birth center
21 alternative health care models in the demonstration program,
22 located as follows:

23 (1) Four in the area comprising Cook, DuPage, Kane,
24 Lake, McHenry, and Will counties, one of which shall be
25 owned or operated by a hospital and one of which shall be
26 owned or operated by a federally qualified health center.

1 (2) Three in municipalities with a population of 50,000
2 or more not located in the area described in paragraph (1)
3 of this subsection, one of which shall be owned or operated
4 by a hospital and one of which shall be owned or operated
5 by a federally qualified health center.

6 (3) Three in rural areas, one of which shall be owned
7 or operated by a hospital and one of which shall be owned
8 or operated by a federally qualified health center.

9 The first 3 birth centers authorized to operate by the
10 Department shall be located in or predominantly serve the
11 residents of a health professional shortage area as determined
12 by the United States Department of Health and Human Services.
13 There shall be no more than 2 birth centers authorized to
14 operate in any single health planning area for obstetric
15 services as determined under the Illinois Health Facilities
16 Planning Act. If a birth center is located outside of a health
17 professional shortage area, (i) the birth center shall be
18 located in a health planning area with a demonstrated need for
19 obstetrical service beds, as determined by the Illinois Health
20 Facilities Planning Board or (ii) there must be a reduction in
21 the existing number of obstetrical service beds in the planning
22 area so that the establishment of the birth center does not
23 result in an increase in the total number of obstetrical
24 service beds in the health planning area.

25 (b) Alternative health care models, other than a model
26 authorized under subsection (a-20), shall obtain a certificate

1 of need from the Illinois Health Facilities Planning Board
2 under the Illinois Health Facilities Planning Act before
3 receiving a license by the Department. If, after obtaining its
4 initial certificate of need, an alternative health care
5 delivery model that is a community based residential
6 rehabilitation center seeks to increase the bed capacity of
7 that center, it must obtain a certificate of need from the
8 Illinois Health Facilities Planning Board before increasing
9 the bed capacity. Alternative health care models in medically
10 underserved areas shall receive priority in obtaining a
11 certificate of need.

12 (c) An alternative health care model license shall be
13 issued for a period of one year and shall be annually renewed
14 if the facility or program is in substantial compliance with
15 the Department's rules adopted under this Act. A licensed
16 alternative health care model that continues to be in
17 substantial compliance after the conclusion of the
18 demonstration program shall be eligible for annual renewals
19 unless and until a different licensure program for that type of
20 health care model is established by legislation. The Department
21 may issue a provisional license to any alternative health care
22 model that does not substantially comply with the provisions of
23 this Act and the rules adopted under this Act if (i) the
24 Department finds that the alternative health care model has
25 undertaken changes and corrections which upon completion will
26 render the alternative health care model in substantial

1 compliance with this Act and rules and (ii) the health and
2 safety of the patients of the alternative health care model
3 will be protected during the period for which the provisional
4 license is issued. The Department shall advise the licensee of
5 the conditions under which the provisional license is issued,
6 including the manner in which the alternative health care model
7 fails to comply with the provisions of this Act and rules, and
8 the time within which the changes and corrections necessary for
9 the alternative health care model to substantially comply with
10 this Act and rules shall be completed.

11 (d) Alternative health care models shall seek
12 certification under Titles XVIII and XIX of the federal Social
13 Security Act. In addition, alternative health care models shall
14 provide charitable care consistent with that provided by
15 comparable health care providers in the geographic area.

16 (d-5) The Department of Healthcare and Family Services
17 (formerly Illinois Department of Public Aid), in cooperation
18 with the Illinois Department of Public Health, shall develop
19 and implement a reimbursement methodology for all facilities
20 participating in the demonstration program. The Department of
21 Healthcare and Family Services ~~Illinois Department of Public~~
22 ~~Aid~~ shall keep a record of services provided under the
23 demonstration program to recipients of medical assistance
24 under the Illinois Public Aid Code and shall submit an annual
25 report of that information to the Illinois Department of Public
26 Health.

1 (e) Alternative health care models shall, to the extent
2 possible, link and integrate their services with nearby health
3 care facilities.

4 (f) Each alternative health care model shall implement a
5 quality assurance program with measurable benefits and at
6 reasonable cost.

7 (Source: P.A. 91-65, eff. 7-9-99; 91-838, eff. 6-16-00; revised
8 12-15-05.)

9 (210 ILCS 3/35)

10 Sec. 35. Alternative health care models authorized.
11 Notwithstanding any other law to the contrary, alternative
12 health care models described in this Section may be established
13 on a demonstration basis.

14 (1) Alternative health care model; subacute care
15 hospital. A subacute care hospital is a designated site
16 which provides medical specialty care for patients who need
17 a greater intensity or complexity of care than generally
18 provided in a skilled nursing facility but who no longer
19 require acute hospital care. The average length of stay for
20 patients treated in subacute care hospitals shall not be
21 less than 20 days, and for individual patients, the
22 expected length of stay at the time of admission shall not
23 be less than 10 days. Variations from minimum lengths of
24 stay shall be reported to the Department. There shall be no
25 more than 13 subacute care hospitals authorized to operate

1 by the Department. Subacute care includes physician
2 supervision, registered nursing, and physiological
3 monitoring on a continual basis. A subacute care hospital
4 is either a freestanding building or a distinct physical
5 and operational entity within a hospital or nursing home
6 building. A subacute care hospital shall only consist of
7 beds currently existing in licensed hospitals or skilled
8 nursing facilities, except, in the City of Chicago, on a
9 designated site that was licensed as a hospital under the
10 Illinois Hospital Licensing Act within the 10 years
11 immediately before the application for an alternative
12 health care model license. During the period of operation
13 of the demonstration project, the existing licensed beds
14 shall remain licensed as hospital or skilled nursing
15 facility beds as well as being licensed under this Act. In
16 order to handle cases of complications, emergencies, or
17 exigent circumstances, a subacute care hospital shall
18 maintain a contractual relationship, including a transfer
19 agreement, with a general acute care hospital. If a
20 subacute care model is located in a general acute care
21 hospital, it shall utilize all or a portion of the bed
22 capacity of that existing hospital. In no event shall a
23 subacute care hospital use the word "hospital" in its
24 advertising or marketing activities or represent or hold
25 itself out to the public as a general acute care hospital.

26 (2) Alternative health care delivery model;

1 postsurgical recovery care center. A postsurgical recovery
2 care center is a designated site which provides
3 postsurgical recovery care for generally healthy patients
4 undergoing surgical procedures that require overnight
5 nursing care, pain control, or observation that would
6 otherwise be provided in an inpatient setting. A
7 postsurgical recovery care center is either freestanding
8 or a defined unit of an ambulatory surgical treatment
9 center or hospital. No facility, or portion of a facility,
10 may participate in a demonstration program as a
11 postsurgical recovery care center unless the facility has
12 been licensed as an ambulatory surgical treatment center or
13 hospital for at least 2 years before August 20, 1993 (the
14 effective date of Public Act 88-441). The maximum length of
15 stay for patients in a postsurgical recovery care center is
16 not to exceed 48 hours unless the treating physician
17 requests an extension of time from the recovery center's
18 medical director on the basis of medical or clinical
19 documentation that an additional care period is required
20 for the recovery of a patient and the medical director
21 approves the extension of time. In no case, however, shall
22 a patient's length of stay in a postsurgical recovery care
23 center be longer than 72 hours. If a patient requires an
24 additional care period after the expiration of the 72-hour
25 limit, the patient shall be transferred to an appropriate
26 facility. Reports on variances from the 48-hour limit shall

1 be sent to the Department for its evaluation. The reports
2 shall, before submission to the Department, have removed
3 from them all patient and physician identifiers. In order
4 to handle cases of complications, emergencies, or exigent
5 circumstances, every postsurgical recovery care center as
6 defined in this paragraph shall maintain a contractual
7 relationship, including a transfer agreement, with a
8 general acute care hospital. A postsurgical recovery care
9 center shall be no larger than 20 beds. A postsurgical
10 recovery care center shall be located within 15 minutes
11 travel time from the general acute care hospital with which
12 the center maintains a contractual relationship, including
13 a transfer agreement, as required under this paragraph.

14 No postsurgical recovery care center shall
15 discriminate against any patient requiring treatment
16 because of the source of payment for services, including
17 Medicare and Medicaid recipients.

18 The Department shall adopt rules to implement the
19 provisions of Public Act 88-441 concerning postsurgical
20 recovery care centers within 9 months after August 20,
21 1993.

22 (3) Alternative health care delivery model; children's
23 community-based health care center. A children's
24 community-based health care center model is a designated
25 site that provides nursing care, clinical support
26 services, and therapies for a period of one to 14 days for

1 short-term stays and 120 days to facilitate transitions to
2 home or other appropriate settings for medically fragile
3 children, technology dependent children, and children with
4 special health care needs who are deemed clinically stable
5 by a physician and are younger than 22 years of age. This
6 care is to be provided in a home-like environment that
7 serves no more than 12 children at a time. Children's
8 community-based health care center services must be
9 available through the model to all families, including
10 those whose care is paid for through the Department of
11 Healthcare and Family Services ~~Public Aid~~, the Department
12 of Children and Family Services, the Department of Human
13 Services, and insurance companies who cover home health
14 care services or private duty nursing care in the home.

15 Each children's community-based health care center
16 model location shall be physically separate and apart from
17 any other facility licensed by the Department of Public
18 Health under this or any other Act and shall provide the
19 following services: respite care, registered nursing or
20 licensed practical nursing care, transitional care to
21 facilitate home placement or other appropriate settings
22 and reunite families, medical day care, weekend camps, and
23 diagnostic studies typically done in the home setting.

24 Coverage for the services provided by the ~~Illinois~~
25 Department of Healthcare and Family Services ~~Public Aid~~
26 under this paragraph (3) is contingent upon federal waiver

1 approval and is provided only to Medicaid eligible clients
2 participating in the home and community based services
3 waiver designated in Section 1915(c) of the Social Security
4 Act for medically frail and technologically dependent
5 children or children in Department of Children and Family
6 Services foster care who receive home health benefits.

7 (4) Alternative health care delivery model; community
8 based residential rehabilitation center. A community-based
9 residential rehabilitation center model is a designated
10 site that provides rehabilitation or support, or both, for
11 persons who have experienced severe brain injury, who are
12 medically stable, and who no longer require acute
13 rehabilitative care or intense medical or nursing
14 services. The average length of stay in a community-based
15 residential rehabilitation center shall not exceed 4
16 months. As an integral part of the services provided,
17 individuals are housed in a supervised living setting while
18 having immediate access to the community. The residential
19 rehabilitation center authorized by the Department may
20 have more than one residence included under the license. A
21 residence may be no larger than 12 beds and shall be
22 located as an integral part of the community. Day treatment
23 or individualized outpatient services shall be provided
24 for persons who reside in their own home. Functional
25 outcome goals shall be established for each individual.
26 Services shall include, but are not limited to, case

1 management, training and assistance with activities of
2 daily living, nursing consultation, traditional therapies
3 (physical, occupational, speech), functional interventions
4 in the residence and community (job placement, shopping,
5 banking, recreation), counseling, self-management
6 strategies, productive activities, and multiple
7 opportunities for skill acquisition and practice
8 throughout the day. The design of individualized program
9 plans shall be consistent with the outcome goals that are
10 established for each resident. The programs provided in
11 this setting shall be accredited by the Commission on
12 Accreditation of Rehabilitation Facilities (CARF). The
13 program shall have been accredited by CARF as a Brain
14 Injury Community-Integrative Program for at least 3 years.

15 (5) Alternative health care delivery model;
16 Alzheimer's disease management center. An Alzheimer's
17 disease management center model is a designated site that
18 provides a safe and secure setting for care of persons
19 diagnosed with Alzheimer's disease. An Alzheimer's disease
20 management center model shall be a facility separate from
21 any other facility licensed by the Department of Public
22 Health under this or any other Act. An Alzheimer's disease
23 management center shall conduct and document an assessment
24 of each resident every 6 months. The assessment shall
25 include an evaluation of daily functioning, cognitive
26 status, other medical conditions, and behavioral problems.

1 An Alzheimer's disease management center shall develop and
2 implement an ongoing treatment plan for each resident. The
3 treatment plan shall have defined goals. The Alzheimer's
4 disease management center shall treat behavioral problems
5 and mood disorders using nonpharmacologic approaches such
6 as environmental modification, task simplification, and
7 other appropriate activities. All staff must have
8 necessary training to care for all stages of Alzheimer's
9 Disease. An Alzheimer's disease management center shall
10 provide education and support for residents and
11 caregivers. The education and support shall include
12 referrals to support organizations for educational
13 materials on community resources, support groups, legal
14 and financial issues, respite care, and future care needs
15 and options. The education and support shall also include a
16 discussion of the resident's need to make advance
17 directives and to identify surrogates for medical and legal
18 decision-making. The provisions of this paragraph
19 establish the minimum level of services that must be
20 provided by an Alzheimer's disease management center. An
21 Alzheimer's disease management center model shall have no
22 more than 100 residents. Nothing in this paragraph (5)
23 shall be construed as prohibiting a person or facility from
24 providing services and care to persons with Alzheimer's
25 disease as otherwise authorized under State law.

26 (6) Alternative health care delivery model; birth

1 center. A birth center shall have no more than 10 beds. A
2 birth center is a designated site that is away from the
3 mother's usual place of residence and in which births are
4 planned to occur following a normal, uncomplicated, and
5 low-risk pregnancy. A birth center shall offer prenatal
6 care and community education services and shall coordinate
7 these services with other health care services available in
8 the community. A birth center shall be one or more of the
9 following:

10 (A) A part of a hospital.

11 (B) A freestanding facility that is physically
12 distinct from a hospital but is operated under a
13 license issued to a hospital under the Hospital
14 Licensing Act.

15 (C) A part of the operation of a federally
16 qualified health center as designated by the United
17 States Department of Health and Human Services.

18 (D) An entity or facility whose costs are
19 reimbursable under Title XIX of the federal Social
20 Security Act.

21 The Department shall adopt rules that establish
22 standards equivalent to those of the American Association
23 of Birth Centers' Standards for Freestanding Birth Centers
24 for all birth centers. The Department's rules shall
25 stipulate the necessary equipment for emergency care
26 according to the American Association of Birth Centers'

1 standards. The Department's rules shall provide for a time
2 period within which each birth center not part of a
3 hospital must become accredited by the Commission for the
4 Accreditation of Freestanding Birth Centers.

5 A birth center shall be certified to participate in the
6 Medicare and Medicaid programs under Titles XVIII and XIX,
7 respectively, of the federal Social Security Act. To the
8 extent necessary, the Illinois Department of Healthcare
9 and Family Services shall apply for a waiver from the
10 United States Health Care Financing Administration to
11 allow birth centers to be reimbursed under Title XIX of the
12 federal Social Security Act.

13 A birth center shall be located within 30 minutes
14 travel time from the general acute care hospital with which
15 the birth center maintains a contractual relationship,
16 including a transfer agreement, as required under this
17 paragraph, except that for a birth center located in a
18 rural area that has been designated as a health
19 professional shortage area as determined by the United
20 States Department of Health and Human Services and that has
21 a demonstrated need for obstetrical service beds as
22 determined by the Illinois Health Facilities Planning
23 Board, the travel time may not exceed 30 minutes.

24 The services of a consultant physician who is certified
25 or eligible for certification by the American Board of
26 Obstetrics and Gynecology or the American Board of

1 Osteopathic Obstetricians and Gynecologists or has
2 hospital obstetrical privileges are required in birth
3 centers that do not have a physician on the clinical staff
4 who is certified or eligible for certification by the
5 American Board of Obstetrics and Gynecology or the American
6 Board of Osteopathic Obstetricians and Gynecologists or
7 who has hospital obstetrical privileges. A consultant
8 physician may be available either on the premises or by
9 phone.

10 If a birth center employs certified nurse midwives, a
11 certified nurse midwife shall be the Director of Nursing
12 for Midwifery Services who is responsible for the
13 development of policies and procedures for services as
14 provided by Department rules.

15 An obstetrician, family practitioner, or certified
16 nurse midwife shall attend each woman in labor from the
17 time of admission through birth and throughout the
18 immediate postpartum period. Attendance may be delegated
19 only to another physician or certified nurse midwife.
20 Additionally, a second staff person shall also be present
21 at each birth who is under the supervision of the physician
22 or certified nurse midwife in attendance, has specialized
23 training in labor and delivery techniques and care of
24 newborns, and receives planned and ongoing training as
25 needed to perform assigned duties effectively.

26 The maximum length of stay in a birth center shall be

1 consistent with existing State laws allowing a 48-hour stay
2 or appropriate post-delivery care, if discharged earlier
3 than 48 hours.

4 A birth center shall participate in the Illinois
5 Perinatal System under the Developmental Disability
6 Prevention Act. At a minimum, this participation shall
7 require a birth center to establish a letter of agreement
8 with a hospital designated under the Perinatal System. A
9 hospital that operates or has a letter of agreement with a
10 birth center shall include the birth center under its
11 maternity service plan under the Hospital Licensing Act and
12 shall include the birth center in the hospital's letter of
13 agreement with its regional perinatal center.

14 A birth center may not discriminate against any patient
15 requiring treatment because of the source of payment for
16 services, including Medicare and Medicaid recipients.

17 Within 9 months after the effective date of this
18 amendatory Act of the 95th General Assembly, the Department
19 shall adopt rules that are consistent with standards
20 developed by the American College of Obstetrics and
21 Gynecology.

22 The Department shall adopt other rules as necessary to
23 implement the provisions of this amendatory Act of the 95th
24 General Assembly within 9 months after the effective date
25 of this amendatory Act of the 95th General Assembly.

26 (Source: P.A. 93-402, eff. 1-1-04; revised 12-15-05.)