AN ACT concerning regulation.

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

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

(210 ILCS 3/30)

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

(a) There shall be no more than:

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

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

(1) Cook County outside the City of Chicago.

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

(3) Municipalities with a population greater than

50,000 not located in the areas described in item (i) of subsection (a) and paragraphs (1) and (2) of item (ii) of subsection (a); and

(iii) 4 subacute care hospital alternative health care models in the demonstration program for rural areas.

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

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

(1) Two in the City of Chicago.

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

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

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

ambulatory surgical treatment center.

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

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

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

(1) One in the City of Chicago.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(210 ILCS 3/35)

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

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

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

(2) Alternative health care delivery model;

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Alternative health care delivery model; birth

center. A birth center shall be exclusively dedicated to serving the childbirth-related needs of women and their newborns and shall have no more than 10 beds. A birth center is a designated site that is away from the mother's usual place of residence and in which births are planned to occur following a normal, uncomplicated, and low-risk pregnancy. A birth center shall offer prenatal care and community education services and shall coordinate these services with other health care services available in the community.

(A) A birth center shall not be separately licensed if it is one of the following:

(1) A part of a hospital; or

(2) A freestanding facility that is physically distinct from a hospital but is operated under a license issued to a hospital under the Hospital Licensing Act.

(B) A separate birth center license shall be required if the birth center is operated as:

(1) A part of the operation of a federally qualified health center as designated by the United States Department of Health and Human Services; or

(2) A facility other than one described in subparagraph (A)(1), (A)(2), or (B)(1) of this paragraph (6) whose costs are reimbursable under

Title XIX of the federal Social Security Act.

In adopting rules for birth centers, the Department shall consider: the American Association of Birth Centers' Standards for Freestanding Birth Centers; the American Academy of Pediatrics/American College of Obstetricians and Gynecologists Guidelines for Perinatal Care; and the Regionalized Perinatal Health Care Code. The Department's rules shall stipulate the eligibility criteria for birth center admission. The Department's rules shall stipulate the necessary equipment for emergency care according to the American Association of Birth Centers' standards and any additional equipment deemed necessary by the Department. The Department's rules shall provide for a time period within which each birth center not part of a hospital must become accredited by either the Commission for the Accreditation of Freestanding Birth Centers or The Joint Commission.

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

A birth center that is not operated under a hospital

license shall be located within a ground travel time distance from the general acute care hospital with which the birth center maintains a contractual relationship, including a transfer agreement, as required under this paragraph, that allows for an emergency caesarian delivery to be started within 30 minutes of the decision a caesarian delivery is necessary. A birth center operating under a hospital license shall be located within a ground travel time distance from the licensed hospital that allows for an emergency caesarian delivery to be started within 30 minutes of the decision a caesarian delivery is necessary.

The services of a medical director physician, licensed to practice medicine in all its branches, who is certified or eligible for certification by the American College of Obstetricians and Gynecologists or the American Board of Osteopathic Obstetricians and Gynecologists or has hospital obstetrical privileges are required in birth centers. The medical director in consultation with the Director of Nursing and Midwifery Services shall coordinate the clinical staff and overall provision of patient care. The medical director or his or her physician designee shall be available on the premises or within a close proximity as defined by rule. The medical director and the Director of Nursing and Midwifery Services shall jointly develop and approve policies defining the criteria to determine which pregnancies are accepted as normal,

uncomplicated, and low-risk, and the anesthesia services available at the center. No general anesthesia may be administered at the center.

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

An obstetrician, family practitioner, or certified nurse midwife shall attend each woman in labor from the time of admission through birth and throughout the immediate postpartum period. Attendance may be delegated only to another physician or certified nurse midwife. Additionally, a second staff person shall also be present at each birth who is licensed or certified in Illinois in a health-related field and under the supervision of the physician or certified nurse midwife in attendance, has specialized training in labor and delivery techniques and care of newborns, and receives planned and ongoing training as needed to perform assigned duties effectively.

The maximum length of stay in a birth center shall be consistent with existing State laws allowing a 48-hour stay or appropriate post-delivery care, if discharged earlier than 48 hours.

A birth center shall participate in the Illinois Perinatal System under the Developmental Disability

Prevention Act. At a minimum, this participation shall require a birth center to establish a letter of agreement with a hospital designated under the Perinatal System. A hospital that operates or has a letter of agreement with a birth center shall include the birth center under its maternity service plan under the Hospital Licensing Act and shall include the birth center in the hospital's letter of agreement with its regional perinatal center.

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

No general anesthesia and no surgery may be performed at a birth center. The Department may by rule add birth center patient eligibility criteria or standards as it deems necessary. The Department shall by rule require each birth center to report the information which the Department shall make publicly available, which shall include, but is not limited to, the following:

(i) Birth center ownership.

(ii) Sources of payment for services.

(iii) Utilization data involving patient length of stay.

(iv) Admissions and discharges.

(v) Complications.

(vi) Transfers.

(vii) Unusual incidents.

(viii) Deaths.

(ix) Any other publicly reported data required under the Illinois Consumer Guide.

(x) Post-discharge patient status data where patients are followed for 14 days after discharge from the birth center to determine whether the mother or baby developed a complication or infection.

Within 9 months after the effective date of this amendatory Act of the 95th General Assembly, the Department shall adopt rules that are developed with consideration of: the American Association of Birth Centers' Standards for Freestanding Birth Centers; the American Academy of Pediatrics/American College of Obstetricians and Gynecologists Guidelines for Perinatal Care; and the Regionalized Perinatal Health Care Code.

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

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