



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0751

Introduced 2/6/2009, by Rep. Kathleen A. Ryg

SYNOPSIS AS INTRODUCED:

20 ILCS 1705/18.4

20 ILCS 1705/18.5

30 ILCS 605/7.1

405 ILCS 30/4.6 new

from Ch. 127, par. 133b10.1

Amends the Mental Health and Developmental Disabilities Administrative Act, the State Property Control Act, and the Community Services Act. Provides that whenever a State mental health facility operated by the Department of Human Services is closed and the real estate on which the facility is located is sold by the State, the net proceeds of the sale of the real estate shall be deposited into the Community Mental Health Medicaid Trust Fund. Provides that whenever a State developmental disabilities facility operated by the Department of Human Services is closed and the real estate on which the facility is located is sold by the State, the net proceeds of the sale of the real estate shall be deposited into the Community Developmental Disability Services Medicaid Trust Fund. Provides that in determining whether any net proceeds are realized from such a sale of real estate, sufficient moneys shall be made available to ensure that there is an appropriate level of staffing and that life, safety, and care concerns are addressed so as to provide for persons with developmental disabilities or mental illness at the remaining State-operated facilities that will be expected to handle the individuals previously served at the closed facility. Requires the Department of Human Services to share and discuss its plan or plans for using the net proceeds with advocates, advocacy organizations, and advisory groups whose mission includes advocacy for persons with developmental disabilities or persons with mental illness. Effective immediately.

LRB096 05755 DRJ 15826 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning health.

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

4 Section 5. The Mental Health and Developmental
5 Disabilities Administrative Act is amended by changing
6 Sections 18.4 and 18.5 as follows:

7 (20 ILCS 1705/18.4)

8 Sec. 18.4. Community Mental Health Medicaid Trust Fund;
9 reimbursement.

10 (a) The Community Mental Health Medicaid Trust Fund is
11 hereby created in the State Treasury.

12 (b) Amounts paid to the State during each State fiscal year
13 by the federal government under Title XIX or Title XXI of the
14 Social Security Act for services delivered by community mental
15 health providers, and any interest earned thereon, shall be
16 deposited as follows:

17 (1) The first \$75,000,000 shall be deposited directly
18 into the Community Mental Health Medicaid Trust Fund to be
19 used for the purchase of community mental health services;

20 (2) The next \$4,500,000 shall be deposited directly
21 into the Community Mental Health Medicaid Trust Fund to be
22 used by the Department of Human Services' Division of
23 Mental Health for the oversight and administration of

1 community mental health services and up to \$1,000,000 of
2 this amount may be used for support of community mental
3 health service initiatives;

4 (3) The next \$3,500,000 shall be deposited directly
5 into the General Revenue Fund;

6 (4) Any additional amounts shall be deposited into the
7 Community Mental Health Medicaid Trust Fund to be used for
8 the purchase of community mental health services.

9 (b-5) Whenever a State mental health facility operated by
10 the Department is closed and the real estate on which the
11 facility is located is sold by the State, the net proceeds of
12 the sale of the real estate shall be deposited into the
13 Community Mental Health Medicaid Trust Fund.

14 (c) The Department shall reimburse community mental health
15 providers for services provided to eligible individuals.
16 Moneys in the Community Mental Health Medicaid Trust Fund may
17 be used for that purpose.

18 (d) As used in this Section:

19 "Community mental health provider" means a community
20 agency that is funded by the Department to provide a service.

21 "Service" means a mental health service provided pursuant
22 to the provisions of administrative rules adopted by the
23 Department and funded by the Department of Human Services'
24 Division of Mental Health.

25 (Source: P.A. 94-58, eff. 6-17-05; 94-839, eff. 6-6-06; 95-707,
26 eff. 1-11-08.)

1 (20 ILCS 1705/18.5)

2 Sec. 18.5. Community Developmental Disability Services
3 Medicaid Trust Fund; reimbursement.

4 (a) The Community Developmental Disability Services
5 Medicaid Trust Fund is hereby created in the State treasury.

6 (b) Except as provided in subsection (b-5), any funds in
7 excess of \$16,700,000 in any fiscal year paid to the State by
8 the federal government under Title XIX or Title XXI of the
9 Social Security Act for services delivered by community
10 developmental disability services providers for services
11 relating to Developmental Training and Community Integrated
12 Living Arrangements as a result of the conversion of such
13 providers from a grant payment methodology to a fee-for-service
14 payment methodology, or any other funds paid to the State for
15 any subsequent revenue maximization initiatives performed by
16 such providers, and any interest earned thereon, shall be
17 deposited directly into the Community Developmental Disability
18 Services Medicaid Trust Fund. One-third of this amount shall be
19 used only to pay for Medicaid-reimbursed community
20 developmental disability services provided to eligible
21 individuals, and the remainder shall be transferred to the
22 General Revenue Fund.

23 (b-5) Beginning in State fiscal year 2008, any funds paid
24 to the State by the federal government under Title XIX or Title
25 XXI of the Social Security Act for services delivered through

1 the Children's Residential Waiver and the Children's In-Home
2 Support Waiver shall be deposited directly into the Community
3 Developmental Disability Services Medicaid Trust Fund and
4 shall not be subject to the transfer provisions of subsection
5 (b).

6 (b-10) Whenever a State developmental disabilities
7 facility operated by the Department is closed and the real
8 estate on which the facility is located is sold by the State,
9 the net proceeds of the sale of the real estate shall be
10 deposited into the Community Developmental Disability Services
11 Medicaid Trust Fund.

12 (c) For purposes of this Section:

13 "Medicaid-reimbursed developmental disability services"
14 means services provided by a community developmental
15 disability provider under an agreement with the Department that
16 is eligible for reimbursement under the federal Title XIX
17 program or Title XXI program.

18 "Provider" means a qualified entity as defined in the
19 State's Home and Community-Based Services Waiver for Persons
20 with Developmental Disabilities that is funded by the
21 Department to provide a Medicaid-reimbursed service.

22 "Revenue maximization alternatives" do not include
23 increases in funds paid to the State as a result of growth in
24 spending through service expansion or rate increases.

25 (Source: P.A. 95-707, eff. 1-11-08.)

1 Section 10. The State Property Control Act is amended by
2 changing Section 7.1 as follows:

3 (30 ILCS 605/7.1) (from Ch. 127, par. 133b10.1)

4 Sec. 7.1. (a) Except as otherwise provided by law, all
5 surplus real property held by the State of Illinois shall be
6 disposed of by the administrator as provided in this Section.
7 "Surplus real property," as used in this Section, means any
8 real property to which the State holds fee simple title or
9 lesser interest, and is vacant, unoccupied or unused and which
10 has no foreseeable use by the owning agency.

11 (b) All responsible officers shall submit an Annual Real
12 Property Utilization Report to the Administrator, or annual
13 update of such report, on forms required by the Administrator,
14 by October 30 of each year. The Administrator may require such
15 documentation as he deems reasonably necessary in connection
16 with this Report, and shall require that such Report include
17 the following information:

18 (1) A legal description of all real property owned by the
19 State under the control of the responsible officer.

20 (2) A description of the use of the real property listed
21 under (1).

22 (3) A list of any improvements made to such real property
23 during the previous year.

24 (4) The dates on which the State first acquired its
25 interest in such real property, and the purchase price and

1 source of the funds used to acquire the property.

2 (5) Plans for the future use of currently unused real
3 property.

4 (6) A declaration of any surplus real property. On or
5 before December 31 of each year the Administrator shall furnish
6 copies of each responsible officer's report along with a list
7 of surplus property indexed by legislative district to the
8 General Assembly.

9 This report shall be filed with the Speaker, the Minority
10 Leader and the Clerk of the House of Representatives and the
11 President, the Minority Leader and the Secretary of the Senate
12 and shall be duplicated and made available to the members of
13 the General Assembly for evaluation by such members for
14 possible liquidation of unused public property at public sale.

15 (c) Following receipt of the Annual Real Property
16 Utilization Report required under paragraph (b), the
17 Administrator shall notify all State agencies by December 31 of
18 all declared surplus real property. Any State agency may submit
19 a written request to the Administrator, within 60 days of the
20 date of such notification, to have control of surplus real
21 property transferred to that agency. Such request must indicate
22 the reason for the transfer and the intended use to be made of
23 such surplus real property. The Administrator may deny any or
24 all such requests by a State agency or agencies if the
25 Administrator determines that it is more advantageous to the
26 State to dispose of the surplus real property under paragraph

1 (d). In case requests for the same surplus real property are
2 received from more than one State agency, the Administrator
3 shall weigh the benefits to the State and determine to which
4 agency, if any, to transfer control of such property. The
5 Administrator shall coordinate the use and disposal of State
6 surplus real property with any State space utilization program.

7 (d) Any surplus real property which is not transferred to
8 the control of another State agency under paragraph (c) shall
9 be disposed of by the Administrator. No appraisal is required
10 if during his initial survey of surplus real property the
11 Administrator determines such property has a fair market value
12 of less than \$5,000. If the value of such property is
13 determined by the Administrator in his initial survey to be
14 \$5,000 or more, then the Administrator shall obtain 3
15 appraisals of such real property, one of which shall be
16 performed by an appraiser residing in the county in which said
17 surplus real property is located. The average of these 3
18 appraisals, plus the costs of obtaining the appraisals, shall
19 represent the fair market value of the surplus real property.
20 No surplus real property may be conveyed by the Administrator
21 for less than the fair market value. Prior to offering the
22 surplus real property for sale to the public the Administrator
23 shall give notice in writing of the existence and fair market
24 value of the surplus real property to the governing bodies of
25 the county and of all cities, villages and incorporated towns
26 in the county in which such real property is located. Any such

1 governing body may exercise its option to acquire the surplus
2 real property for the fair market value within 60 days of the
3 notice. After the 60 day period has passed, the Administrator
4 may sell the surplus real property by public auction following
5 notice of such sale by publication on 3 separate days not less
6 than 15 nor more than 30 days prior to the sale in the State
7 newspaper and in a newspaper having general circulation in the
8 county in which the surplus real property is located. The
9 Administrator shall post "For Sale" signs of a conspicuous
10 nature on such surplus real property offered for sale to the
11 public. If no acceptable offers for the surplus real property
12 are received, the Administrator may have new appraisals of such
13 property made. The Administrator shall have all power necessary
14 to convey surplus real property under this Section. All moneys
15 received for the sale of surplus real property shall be
16 deposited in the General Revenue Fund, except that:

17 (1) Where ~~where~~ moneys expended for the acquisition of
18 such real property were from a special fund which is still
19 a special fund in the State treasury, this special fund
20 shall be reimbursed in the amount of the original
21 expenditure and any amount in excess thereof shall be
22 deposited in the General Revenue Fund.

23 (2) Whenever a State mental health facility operated by
24 the Department of Human Services is closed and the real
25 estate on which the facility is located is sold by the
26 State, the net proceeds of the sale of the real estate

1 shall be deposited into the Community Mental Health
2 Medicaid Trust Fund.

3 (3) Whenever a State developmental disabilities
4 facility operated by the Department of Human Services is
5 closed and the real estate on which the facility is located
6 is sold by the State, the net proceeds of the sale of the
7 real estate shall be deposited into the Community
8 Developmental Disability Services Medicaid Trust Fund.

9 The Administrator shall have authority to order such
10 surveys, abstracts of title, or commitments for title insurance
11 as may, in his reasonable discretion, be deemed necessary to
12 demonstrate to prospective purchasers or bidders good and
13 marketable title in any property offered for sale pursuant to
14 this Section. Unless otherwise specifically authorized by the
15 General Assembly, all conveyances of property made by the
16 Administrator shall be by quit claim deed.

17 (e) The Administrator shall submit an annual report on or
18 before February 1 to the Governor and the General Assembly
19 containing a detailed statement of surplus real property either
20 transferred or conveyed under this Section.

21 (Source: P.A. 85-315.)

22 Section 15. The Community Services Act is amended by adding
23 Section 4.6 as follows:

24 (405 ILCS 30/4.6 new)

1 Sec. 4.6. Closure and sale of State mental health or
2 developmental disabilities facility.

3 (a) Whenever a State mental health facility operated by the
4 Department of Human Services is closed and the real estate on
5 which the facility is located is sold by the State, then, to
6 the extent that net proceeds are realized from the sale of that
7 real estate, those net proceeds must be directed toward
8 providing other services and supports for persons with mental
9 health needs. To that end, those net proceeds shall be
10 deposited into the Community Mental Health Medicaid Trust Fund.

11 (b) Whenever a State developmental disabilities facility
12 operated by the Department of Human Services is closed and the
13 real estate on which the facility is located is sold by the
14 State, then, to the extent that net proceeds are realized from
15 the sale of that real estate, those net proceeds must be
16 directed toward providing other services and supports for
17 persons with developmental disabilities needs. To that end,
18 those net proceeds shall be deposited into the Community
19 Developmental Disability Services Medicaid Trust Fund.

20 (c) In determining whether any net proceeds are realized
21 from a sale of real estate described in subsection (a) or (b),
22 sufficient moneys shall be made available to ensure that there
23 is an appropriate level of staffing and that life, safety, and
24 care concerns are addressed so as to provide for persons with
25 developmental disabilities or mental illness at the remaining
26 State-operated facilities that will be expected to handle the

1 individuals previously served at the closed facility.

2 (d) The purposes of using the net proceeds from a sale of
3 real estate as provided in this Section shall include, but need
4 not be limited to, providing for individuals with developmental
5 disabilities and mental health needs the services and supports
6 described in subsection (e) of Section 4.4.

7 (e) Whenever any net proceeds are realized from a sale of
8 real estate as provided in this Section, the Department of
9 Human Services shall share and discuss its plan or plans for
10 using those net proceeds with advocates, advocacy
11 organizations, and advisory groups whose mission includes
12 advocacy for persons with developmental disabilities or
13 persons with mental illness.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.