

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 25 and 30 as follows:

6 (210 ILCS 3/25)

7 Sec. 25. Department responsibilities. The Department shall
8 have the responsibilities set forth in this Section.

9 (a) The Department shall adopt rules for each alternative
10 health care model authorized under this Act that shall include
11 but not be limited to the following:

12 (1) Further definition of the alternative health care
13 models.

14 (2) The definition and scope of the demonstration
15 program, including the implementation date and period of
16 operation, not to exceed 5 years.

17 (3) License application information required by the
18 Department.

19 (4) The care of patients in the alternative health care
20 models.

21 (5) Rights afforded to patients of the alternative
22 health care models.

23 (6) Physical plant requirements.

1 (7) License application and renewal fees, which may
2 cover the cost of administering the demonstration program.

3 (8) Information that may be necessary for the Board and
4 the Department to monitor and evaluate the alternative
5 health care model demonstration program.

6 (9) Administrative fines that may be assessed by the
7 Department for violations of this Act or the rules adopted
8 under this Act.

9 (b) The Department shall issue, renew, deny, suspend, or
10 revoke licenses for alternative health care models.

11 (c) The Department shall perform licensure inspections of
12 alternative health care models as deemed necessary by the
13 Department to ensure compliance with this Act or rules.

14 (d) The Department shall deposit application fees, renewal
15 fees, and fines into the Regulatory Evaluation and Basic
16 Enforcement Fund.

17 (e) The Department shall assist the Board in performing the
18 Board's responsibilities under this Act.

19 (f) (Blank). ~~The Department shall conduct a study to~~
20 ~~determine the feasibility, the potential risks and benefits to~~
21 ~~patients, and the potential effect on the health care delivery~~
22 ~~system of authorizing recovery care of nonsurgical patients in~~
23 ~~postsurgical recovery center demonstration models. The~~
24 ~~Department shall report the findings of the study to the~~
25 ~~General Assembly no later than November 1, 1998. The Director~~
26 ~~shall appoint an advisory committee with representation from~~

~~the Illinois Hospital and Health Systems Association, the Illinois State Medical Society, and the Illinois Freestanding Surgery Center Association, a physician who is board certified in internal medicine, a consumer, and other representatives deemed appropriate by the Director. The advisory committee shall advise the Department as it carries out the study.~~

~~(g) (Blank). Before November 1, 1998 the Department shall initiate a process to request public comments on how postsurgical recovery centers admitting nonsurgical patients should be regulated.~~

(Source: P.A. 90-600, eff. 6-25-98; 90-655, eff. 7-30-98.)

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

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

4 (3) Municipalities with a population greater than
5 50,000 not located in the areas described in item (i)
6 of subsection (a) and paragraphs (1) and (2) of item
7 (ii) of subsection (a); and

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

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

16 (a-5) There shall be no more than the a total number of 12
17 postsurgical recovery care centers with a certificate of need
18 for beds as of January 1, 2008. ~~center alternative health care~~
19 ~~models in the demonstration program, located as follows:~~

20 ~~(1) Two in the City of Chicago.~~

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

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

25 ~~(4) Four in municipalities with a population of 50,000~~
26 ~~or more not located in the areas described in paragraphs~~

1 ~~(1), (2), and (3), 3 of which shall be owned or operated by~~
2 ~~hospitals, at least 2 of which shall be located in counties~~
3 ~~with a population of less than 175,000, according to the~~
4 ~~most recent decennial census for which data are available,~~
5 ~~and one of which shall be owned or operated by an~~
6 ~~ambulatory surgical treatment center.~~

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

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

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

26 (1) One in the City of Chicago.

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

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

4 (4) A total of 2 in municipalities with a population of
5 50,000 or more and not located in the areas described in
6 paragraphs (1), (2), or (3).

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

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

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

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

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

1 located as follows:

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

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

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

14 The first 3 birth centers authorized to operate by the
15 Department shall be located in or predominantly serve the
16 residents of a health professional shortage area as determined
17 by the United States Department of Health and Human Services.
18 There shall be no more than 2 birth centers authorized to
19 operate in any single health planning area for obstetric
20 services as determined under the Illinois Health Facilities
21 Planning Act. If a birth center is located outside of a health
22 professional shortage area, (i) the birth center shall be
23 located in a health planning area with a demonstrated need for
24 obstetrical service beds, as determined by the Illinois Health
25 Facilities Planning Board or (ii) there must be a reduction in
26 the existing number of obstetrical service beds in the planning

1 area so that the establishment of the birth center does not
2 result in an increase in the total number of obstetrical
3 service beds in the health planning area.

4 (b) Alternative health care models, other than a model
5 authorized under subsection (a-20), shall obtain a certificate
6 of need from the Illinois Health Facilities Planning Board
7 under the Illinois Health Facilities Planning Act before
8 receiving a license by the Department. If, after obtaining its
9 initial certificate of need, an alternative health care
10 delivery model that is a community based residential
11 rehabilitation center seeks to increase the bed capacity of
12 that center, it must obtain a certificate of need from the
13 Illinois Health Facilities Planning Board before increasing
14 the bed capacity. Alternative health care models in medically
15 underserved areas shall receive priority in obtaining a
16 certificate of need.

17 (c) An alternative health care model license shall be
18 issued for a period of one year and shall be annually renewed
19 if the facility or program is in substantial compliance with
20 the Department's rules adopted under this Act. A licensed
21 alternative health care model that continues to be in
22 substantial compliance after the conclusion of the
23 demonstration program shall be eligible for annual renewals
24 unless and until a different licensure program for that type of
25 health care model is established by legislation, except that a
26 postsurgical recovery care center meeting the following

1 requirements may apply within 3 years after the effective date
2 of this amendatory Act of the 96th General Assembly for a
3 Certificate of Need permit to operate as a hospital:

4 (1) The postsurgical recovery care center shall apply
5 to the Illinois Health Facilities Planning Board for a
6 Certificate of Need permit to discontinue the postsurgical
7 recovery care center and to establish a hospital.

8 (2) If the postsurgical recovery care center obtains a
9 Certificate of Need permit to operate as a hospital, it
10 shall apply for licensure as a hospital under the Hospital
11 Licensing Act and shall meet all statutory and regulatory
12 requirements of a hospital.

13 (3) After obtaining licensure as a hospital, any
14 license as an ambulatory surgical treatment center and any
15 license as a post-surgical recovery care center shall be
16 null and void.

17 (4) The former postsurgical recovery care center that
18 receives a hospital license must seek and use its best
19 efforts to maintain certification under Titles XVIII and
20 XIX of the federal Social Security Act.

21 The Department may issue a provisional license to any
22 alternative health care model that does not substantially
23 comply with the provisions of this Act and the rules adopted
24 under this Act if (i) the Department finds that the alternative
25 health care model has undertaken changes and corrections which
26 upon completion will render the alternative health care model

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

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

17 (d-5) The Department of Healthcare and Family Services
18 (formerly Illinois Department of Public Aid), in cooperation
19 with the Illinois Department of Public Health, shall develop
20 and implement a reimbursement methodology for all facilities
21 participating in the demonstration program. The Department of
22 Healthcare and Family Services shall keep a record of services
23 provided under the demonstration program to recipients of
24 medical assistance under the Illinois Public Aid Code and shall
25 submit an annual report of that information to the Illinois
26 Department of Public 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. 95-331, eff. 8-21-07; 95-445, eff. 1-1-08.)

8 (210 ILCS 3/35.1 rep.)

9 Section 10. The Alternative Health Care Delivery Act is
10 amended by repealing Section 35.1.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.