



Rep. Frank J. Mautino

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09700SB1680ham001

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1 AMENDMENT TO SENATE BILL 1680

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1680 as follows:

3 on page 1, line 5, by replacing "5A-2 and 5A-14" with "5A-2,  
4 5A-3, 5A-5, 5A-8, 5A-10, and 5A-14"; and

5 on page 4, by inserting immediately below line 23 the  
6 following:

7 "(305 ILCS 5/5A-3) (from Ch. 23, par. 5A-3)

8 Sec. 5A-3. Exemptions.

9 (a) (Blank).

10 (b) A hospital provider that is a State agency, a State  
11 university, or a county with a population of 3,000,000 or more  
12 is exempt from the assessment imposed by Section 5A-2.

13 (b-2) A hospital provider that is a county with a  
14 population of less than 3,000,000 or a township, municipality,  
15 hospital district, or any other local governmental unit is

1 exempt from the assessment imposed by Section 5A-2.

2 (b-5) (Blank).

3 (b-10) For State fiscal years 2004 through 2016 ~~2014~~, a  
4 hospital provider, described in Section 1903(w)(3)(F) of the  
5 Social Security Act, whose hospital does not charge for its  
6 services is exempt from the assessment imposed by Section 5A-2,  
7 unless the exemption is adjudged to be unconstitutional or  
8 otherwise invalid, in which case the hospital provider shall  
9 pay the assessment imposed by Section 5A-2.

10 (b-15) For State fiscal years 2004 and 2005, a hospital  
11 provider whose hospital is licensed by the Department of Public  
12 Health as a psychiatric hospital is exempt from the assessment  
13 imposed by Section 5A-2, unless the exemption is adjudged to be  
14 unconstitutional or otherwise invalid, in which case the  
15 hospital provider shall pay the assessment imposed by Section  
16 5A-2.

17 (b-20) For State fiscal years 2004 and 2005, a hospital  
18 provider whose hospital is licensed by the Department of Public  
19 Health as a rehabilitation hospital is exempt from the  
20 assessment imposed by Section 5A-2, unless the exemption is  
21 adjudged to be unconstitutional or otherwise invalid, in which  
22 case the hospital provider shall pay the assessment imposed by  
23 Section 5A-2.

24 (b-25) For State fiscal years 2004 and 2005, a hospital  
25 provider whose hospital (i) is not a psychiatric hospital,  
26 rehabilitation hospital, or children's hospital and (ii) has an

1 average length of inpatient stay greater than 25 days is exempt  
2 from the assessment imposed by Section 5A-2, unless the  
3 exemption is adjudged to be unconstitutional or otherwise  
4 invalid, in which case the hospital provider shall pay the  
5 assessment imposed by Section 5A-2.

6 (c) (Blank).

7 (Source: P.A. 95-859, eff. 8-19-08; 96-1530, eff. 2-16-11.)

8 (305 ILCS 5/5A-5) (from Ch. 23, par. 5A-5)

9 Sec. 5A-5. Notice; penalty; maintenance of records.

10 (a) The Department of Healthcare and Family Services shall  
11 send a notice of assessment to every hospital provider subject  
12 to assessment under this Article. The notice of assessment  
13 shall notify the hospital of its assessment and shall be sent  
14 after receipt by the Department of notification from the  
15 Centers for Medicare and Medicaid Services of the U.S.  
16 Department of Health and Human Services that the payment  
17 methodologies required under Section 5A-12, Section 5A-12.1,  
18 or Section 5A-12.2, whichever is applicable for that fiscal  
19 year, and, if necessary, the waiver granted under 42 CFR 433.68  
20 have been approved. The notice shall be on a form prepared by  
21 the Illinois Department and shall state the following:

22 (1) The name of the hospital provider.

23 (2) The address of the hospital provider's principal  
24 place of business from which the provider engages in the  
25 occupation of hospital provider in this State, and the name

1 and address of each hospital operated, conducted, or  
2 maintained by the provider in this State.

3 (3) The occupied bed days, occupied bed days less  
4 Medicare days, or adjusted gross hospital revenue of the  
5 hospital provider (whichever is applicable), the amount of  
6 assessment imposed under Section 5A-2 for the State fiscal  
7 year for which the notice is sent, and the amount of each  
8 installment to be paid during the State fiscal year.

9 (4) (Blank).

10 (5) Other reasonable information as determined by the  
11 Illinois Department.

12 (b) If a hospital provider conducts, operates, or maintains  
13 more than one hospital licensed by the Illinois Department of  
14 Public Health, the provider shall pay the assessment for each  
15 hospital separately.

16 (c) Notwithstanding any other provision in this Article, in  
17 the case of a person who ceases to conduct, operate, or  
18 maintain a hospital in respect of which the person is subject  
19 to assessment under this Article as a hospital provider, the  
20 assessment for the State fiscal year in which the cessation  
21 occurs shall be adjusted by multiplying the assessment computed  
22 under Section 5A-2 by a fraction, the numerator of which is the  
23 number of days in the year during which the provider conducts,  
24 operates, or maintains the hospital and the denominator of  
25 which is 365. Immediately upon ceasing to conduct, operate, or  
26 maintain a hospital, the person shall pay the assessment for

1 the year as so adjusted (to the extent not previously paid).

2 (d) Notwithstanding any other provision in this Article, a  
3 provider who commences conducting, operating, or maintaining a  
4 hospital, upon notice by the Illinois Department, shall pay the  
5 assessment computed under Section 5A-2 and subsection (e) in  
6 installments on the due dates stated in the notice and on the  
7 regular installment due dates for the State fiscal year  
8 occurring after the due dates of the initial notice.

9 (e) Notwithstanding any other provision in this Article,  
10 for State fiscal years 2004 and 2005, in the case of a hospital  
11 provider that did not conduct, operate, or maintain a hospital  
12 throughout calendar year 2001, the assessment for that State  
13 fiscal year shall be computed on the basis of hypothetical  
14 occupied bed days for the full calendar year as determined by  
15 the Illinois Department. Notwithstanding any other provision  
16 in this Article, for State fiscal years 2006 through 2008, in  
17 the case of a hospital provider that did not conduct, operate,  
18 or maintain a hospital in 2003, the assessment for that State  
19 fiscal year shall be computed on the basis of hypothetical  
20 adjusted gross hospital revenue for the hospital's first full  
21 fiscal year as determined by the Illinois Department (which may  
22 be based on annualization of the provider's actual revenues for  
23 a portion of the year, or revenues of a comparable hospital for  
24 the year, including revenues realized by a prior provider of  
25 the same hospital during the year). Notwithstanding any other  
26 provision in this Article, for State fiscal years 2009 through

1 2016 ~~2014~~, in the case of a hospital provider that did not  
2 conduct, operate, or maintain a hospital in 2005, the  
3 assessment for that State fiscal year shall be computed on the  
4 basis of hypothetical occupied bed days for the full calendar  
5 year as determined by the Illinois Department.

6 (f) Every hospital provider subject to assessment under  
7 this Article shall keep sufficient records to permit the  
8 determination of adjusted gross hospital revenue for the  
9 hospital's fiscal year. All such records shall be kept in the  
10 English language and shall, at all times during regular  
11 business hours of the day, be subject to inspection by the  
12 Illinois Department or its duly authorized agents and  
13 employees.

14 (g) The Illinois Department may, by rule, provide a  
15 hospital provider a reasonable opportunity to request a  
16 clarification or correction of any clerical or computational  
17 errors contained in the calculation of its assessment, but such  
18 corrections shall not extend to updating the cost report  
19 information used to calculate the assessment.

20 (h) (Blank).

21 (Source: P.A. 95-331, eff. 8-21-07; 95-859, eff. 8-19-08;  
22 96-1530, eff. 2-16-11.)

23 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

24 Sec. 5A-8. Hospital Provider Fund.

25 (a) There is created in the State Treasury the Hospital

1 Provider Fund. Interest earned by the Fund shall be credited to  
2 the Fund. The Fund shall not be used to replace any moneys  
3 appropriated to the Medicaid program by the General Assembly.

4 (b) The Fund is created for the purpose of receiving moneys  
5 in accordance with Section 5A-6 and disbursing moneys only for  
6 the following purposes, notwithstanding any other provision of  
7 law:

8 (1) For making payments to hospitals as required under  
9 Articles V, V-A, VI, and XIV of this Code, under the  
10 Children's Health Insurance Program Act, under the  
11 Covering ALL KIDS Health Insurance Act, and under the  
12 Senior Citizens and Disabled Persons Property Tax Relief  
13 and Pharmaceutical Assistance Act.

14 (2) For the reimbursement of moneys collected by the  
15 Illinois Department from hospitals or hospital providers  
16 through error or mistake in performing the activities  
17 authorized under this Article and Article V of this Code.

18 (3) For payment of administrative expenses incurred by  
19 the Illinois Department or its agent in performing the  
20 activities authorized by this Article.

21 (4) For payments of any amounts which are reimbursable  
22 to the federal government for payments from this Fund which  
23 are required to be paid by State warrant.

24 (5) For making transfers, as those transfers are  
25 authorized in the proceedings authorizing debt under the  
26 Short Term Borrowing Act, but transfers made under this

1 paragraph (5) shall not exceed the principal amount of debt  
2 issued in anticipation of the receipt by the State of  
3 moneys to be deposited into the Fund.

4 (6) For making transfers to any other fund in the State  
5 treasury, but transfers made under this paragraph (6) shall  
6 not exceed the amount transferred previously from that  
7 other fund into the Hospital Provider Fund.

8 (6.5) For making transfers to the Healthcare Provider  
9 Relief Fund, except that transfers made under this  
10 paragraph (6.5) shall not exceed \$60,000,000 in the  
11 aggregate.

12 (7) For State fiscal years 2004 and 2005 for making  
13 transfers to the Health and Human Services Medicaid Trust  
14 Fund, including 20% of the moneys received from hospital  
15 providers under Section 5A-4 and transferred into the  
16 Hospital Provider Fund under Section 5A-6. For State fiscal  
17 year 2006 for making transfers to the Health and Human  
18 Services Medicaid Trust Fund of up to \$130,000,000 per year  
19 of the moneys received from hospital providers under  
20 Section 5A-4 and transferred into the Hospital Provider  
21 Fund under Section 5A-6. Transfers under this paragraph  
22 shall be made within 7 days after the payments have been  
23 received pursuant to the schedule of payments provided in  
24 subsection (a) of Section 5A-4.

25 (7.5) For State fiscal year 2007 for making transfers  
26 of the moneys received from hospital providers under



1 Section 5A-4 and transferred into the Hospital Provider  
2 Fund under Section 5A-6 to the designated funds not  
3 exceeding the following amounts in that State fiscal year:

4 Health and Human Services

5 Medicaid Trust Fund ..... \$20,000,000

6 Long-Term Care Provider Fund ..... \$30,000,000

7 General Revenue Fund ..... \$80,000,000.

8 Transfers under this paragraph shall be made within 7  
9 days after the payments have been received pursuant to the  
10 schedule of payments provided in subsection (a) of Section  
11 5A-4.

12 (7.8) For State fiscal year 2008, for making transfers  
13 of the moneys received from hospital providers under  
14 Section 5A-4 and transferred into the Hospital Provider  
15 Fund under Section 5A-6 to the designated funds not  
16 exceeding the following amounts in that State fiscal year:

17 Health and Human Services

18 Medicaid Trust Fund ..... \$40,000,000

19 Long-Term Care Provider Fund ..... \$60,000,000

20 General Revenue Fund ..... \$160,000,000.

21 Transfers under this paragraph shall be made within 7  
22 days after the payments have been received pursuant to the  
23 schedule of payments provided in subsection (a) of Section  
24 5A-4.

25 (7.9) For State fiscal years 2009 through 2016 ~~2014~~,  
26 for making transfers of the moneys received from hospital

1 providers under Section 5A-4 and transferred into the  
2 Hospital Provider Fund under Section 5A-6 to the designated  
3 funds not exceeding the following amounts in that State  
4 fiscal year:

5	Health and Human Services	
6	Medicaid Trust Fund .....	\$20,000,000
7	Long Term Care Provider Fund .....	\$30,000,000
8	General Revenue Fund .....	\$80,000,000.

9 Except as provided under this paragraph, transfers  
10 under this paragraph shall be made within 7 business days  
11 after the payments have been received pursuant to the  
12 schedule of payments provided in subsection (a) of Section  
13 5A-4. For State fiscal year 2009, transfers to the General  
14 Revenue Fund under this paragraph shall be made on or  
15 before June 30, 2009, as sufficient funds become available  
16 in the Hospital Provider Fund to both make the transfers  
17 and continue hospital payments.

18 (8) For making refunds to hospital providers pursuant  
19 to Section 5A-10.

20 Disbursements from the Fund, other than transfers  
21 authorized under paragraphs (5) and (6) of this subsection,  
22 shall be by warrants drawn by the State Comptroller upon  
23 receipt of vouchers duly executed and certified by the Illinois  
24 Department.

25 (c) The Fund shall consist of the following:

26 (1) All moneys collected or received by the Illinois

1 Department from the hospital provider assessment imposed  
2 by this Article.

3 (2) All federal matching funds received by the Illinois  
4 Department as a result of expenditures made by the Illinois  
5 Department that are attributable to moneys deposited in the  
6 Fund.

7 (3) Any interest or penalty levied in conjunction with  
8 the administration of this Article.

9 (4) Moneys transferred from another fund in the State  
10 treasury.

11 (5) All other moneys received for the Fund from any  
12 other source, including interest earned thereon.

13 (d) (Blank).

14 (Source: P.A. 95-707, eff. 1-11-08; 95-859, eff. 8-19-08; 96-3,  
15 eff. 2-27-09; 96-45, eff. 7-15-09; 96-821, eff. 11-20-09;  
16 96-1530, eff. 2-16-11.)

17 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

18 Sec. 5A-10. Applicability.

19 (a) The assessment imposed by Section 5A-2 shall not take  
20 effect or shall cease to be imposed, and any moneys remaining  
21 in the Fund shall be refunded to hospital providers in  
22 proportion to the amounts paid by them, if:

23 (1) The sum of the appropriations for State fiscal  
24 years 2004 and 2005 from the General Revenue Fund for  
25 hospital payments under the medical assistance program is

1 less than \$4,500,000,000 or the appropriation for each of  
2 State fiscal years 2006, 2007 and 2008 from the General  
3 Revenue Fund for hospital payments under the medical  
4 assistance program is less than \$2,500,000,000 increased  
5 annually to reflect any increase in the number of  
6 recipients, or the annual appropriation for State fiscal  
7 years 2009 through 2016 ~~2014~~, from the General Revenue Fund  
8 combined with the Hospital Provider Fund as authorized in  
9 Section 5A-8 for hospital payments under the medical  
10 assistance program, is less than the amount appropriated  
11 for State fiscal year 2009, adjusted annually to reflect  
12 any change in the number of recipients, excluding State  
13 fiscal year 2009 supplemental appropriations made  
14 necessary by the enactment of the American Recovery and  
15 Reinvestment Act of 2009; or

16 (2) For State fiscal years prior to State fiscal year  
17 2009, the Department of Healthcare and Family Services  
18 (formerly Department of Public Aid) makes changes in its  
19 rules that reduce the hospital inpatient or outpatient  
20 payment rates, including adjustment payment rates, in  
21 effect on October 1, 2004, except for hospitals described  
22 in subsection (b) of Section 5A-3 and except for changes in  
23 the methodology for calculating outlier payments to  
24 hospitals for exceptionally costly stays, so long as those  
25 changes do not reduce aggregate expenditures below the  
26 amount expended in State fiscal year 2005 for such

1 services; or

2 (2.1) For State fiscal years 2009 through 2016 ~~2014~~,  
3 the Department of Healthcare and Family Services adopts any  
4 administrative rule change to reduce payment rates or  
5 alters any payment methodology that reduces any payment  
6 rates made to operating hospitals under the approved Title  
7 XIX or Title XXI State plan in effect January 1, 2008  
8 except for:

9 (A) any changes for hospitals described in  
10 subsection (b) of Section 5A-3; or

11 (B) any rates for payments made under this Article  
12 V-A; or

13 (C) any changes proposed in State plan amendment  
14 transmittal numbers 08-01, 08-02, 08-04, 08-06, and  
15 08-07; or

16 (D) in relation to any admissions on or after  
17 January 1, 2011, a modification in the methodology for  
18 calculating outlier payments to hospitals for  
19 exceptionally costly stays, for hospitals reimbursed  
20 under the diagnosis-related grouping methodology;  
21 provided that the Department shall be limited to one  
22 such modification during the 36-month period after the  
23 effective date of this amendatory Act of the 96th  
24 General Assembly; or

25 (3) The payments to hospitals required under Section  
26 5A-12 or Section 5A-12.2 are changed or are not eligible

1           for federal matching funds under Title XIX or XXI of the  
2           Social Security Act.

3           (b) The assessment imposed by Section 5A-2 shall not take  
4 effect or shall cease to be imposed if the assessment is  
5 determined to be an impermissible tax under Title XIX of the  
6 Social Security Act. Moneys in the Hospital Provider Fund  
7 derived from assessments imposed prior thereto shall be  
8 disbursed in accordance with Section 5A-8 to the extent federal  
9 financial participation is not reduced due to the  
10 impermissibility of the assessments, and any remaining moneys  
11 shall be refunded to hospital providers in proportion to the  
12 amounts paid by them.

13           (Source: P.A. 95-331, eff. 8-21-07; 95-859, eff. 8-19-08; 96-8,  
14 eff. 4-28-09; 96-1530, eff. 2-16-11.)"; and

15           on page 5, line 4, by replacing "2013" with "2016 ~~2013~~".