

**SB3608**



**97TH GENERAL ASSEMBLY**

**State of Illinois**

**2011 and 2012**

**SB3608**

Introduced 2/10/2012, by Sen. Kyle McCarter - William E. Brady

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Illinois Health Facilities Planning Act. Provides that the Health Facilities and Services Review Board is hereby dissolved and the terms of its members shall cease. Amends various other Acts to make corresponding changes. Effective July 1, 2013.

LRB097 19792 DRJ 65062 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning health facilities.

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

4 Section 5. The Open Meetings Act is amended by changing  
5 Section 1.02 as follows:

6 (5 ILCS 120/1.02) (from Ch. 102, par. 41.02)

7 Sec. 1.02. For the purposes of this Act:

8 "Meeting" means any gathering, whether in person or by  
9 video or audio conference, telephone call, electronic means  
10 (such as, without limitation, electronic mail, electronic  
11 chat, and instant messaging), or other means of contemporaneous  
12 interactive communication, of a majority of a quorum of the  
13 members of a public body held for the purpose of discussing  
14 public business or, for a 5-member public body, a quorum of the  
15 members of a public body held for the purpose of discussing  
16 public business.

17 Accordingly, for a 5-member public body, 3 members of the  
18 body constitute a quorum and the affirmative vote of 3 members  
19 is necessary to adopt any motion, resolution, or ordinance,  
20 unless a greater number is otherwise required.

21 "Public body" includes all legislative, executive,  
22 administrative or advisory bodies of the State, counties,  
23 townships, cities, villages, incorporated towns, school

1 districts and all other municipal corporations, boards,  
2 bureaus, committees or commissions of this State, and any  
3 subsidiary bodies of any of the foregoing including but not  
4 limited to committees and subcommittees which are supported in  
5 whole or in part by tax revenue, or which expend tax revenue,  
6 except the General Assembly and committees or commissions  
7 thereof. "Public body" includes tourism boards and convention  
8 or civic center boards located in counties that are contiguous  
9 to the Mississippi River with populations of more than 250,000  
10 but less than 300,000. ~~"Public body" includes the Health~~  
11 ~~Facilities and Services Review Board.~~ "Public body" does not  
12 include a child death review team or the Illinois Child Death  
13 Review Teams Executive Council established under the Child  
14 Death Review Team Act or an ethics commission acting under the  
15 State Officials and Employees Ethics Act.

16 (Source: P.A. 95-245, eff. 8-17-07; 96-31, eff. 6-30-09.)

17 Section 10. The State Officials and Employees Ethics Act is  
18 amended by changing Section 5-50 as follows:

19 (5 ILCS 430/5-50)

20 Sec. 5-50. Ex parte communications; special government  
21 agents.

22 (a) This Section applies to ex parte communications made to  
23 any agency listed in subsection (e).

24 (b) "Ex parte communication" means any written or oral

1 communication by any person that imparts or requests material  
2 information or makes a material argument regarding potential  
3 action concerning regulatory, quasi-adjudicatory, investment,  
4 or licensing matters pending before or under consideration by  
5 the agency. "Ex parte communication" does not include the  
6 following: (i) statements by a person publicly made in a public  
7 forum; (ii) statements regarding matters of procedure and  
8 practice, such as format, the number of copies required, the  
9 manner of filing, and the status of a matter; and (iii)  
10 statements made by a State employee of the agency to the agency  
11 head or other employees of that agency.

12 (b-5) An ex parte communication received by an agency,  
13 agency head, or other agency employee from an interested party  
14 or his or her official representative or attorney shall  
15 promptly be memorialized and made a part of the record.

16 (c) An ex parte communication received by any agency,  
17 agency head, or other agency employee, other than an ex parte  
18 communication described in subsection (b-5), shall immediately  
19 be reported to that agency's ethics officer by the recipient of  
20 the communication and by any other employee of that agency who  
21 responds to the communication. The ethics officer shall require  
22 that the ex parte communication be promptly made a part of the  
23 record. The ethics officer shall promptly file the ex parte  
24 communication with the Executive Ethics Commission, including  
25 all written communications, all written responses to the  
26 communications, and a memorandum prepared by the ethics officer

1 stating the nature and substance of all oral communications,  
2 the identity and job title of the person to whom each  
3 communication was made, all responses made, the identity and  
4 job title of the person making each response, the identity of  
5 each person from whom the written or oral ex parte  
6 communication was received, the individual or entity  
7 represented by that person, any action the person requested or  
8 recommended, and any other pertinent information. The  
9 disclosure shall also contain the date of any ex parte  
10 communication.

11 (d) "Interested party" means a person or entity whose  
12 rights, privileges, or interests are the subject of or are  
13 directly affected by a regulatory, quasi-adjudicatory,  
14 investment, or licensing matter.

15 (e) This Section applies to the following agencies:

16 Executive Ethics Commission

17 Illinois Commerce Commission

18 Educational Labor Relations Board

19 State Board of Elections

20 Illinois Gaming Board

21 ~~Health Facilities and Services Review Board~~

22 Illinois Workers' Compensation Commission

23 Illinois Labor Relations Board

24 Illinois Liquor Control Commission

25 Pollution Control Board

26 Property Tax Appeal Board

1 Illinois Racing Board  
2 Illinois Purchased Care Review Board  
3 Department of State Police Merit Board  
4 Motor Vehicle Review Board  
5 Prisoner Review Board  
6 Civil Service Commission  
7 Personnel Review Board for the Treasurer  
8 Merit Commission for the Secretary of State  
9 Merit Commission for the Office of the Comptroller  
10 Court of Claims  
11 Board of Review of the Department of Employment Security  
12 Department of Insurance  
13 Department of Professional Regulation and licensing boards  
14 under the Department  
15 Department of Public Health and licensing boards under the  
16 Department  
17 Office of Banks and Real Estate and licensing boards under  
18 the Office  
19 State Employees Retirement System Board of Trustees  
20 Judges Retirement System Board of Trustees  
21 General Assembly Retirement System Board of Trustees  
22 Illinois Board of Investment  
23 State Universities Retirement System Board of Trustees  
24 Teachers Retirement System Officers Board of Trustees  
25 (f) Any person who fails to (i) report an ex parte  
26 communication to an ethics officer, (ii) make information part

1 of the record, or (iii) make a filing with the Executive Ethics  
2 Commission as required by this Section or as required by  
3 Section 5-165 of the Illinois Administrative Procedure Act  
4 violates this Act.

5 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09.)

6 Section 15. The Department of Public Health Powers and  
7 Duties Law of the Civil Administrative Code of Illinois is  
8 amended by changing Section 2310-217 as follows:

9 (20 ILCS 2310/2310-217)

10 Sec. 2310-217. Center for Comprehensive Health Planning.

11 (a) The Center for Comprehensive Health Planning  
12 ("Center") is hereby created to promote the distribution of  
13 health care services and improve the healthcare delivery system  
14 in Illinois by establishing a statewide Comprehensive Health  
15 Plan and ensuring a predictable, transparent, and efficient  
16 Certificate of Need process under the Illinois Health  
17 Facilities Planning Act. The objectives of the Comprehensive  
18 Health Plan include: to assess existing community resources and  
19 determine health care needs; to support safety net services for  
20 uninsured and underinsured residents; to promote adequate  
21 financing for health care services; and to recognize and  
22 respond to changes in community health care needs, including  
23 public health emergencies and natural disasters. The Center  
24 shall comprehensively assess health and mental health

1 services; assess health needs with a special focus on the  
2 identification of health disparities; identify State-level and  
3 regional needs; and make findings that identify the impact of  
4 market forces on the access to high quality services for  
5 uninsured and underinsured residents. The Center shall conduct  
6 a biennial comprehensive assessment of health resources and  
7 service needs, including, but not limited to, facilities,  
8 clinical services, and workforce; conduct needs assessments  
9 using key indicators of population health status and  
10 determinations of potential benefits that could occur with  
11 certain changes in the health care delivery system; collect and  
12 analyze relevant, objective, and accurate data, including  
13 health care utilization data; identify issues related to health  
14 care financing such as revenue streams, federal opportunities,  
15 better utilization of existing resources, development of  
16 resources, and incentives for new resource development;  
17 evaluate findings by the needs assessments; and annually report  
18 to the General Assembly and the public.

19 The Illinois Department of Public Health shall establish a  
20 Center for Comprehensive Health Planning to develop a  
21 long-range Comprehensive Health Plan, which Plan shall guide  
22 the development of clinical services, facilities, and  
23 workforce that meet the health and mental health care needs of  
24 this State.

25 (b) Center for Comprehensive Health Planning.

26 (1) Responsibilities and duties of the Center include:



1           (A) (blank); ~~providing technical assistance to the~~  
2 ~~Health Facilities and Services Review Board to permit~~  
3 ~~that Board to apply relevant components of the~~  
4 ~~Comprehensive Health Plan in its deliberations;~~

5           (B) attempting to identify unmet health needs and  
6 assist in any inter-agency State planning for health  
7 resource development;

8           (C) considering health plans and other related  
9 publications that have been developed in Illinois and  
10 nationally;

11           (D) establishing priorities and recommend methods  
12 for meeting identified health service, facilities, and  
13 workforce needs. Plan recommendations shall be  
14 short-term, mid-term, and long-range;

15           (E) conducting an analysis regarding the  
16 availability of long-term care resources throughout  
17 the State, using data and plans developed under the  
18 Illinois Older Adult Services Act, to adjust existing  
19 bed need criteria and standards under the Health  
20 Facilities Planning Act for changes in utilization of  
21 institutional and non-institutional care options, with  
22 special consideration of the availability of the  
23 least-restrictive options in accordance with the needs  
24 and preferences of persons requiring long-term care;  
25 and

26           (F) considering and recognizing health resource

1 development projects or information on methods by  
2 which a community may receive benefit, that are  
3 consistent with health resource needs identified  
4 through the comprehensive health planning process.

5 (2) A Comprehensive Health Planner shall be appointed  
6 by the Governor, with the advice and consent of the Senate,  
7 to supervise the Center and its staff for a paid 3-year  
8 term, subject to review and re-approval every 3 years. The  
9 Planner shall receive an annual salary of \$120,000, or an  
10 amount set by the Compensation Review Board, whichever is  
11 greater. The Planner shall prepare a budget for review and  
12 approval by the Illinois General Assembly, which shall  
13 become part of the annual report available on the  
14 Department website.

15 (c) Comprehensive Health Plan.

16 (1) The Plan shall be developed with a 5 to 10 year  
17 range, and updated every 2 years, or annually, if needed.

18 (2) Components of the Plan shall include:

19 (A) an inventory to map the State for growth,  
20 population shifts, and utilization of available  
21 healthcare resources, using both State-level and  
22 regionally defined areas;

23 (B) an evaluation of health service needs,  
24 addressing gaps in service, over-supply, and  
25 continuity of care, including an assessment of  
26 existing safety net services;

1 (C) an inventory of health care facility  
2 infrastructure, including regulated facilities and  
3 services, and unregulated facilities and services, as  
4 determined by the Center;

5 (D) recommendations on ensuring access to care,  
6 especially for safety net services, including rural  
7 and medically underserved communities; and

8 (E) an integration between health planning for  
9 clinical services, facilities and workforce under the  
10 Illinois Health Facilities Planning Act and other  
11 health planning laws and activities of the State.

12 (3) Components of the Plan may include recommendations  
13 that will be integrated into any relevant certificate of  
14 need review criteria, standards, and procedures.

15 (d) Within 60 days of receiving the Comprehensive Health  
16 Plan, the State Board of Health shall review and comment upon  
17 the Plan and any policy change recommendations. The first Plan  
18 shall be submitted to the State Board of Health within one year  
19 after hiring the Comprehensive Health Planner. The Plan shall  
20 be submitted to the General Assembly by the following March 1.  
21 The Center and State Board shall hold public hearings on the  
22 Plan and its updates. The Center shall permit the public to  
23 request the Plan to be updated more frequently to address  
24 emerging population and demographic trends.

25 (e) Current comprehensive health planning data and  
26 information about Center funding shall be available to the

1 public on the Department website.

2 (f) The Department shall submit to a performance audit of  
3 the Center by the Auditor General in order to assess whether  
4 progress is being made to develop a Comprehensive Health Plan  
5 and whether resources are sufficient to meet the goals of the  
6 Center for Comprehensive Health Planning.

7 (Source: P.A. 96-31, eff. 6-30-09.)

8 Section 20. The Illinois Health Facilities Planning Act is  
9 amended by changing Sections 2, 3, 8.5, and 19.5 and by adding  
10 Section 2.5 as follows:

11 (20 ILCS 3960/2) (from Ch. 111 1/2, par. 1152)

12 (Section scheduled to be repealed on December 31, 2019)

13 Sec. 2. Purpose of the Act. This Act shall establish a  
14 procedure (1) which requires a person establishing,  
15 constructing or modifying a health care facility, as herein  
16 defined, to have the qualifications, background, character and  
17 financial resources to adequately provide a proper service for  
18 the community; (2) that promotes, through the process of  
19 comprehensive health planning, the orderly and economic  
20 development of health care facilities in the State of Illinois  
21 that avoids unnecessary duplication of such facilities; (3)  
22 that promotes planning for and development of health care  
23 facilities needed for comprehensive health care especially in  
24 areas where the health planning process has identified unmet

1 needs; and (4) that carries out these purposes in coordination  
2 with the Center for Comprehensive Health Planning and the  
3 Comprehensive Health Plan developed by that Center.

4 The changes made to this Act by this amendatory Act of the  
5 96th General Assembly are intended to accomplish the following  
6 objectives: to improve the financial ability of the public to  
7 obtain necessary health services; to establish an orderly and  
8 comprehensive health care delivery system that will guarantee  
9 the availability of quality health care to the general public;  
10 to maintain and improve the provision of essential health care  
11 services and increase the accessibility of those services to  
12 the medically underserved and indigent; to assure that the  
13 reduction and closure of health care services or facilities is  
14 performed in an orderly and timely manner, and that these  
15 actions are deemed to be in the best interests of the public;  
16 and to assess the financial burden to patients caused by  
17 unnecessary health care construction and modification. ~~The~~  
18 ~~Health Facilities and Services Review Board must apply the~~  
19 ~~findings from the Comprehensive Health Plan to update review~~  
20 ~~standards and criteria, as well as better identify needs and~~  
21 ~~evaluate applications, and establish mechanisms to support~~  
22 ~~adequate financing of the health care delivery system in~~  
23 ~~Illinois, for the development and preservation of safety net~~  
24 ~~services. The Board must provide written and consistent~~  
25 ~~decisions that are based on the findings from the Comprehensive~~  
26 ~~Health Plan, as well as other issue or subject specific plans,~~

1 ~~recommended by the Center for Comprehensive Health Planning.~~  
2 ~~Policies and procedures must include criteria and standards for~~  
3 ~~plan variations and deviations that must be updated.~~  
4 ~~Evidence-based assessments, projections and decisions will be~~  
5 ~~applied regarding capacity, quality, value and equity in the~~  
6 ~~delivery of health care services in Illinois. The integrity of~~  
7 ~~the Certificate of Need process is ensured through revised~~  
8 ~~ethics and communications procedures. Cost containment and~~  
9 ~~support for safety net services must continue to be central~~  
10 ~~tenets of the Certificate of Need process.~~

11 (Source: P.A. 96-31, eff. 6-30-09.)

12 (20 ILCS 3960/2.5 new)

13 Sec. 2.5. Dissolution of Health Facilities and Services  
14 Review Board. The Health Facilities and Services Review Board  
15 is hereby dissolved and the terms of its members shall cease.

16 (20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

17 (Section scheduled to be repealed on December 31, 2019)

18 Sec. 3. Definitions. As used in this Act:

19 "Health care facilities" means and includes the following  
20 facilities and organizations:

21 1. An ambulatory surgical treatment center required to  
22 be licensed pursuant to the Ambulatory Surgical Treatment  
23 Center Act;

24 2. An institution, place, building, or agency required

1 to be licensed pursuant to the Hospital Licensing Act;

2 3. Skilled and intermediate long term care facilities  
3 licensed under the Nursing Home Care Act;

4 3.5. Skilled and intermediate care facilities licensed  
5 under the ID/DD Community Care Act;

6 3.7. Facilities licensed under the Specialized Mental  
7 Health Rehabilitation Act;

8 4. Hospitals, nursing homes, ambulatory surgical  
9 treatment centers, or kidney disease treatment centers  
10 maintained by the State or any department or agency  
11 thereof;

12 5. Kidney disease treatment centers, including a  
13 free-standing hemodialysis unit required to be licensed  
14 under the End Stage Renal Disease Facility Act;

15 6. An institution, place, building, or room used for  
16 the performance of outpatient surgical procedures that is  
17 leased, owned, or operated by or on behalf of an  
18 out-of-state facility;

19 7. An institution, place, building, or room used for  
20 provision of a health care category of service as defined  
21 by the Board, including, but not limited to, cardiac  
22 catheterization and open heart surgery; and

23 8. An institution, place, building, or room used for  
24 provision of major medical equipment used in the direct  
25 clinical diagnosis or treatment of patients, and whose  
26 project cost is in excess of the capital expenditure

1 minimum.

2 This Act shall not apply to the construction of any new  
3 facility or the renovation of any existing facility located on  
4 any campus facility as defined in Section 5-5.8b of the  
5 Illinois Public Aid Code, provided that the campus facility  
6 encompasses 30 or more contiguous acres and that the new or  
7 renovated facility is intended for use by a licensed  
8 residential facility.

9 No federally owned facility shall be subject to the  
10 provisions of this Act, nor facilities used solely for healing  
11 by prayer or spiritual means.

12 No facility licensed under the Supportive Residences  
13 Licensing Act or the Assisted Living and Shared Housing Act  
14 shall be subject to the provisions of this Act.

15 No facility established and operating under the  
16 Alternative Health Care Delivery Act as a children's respite  
17 care center alternative health care model demonstration  
18 program or as an Alzheimer's Disease Management Center  
19 alternative health care model demonstration program shall be  
20 subject to the provisions of this Act.

21 A facility designated as a supportive living facility that  
22 is in good standing with the program established under Section  
23 5-5.01a of the Illinois Public Aid Code shall not be subject to  
24 the provisions of this Act.

25 This Act does not apply to facilities granted waivers under  
26 Section 3-102.2 of the Nursing Home Care Act. However, if a



1 demonstration project under that Act applies for a certificate  
2 of need to convert to a nursing facility, it shall meet the  
3 licensure and certificate of need requirements in effect as of  
4 the date of application.

5 This Act does not apply to a dialysis facility that  
6 provides only dialysis training, support, and related services  
7 to individuals with end stage renal disease who have elected to  
8 receive home dialysis. This Act does not apply to a dialysis  
9 unit located in a licensed nursing home that offers or provides  
10 dialysis-related services to residents with end stage renal  
11 disease who have elected to receive home dialysis within the  
12 nursing home. ~~The Board, however, may require these dialysis~~  
13 ~~facilities and licensed nursing homes to report statistical~~  
14 ~~information on a quarterly basis to the Board to be used by the~~  
15 ~~Board to conduct analyses on the need for proposed kidney~~  
16 ~~disease treatment centers.~~

17 This Act shall not apply to the closure of an entity or a  
18 portion of an entity licensed under the Nursing Home Care Act,  
19 the Specialized Mental Health Rehabilitation Act, or the ID/DD  
20 ~~MR/DD~~ Community Care Act, with the exceptions of facilities  
21 operated by a county or Illinois Veterans Homes, that elects to  
22 convert, in whole or in part, to an assisted living or shared  
23 housing establishment licensed under the Assisted Living and  
24 Shared Housing Act.

25 This Act does not apply to any change of ownership of a  
26 healthcare facility that is licensed under the Nursing Home

1 Care Act, the Specialized Mental Health Rehabilitation Act, or  
2 the ID/DD Community Care Act, with the exceptions of facilities  
3 operated by a county or Illinois Veterans Homes. Changes of  
4 ownership of facilities licensed under the Nursing Home Care  
5 Act must meet the requirements set forth in Sections 3-101  
6 through 3-119 of the Nursing Home Care Act.

7 With the exception of those health care facilities  
8 specifically included in this Section, nothing in this Act  
9 shall be intended to include facilities operated as a part of  
10 the practice of a physician or other licensed health care  
11 professional, whether practicing in his individual capacity or  
12 within the legal structure of any partnership, medical or  
13 professional corporation, or unincorporated medical or  
14 professional group. Further, this Act shall not apply to  
15 physicians or other licensed health care professional's  
16 practices where such practices are carried out in a portion of  
17 a health care facility under contract with such health care  
18 facility by a physician or by other licensed health care  
19 professionals, whether practicing in his individual capacity  
20 or within the legal structure of any partnership, medical or  
21 professional corporation, or unincorporated medical or  
22 professional groups. This Act shall apply to construction or  
23 modification and to establishment by such health care facility  
24 of such contracted portion which is subject to facility  
25 licensing requirements, irrespective of the party responsible  
26 for such action or attendant financial obligation.

1 "Person" means any one or more natural persons, legal  
2 entities, governmental bodies other than federal, or any  
3 combination thereof.

4 "Consumer" means any person other than a person (a) whose  
5 major occupation currently involves or whose official capacity  
6 within the last 12 months has involved the providing,  
7 administering or financing of any type of health care facility,  
8 (b) who is engaged in health research or the teaching of  
9 health, (c) who has a material financial interest in any  
10 activity which involves the providing, administering or  
11 financing of any type of health care facility, or (d) who is or  
12 ever has been a member of the immediate family of the person  
13 defined by (a), (b), or (c).

14 ~~"State Board" or "Board" means the Health Facilities and~~  
15 ~~Services Review Board.~~

16 "Construction or modification" means the establishment,  
17 erection, building, alteration, reconstruction, modernization,  
18 improvement, extension, discontinuation, change of ownership,  
19 of or by a health care facility, or the purchase or acquisition  
20 by or through a health care facility of equipment or service  
21 for diagnostic or therapeutic purposes or for facility  
22 administration or operation, or any capital expenditure made by  
23 or on behalf of a health care facility which exceeds the  
24 capital expenditure minimum; however, any capital expenditure  
25 made by or on behalf of a health care facility for (i) the  
26 construction or modification of a facility licensed under the

1 Assisted Living and Shared Housing Act or (ii) a conversion  
2 project undertaken in accordance with Section 30 of the Older  
3 Adult Services Act shall be excluded from any obligations under  
4 this Act.

5 "Establish" means the construction of a health care  
6 facility or the replacement of an existing facility on another  
7 site ~~or the initiation of a category of service as defined by~~  
8 ~~the Board.~~

9 "Major medical equipment" means medical equipment which is  
10 used for the provision of medical and other health services and  
11 which costs in excess of the capital expenditure minimum,  
12 except that such term does not include medical equipment  
13 acquired by or on behalf of a clinical laboratory to provide  
14 clinical laboratory services if the clinical laboratory is  
15 independent of a physician's office and a hospital and it has  
16 been determined under Title XVIII of the Social Security Act to  
17 meet the requirements of paragraphs (10) and (11) of Section  
18 1861(s) of such Act. In determining whether medical equipment  
19 has a value in excess of the capital expenditure minimum, the  
20 value of studies, surveys, designs, plans, working drawings,  
21 specifications, and other activities essential to the  
22 acquisition of such equipment shall be included.

23 "Capital Expenditure" means an expenditure: (A) made by or  
24 on behalf of a health care facility (as such a facility is  
25 defined in this Act); and (B) which under generally accepted  
26 accounting principles is not properly chargeable as an expense

1 of operation and maintenance, or is made to obtain by lease or  
2 comparable arrangement any facility or part thereof or any  
3 equipment for a facility or part; and which exceeds the capital  
4 expenditure minimum.

5 For the purpose of this paragraph, the cost of any studies,  
6 surveys, designs, plans, working drawings, specifications, and  
7 other activities essential to the acquisition, improvement,  
8 expansion, or replacement of any plant or equipment with  
9 respect to which an expenditure is made shall be included in  
10 determining if such expenditure exceeds the capital  
11 expenditures minimum. Unless otherwise interdependent, or  
12 submitted as one project by the applicant, components of  
13 construction or modification undertaken by means of a single  
14 construction contract or financed through the issuance of a  
15 single debt instrument shall not be grouped together as one  
16 project. Donations of equipment or facilities to a health care  
17 facility which if acquired directly by such facility would be  
18 subject to review under this Act shall be considered capital  
19 expenditures, and a transfer of equipment or facilities for  
20 less than fair market value shall be considered a capital  
21 expenditure for purposes of this Act if a transfer of the  
22 equipment or facilities at fair market value would be subject  
23 to review.

24 "Capital expenditure minimum" means \$11,500,000 for  
25 projects by hospital applicants, \$6,500,000 for applicants for  
26 projects related to skilled and intermediate care long-term

1 care facilities licensed under the Nursing Home Care Act, and  
2 \$3,000,000 for projects by all other applicants, which shall be  
3 annually adjusted to reflect the increase in construction costs  
4 due to inflation, for major medical equipment and for all other  
5 capital expenditures.

6 "Non-clinical service area" means an area (i) for the  
7 benefit of the patients, visitors, staff, or employees of a  
8 health care facility and (ii) not directly related to the  
9 diagnosis, treatment, or rehabilitation of persons receiving  
10 services from the health care facility. "Non-clinical service  
11 areas" include, but are not limited to, chapels; gift shops;  
12 news stands; computer systems; tunnels, walkways, and  
13 elevators; telephone systems; projects to comply with life  
14 safety codes; educational facilities; student housing;  
15 patient, employee, staff, and visitor dining areas;  
16 administration and volunteer offices; modernization of  
17 structural components (such as roof replacement and masonry  
18 work); boiler repair or replacement; vehicle maintenance and  
19 storage facilities; parking facilities; mechanical systems for  
20 heating, ventilation, and air conditioning; loading docks; and  
21 repair or replacement of carpeting, tile, wall coverings,  
22 window coverings or treatments, or furniture. Solely for the  
23 purpose of this definition, "non-clinical service area" does  
24 not include health and fitness centers.

25 "Areawide" means a major area of the State delineated on a  
26 geographic, demographic, and functional basis for health

1 planning and for health service and having within it one or  
2 more local areas for health planning and health service. The  
3 term "region", as contrasted with the term "subregion", and the  
4 word "area" may be used synonymously with the term "areawide".

5 "Local" means a subarea of a delineated major area that on  
6 a geographic, demographic, and functional basis may be  
7 considered to be part of such major area. The term "subregion"  
8 may be used synonymously with the term "local".

9 "Physician" means a person licensed to practice in  
10 accordance with the Medical Practice Act of 1987, as amended.

11 "Licensed health care professional" means a person  
12 licensed to practice a health profession under pertinent  
13 licensing statutes of the State of Illinois.

14 "Director" means the Director of the Illinois Department of  
15 Public Health.

16 "Agency" means the Illinois Department of Public Health.

17 "Alternative health care model" means a facility or program  
18 authorized under the Alternative Health Care Delivery Act.

19 "Out-of-state facility" means a person that is both (i)  
20 licensed as a hospital or as an ambulatory surgery center under  
21 the laws of another state or that qualifies as a hospital or an  
22 ambulatory surgery center under regulations adopted pursuant  
23 to the Social Security Act and (ii) not licensed under the  
24 Ambulatory Surgical Treatment Center Act, the Hospital  
25 Licensing Act, or the Nursing Home Care Act. Affiliates of  
26 out-of-state facilities shall be considered out-of-state

1 facilities. Affiliates of Illinois licensed health care  
2 facilities 100% owned by an Illinois licensed health care  
3 facility, its parent, or Illinois physicians licensed to  
4 practice medicine in all its branches shall not be considered  
5 out-of-state facilities. Nothing in this definition shall be  
6 construed to include an office or any part of an office of a  
7 physician licensed to practice medicine in all its branches in  
8 Illinois that is not required to be licensed under the  
9 Ambulatory Surgical Treatment Center Act.

10 "Change of ownership of a health care facility" means a  
11 change in the person who has ownership or control of a health  
12 care facility's physical plant and capital assets. A change in  
13 ownership is indicated by the following transactions: sale,  
14 transfer, acquisition, lease, change of sponsorship, or other  
15 means of transferring control.

16 "Related person" means any person that: (i) is at least 50%  
17 owned, directly or indirectly, by either the health care  
18 facility or a person owning, directly or indirectly, at least  
19 50% of the health care facility; or (ii) owns, directly or  
20 indirectly, at least 50% of the health care facility.

21 "Charity care" means care provided by a health care  
22 facility for which the provider does not expect to receive  
23 payment from the patient or a third-party payer.

24 "Freestanding emergency center" means a facility subject  
25 to licensure under Section 32.5 of the Emergency Medical  
26 Services (EMS) Systems Act.



1 (Source: P.A. 96-31, eff. 6-30-09; 96-339, eff. 7-1-10;  
2 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-277, eff. 1-1-12;  
3 revised 9-7-11.)

4 (20 ILCS 3960/8.5)

5 (Section scheduled to be repealed on December 31, 2019)

6 Sec. 8.5. Certificate of exemption for change of ownership  
7 of a health care facility; public notice and public hearing.

8 (a) Upon a finding by the Department of Public Health that  
9 an application for a change of ownership is complete, the  
10 Department of Public Health shall publish a legal notice on 3  
11 consecutive days in a newspaper of general circulation in the  
12 area or community to be affected and afford the public an  
13 opportunity to request a hearing. If the application is for a  
14 facility located in a Metropolitan Statistical Area, an  
15 additional legal notice shall be published in a newspaper of  
16 limited circulation, if one exists, in the area in which the  
17 facility is located. If the newspaper of limited circulation is  
18 published on a daily basis, the additional legal notice shall  
19 be published on 3 consecutive days. The legal notice shall also  
20 be ~~posted on the Health Facilities and Services Review Board's~~  
21 ~~web site and~~ sent to the State Representative and State Senator  
22 of the district in which the health care facility is located.  
23 The Department of Public Health shall not find that an  
24 application for change of ownership of a hospital is complete  
25 without a signed certification that for a period of 2 years

1 after the change of ownership transaction is effective, the  
2 hospital will not adopt a charity care policy that is more  
3 restrictive than the policy in effect during the year prior to  
4 the transaction.

5 For the purposes of this subsection, "newspaper of limited  
6 circulation" means a newspaper intended to serve a particular  
7 or defined population of a specific geographic area within a  
8 Metropolitan Statistical Area such as a municipality, town,  
9 village, township, or community area, but does not include  
10 publications of professional and trade associations.

11 (b) If a public hearing is requested, it shall be held at  
12 least 15 days but no more than 30 days after the date of  
13 publication of the legal notice in the community in which the  
14 facility is located. The hearing shall be held in a place of  
15 reasonable size and accessibility and a full and complete  
16 written transcript of the proceedings shall be made. The  
17 applicant shall provide a summary of the proposed change of  
18 ownership for distribution at the public hearing.

19 (Source: P.A. 96-31, eff. 6-30-09.)

20 (20 ILCS 3960/19.5)

21 (Section scheduled to be repealed on December 31, 2019 and  
22 as provided internally)

23 Sec. 19.5. Audit. ~~The Twenty four months after the last~~  
24 ~~member of the 9 member Board is appointed, as required under~~  
25 ~~this amendatory Act of the 96th General Assembly, and 36 months~~

1 ~~thereafter, the~~ Auditor General shall commence a performance  
2 audit of the Center for Comprehensive Health Planning, ~~State~~  
3 ~~Board,~~ and the Certificate of Need processes to determine:

4 (1) whether progress is being made to develop a  
5 Comprehensive Health Plan and whether resources are  
6 sufficient to meet the goals of the Center for  
7 Comprehensive Health Planning;

8 (2) whether changes to the Certificate of Need  
9 processes are being implemented effectively, as well as  
10 their impact, if any, on access to safety net services; and

11 (3) whether fines and settlements are fair,  
12 consistent, and in proportion to the degree of violations.

13 The Auditor General must report on the results of the audit  
14 to the General Assembly.

15 This Section is repealed when the Auditor General files his  
16 or her report with the General Assembly.

17 (Source: P.A. 96-31, eff. 6-30-09.)

18 Section 25. The Hospital Basic Services Preservation Act is  
19 amended by changing Section 15 as follows:

20 (20 ILCS 4050/15)

21 Sec. 15. Basic services loans.

22 (a) Essential community hospitals seeking  
23 collateralization of loans under this Act must apply to the  
24 ~~Health Facilities and Services Review Board on a form~~

1 ~~prescribed by the Health Facilities and Services Review Board~~  
2 ~~by rule. The Health Facilities and Services Review Board shall~~  
3 ~~review the application and, if it approves the applicant's~~  
4 ~~plan, shall forward the application and its approval to the~~  
5 Hospital Basic Services Review Board on a form prescribed by  
6 the Hospital Basic Services Review Board.

7 (b) Upon receipt of the applicant's application ~~and~~  
8 ~~approval from the Health Facilities and Services Review Board,~~  
9 the Hospital Basic Services Review Board shall request from the  
10 applicant and the applicant shall submit to the Hospital Basic  
11 Services Review Board all of the following information:

12 (1) A copy of the hospital's last audited financial  
13 statement.

14 (2) The percentage of the hospital's patients each year  
15 who are Medicaid patients.

16 (3) The percentage of the hospital's patients each year  
17 who are Medicare patients.

18 (4) The percentage of the hospital's patients each year  
19 who are uninsured.

20 (5) The percentage of services provided by the hospital  
21 each year for which the hospital expected payment but for  
22 which no payment was received.

23 (6) Any other information required by the Hospital  
24 Basic Services Review Board by rule.

25 The Hospital Basic Services Review Board shall review the  
26 applicant's original application, ~~the approval of the Health~~

1 ~~Facilities and Services Review Board,~~ and the information  
2 provided by the applicant to the Hospital Basic Services Review  
3 Board under this Section and make a recommendation to the State  
4 Treasurer to accept or deny the application.

5 (c) If the Hospital Basic Services Review Board recommends  
6 that the application be accepted, the State Treasurer may  
7 collateralize the applicant's basic service loan for eligible  
8 expenses related to completing, attaining, or upgrading basic  
9 services, including, but not limited to, delivery,  
10 installation, staff training, and other eligible expenses as  
11 defined by the State Treasurer by rule. The total cost for any  
12 one project to be undertaken by the applicants shall not exceed  
13 \$10,000,000 and the amount of each basic services loan  
14 collateralized under this Act shall not exceed \$5,000,000.  
15 Expenditures related to basic service loans shall not exceed  
16 the amount available in the Fund necessary to collateralize the  
17 loans. The terms of any basic services loan collateralized  
18 under this Act must be approved by the State Treasurer in  
19 accordance with standards established by the State Treasurer by  
20 rule.

21 (Source: P.A. 96-31, eff. 6-30-09.)

22 Section 30. The Illinois State Auditing Act is amended by  
23 changing Section 3-1 as follows:

24 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

1           Sec. 3-1. Jurisdiction of Auditor General. The Auditor  
2 General has jurisdiction over all State agencies to make post  
3 audits and investigations authorized by or under this Act or  
4 the Constitution.

5           The Auditor General has jurisdiction over local government  
6 agencies and private agencies only:

7           (a) to make such post audits authorized by or under  
8 this Act as are necessary and incidental to a post audit of  
9 a State agency or of a program administered by a State  
10 agency involving public funds of the State, but this  
11 jurisdiction does not include any authority to review local  
12 governmental agencies in the obligation, receipt,  
13 expenditure or use of public funds of the State that are  
14 granted without limitation or condition imposed by law,  
15 other than the general limitation that such funds be used  
16 for public purposes;

17           (b) to make investigations authorized by or under this  
18 Act or the Constitution; and

19           (c) to make audits of the records of local government  
20 agencies to verify actual costs of state-mandated programs  
21 when directed to do so by the Legislative Audit Commission  
22 at the request of the State Board of Appeals under the  
23 State Mandates Act.

24           In addition to the foregoing, the Auditor General may  
25 conduct an audit of the Metropolitan Pier and Exposition  
26 Authority, the Regional Transportation Authority, the Suburban

1 Bus Division, the Commuter Rail Division and the Chicago  
2 Transit Authority and any other subsidized carrier when  
3 authorized by the Legislative Audit Commission. Such audit may  
4 be a financial, management or program audit, or any combination  
5 thereof.

6 The audit shall determine whether they are operating in  
7 accordance with all applicable laws and regulations. Subject to  
8 the limitations of this Act, the Legislative Audit Commission  
9 may by resolution specify additional determinations to be  
10 included in the scope of the audit.

11 In addition to the foregoing, the Auditor General must also  
12 conduct a financial audit of the Illinois Sports Facilities  
13 Authority's expenditures of public funds in connection with the  
14 reconstruction, renovation, remodeling, extension, or  
15 improvement of all or substantially all of any existing  
16 "facility", as that term is defined in the Illinois Sports  
17 Facilities Authority Act.

18 The Auditor General may also conduct an audit, when  
19 authorized by the Legislative Audit Commission, of any hospital  
20 which receives 10% or more of its gross revenues from payments  
21 from the State of Illinois, Department of Healthcare and Family  
22 Services (formerly Department of Public Aid), Medical  
23 Assistance Program.

24 The Auditor General is authorized to conduct financial and  
25 compliance audits of the Illinois Distance Learning Foundation  
26 and the Illinois Conservation Foundation.

1           As soon as practical after the effective date of this  
2 amendatory Act of 1995, the Auditor General shall conduct a  
3 compliance and management audit of the City of Chicago and any  
4 other entity with regard to the operation of Chicago O'Hare  
5 International Airport, Chicago Midway Airport and Merrill C.  
6 Meigs Field. The audit shall include, but not be limited to, an  
7 examination of revenues, expenses, and transfers of funds;  
8 purchasing and contracting policies and practices; staffing  
9 levels; and hiring practices and procedures. When completed,  
10 the audit required by this paragraph shall be distributed in  
11 accordance with Section 3-14.

12           The Auditor General shall conduct a financial and  
13 compliance and program audit of distributions from the  
14 Municipal Economic Development Fund during the immediately  
15 preceding calendar year pursuant to Section 8-403.1 of the  
16 Public Utilities Act at no cost to the city, village, or  
17 incorporated town that received the distributions.

18           ~~The Auditor General must conduct an audit of the Health~~  
19 ~~Facilities and Services Review Board pursuant to Section 19.5~~  
20 ~~of the Illinois Health Facilities Planning Act.~~

21           The Auditor General of the State of Illinois shall annually  
22 conduct or cause to be conducted a financial and compliance  
23 audit of the books and records of any county water commission  
24 organized pursuant to the Water Commission Act of 1985 and  
25 shall file a copy of the report of that audit with the Governor  
26 and the Legislative Audit Commission. The filed audit shall be



1 open to the public for inspection. The cost of the audit shall  
2 be charged to the county water commission in accordance with  
3 Section 6z-27 of the State Finance Act. The county water  
4 commission shall make available to the Auditor General its  
5 books and records and any other documentation, whether in the  
6 possession of its trustees or other parties, necessary to  
7 conduct the audit required. These audit requirements apply only  
8 through July 1, 2007.

9 The Auditor General must conduct audits of the Rend Lake  
10 Conservancy District as provided in Section 25.5 of the River  
11 Conservancy Districts Act.

12 The Auditor General must conduct financial audits of the  
13 Southeastern Illinois Economic Development Authority as  
14 provided in Section 70 of the Southeastern Illinois Economic  
15 Development Authority Act.

16 The Auditor General shall conduct a compliance audit in  
17 accordance with subsections (d) and (f) of Section 30 of the  
18 Innovation Development and Economy Act.

19 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;  
20 96-939, eff. 6-24-10.)

21 Section 35. The Alternative Health Care Delivery Act is  
22 amended by changing Sections 20 and 30 as follows:

23 (210 ILCS 3/20)

24 Sec. 20. Board responsibilities. The State Board of Health

1 shall have the responsibilities set forth in this Section.

2 (a) The Board shall investigate new health care delivery  
3 models and recommend to the Governor and the General Assembly,  
4 through the Department, those models that should be authorized  
5 as alternative health care models for which demonstration  
6 programs should be initiated. In its deliberations, the Board  
7 shall use the following criteria:

8 (1) The feasibility of operating the model in Illinois,  
9 based on a review of the experience in other states  
10 including the impact on health professionals of other  
11 health care programs or facilities.

12 (2) The potential of the model to meet an unmet need.

13 (3) The potential of the model to reduce health care  
14 costs to consumers, costs to third party payors, and  
15 aggregate costs to the public.

16 (4) The potential of the model to maintain or improve  
17 the standards of health care delivery in some measurable  
18 fashion.

19 (5) The potential of the model to provide increased  
20 choices or access for patients.

21 (b) The Board shall evaluate and make recommendations to  
22 the Governor and the General Assembly, through the Department,  
23 regarding alternative health care model demonstration programs  
24 established under this Act, at the midpoint and end of the  
25 period of operation of the demonstration programs. The report  
26 shall include, at a minimum, the following:

1           (1) Whether the alternative health care models  
2 improved access to health care for their service  
3 populations in the State.

4           (2) The quality of care provided by the alternative  
5 health care models as may be evidenced by health outcomes,  
6 surveillance reports, and administrative actions taken by  
7 the Department.

8           (3) The cost and cost effectiveness to the public,  
9 third-party payors, and government of the alternative  
10 health care models, including the impact of pilot programs  
11 on aggregate health care costs in the area. In addition to  
12 any other information collected by the Board under this  
13 Section, the Board shall collect from postsurgical  
14 recovery care centers uniform billing data substantially  
15 the same as specified in Section 4-2(e) of the Illinois  
16 Health Finance Reform Act. To facilitate its evaluation of  
17 that data, the Board shall forward a copy of the data to  
18 the Illinois Health Care Cost Containment Council. All  
19 patient identifiers shall be removed from the data before  
20 it is submitted to the Board or Council.

21           (4) The impact of the alternative health care models on  
22 the health care system in that area, including changing  
23 patterns of patient demand and utilization, financial  
24 viability, and feasibility of operation of service in  
25 inpatient and alternative models in the area.

26           (5) (Blank). ~~The implementation by alternative health~~

1 ~~care models of any special commitments made during~~  
2 ~~application review to the Health Facilities and Services~~  
3 ~~Review Board.~~

4 (6) The continuation, expansion, or modification of  
5 the alternative health care models.

6 (c) The Board shall advise the Department on the definition  
7 and scope of alternative health care models demonstration  
8 programs.

9 (d) In carrying out its responsibilities under this  
10 Section, the Board shall seek the advice of other Department  
11 advisory boards or committees that may be impacted by the  
12 alternative health care model or the proposed model of health  
13 care delivery. The Board shall also seek input from other  
14 interested parties, which may include holding public hearings.

15 (e) The Board shall otherwise advise the Department on the  
16 administration of the Act as the Board deems appropriate.

17 (Source: P.A. 96-31, eff. 6-30-09.)

18 (210 ILCS 3/30)

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

22 (a) (Blank).

23 (a-5) There shall be no more than the total number of  
24 postsurgical recovery care centers with a certificate of need  
25 for beds as of January 1, 2008.

1 (a-10) There shall be no more than a total of 9 children's  
2 respite care center alternative health care models in the  
3 demonstration program, which shall be located as follows:

4 (1) Two in the City of Chicago.

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

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

8 (4) A total of 2 in municipalities with a population of  
9 50,000 or more and not located in the areas described in  
10 paragraphs (1), (2), or (3).

11 (5) A total of 2 in rural areas, ~~as defined by the~~  
12 ~~Health Facilities and Services Review Board.~~

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

17 (a-15) There shall be 5 authorized community-based  
18 residential rehabilitation center alternative health care  
19 models in the demonstration program.

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

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

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

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

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

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

1 ~~Facilities and Services Review Board~~ or (ii) there must be a  
2 reduction in the existing number of obstetrical service beds in  
3 the planning area so that the establishment of the birth center  
4 does not result in an increase in the total number of  
5 obstetrical service beds in the health planning area.

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

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

1 health care model is established by legislation, except that a  
2 postsurgical recovery care center meeting the following  
3 requirements may apply within 3 years after August 25, 2009  
4 (the effective date of Public Act 96-669) for a Certificate of  
5 Need permit to operate as a hospital:

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

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

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

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

24 The Department may issue a provisional license to any  
25 alternative health care model that does not substantially  
26 comply with the provisions of this Act and the rules adopted



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

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

20 (d-5) (Blank).

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

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

1 (Source: P.A. 96-31, eff. 6-30-09; 96-129, eff. 8-4-09; 96-669,  
2 eff. 8-25-09; 96-812, eff. 1-1-10; 96-1000, eff. 7-2-10;  
3 96-1071, eff. 7-16-10; 96-1123, eff. 1-1-11; 97-135, eff.  
4 7-14-11; 97-333, eff. 8-12-11; revised 11-18-11.)

5 Section 40. The Assisted Living and Shared Housing Act is  
6 amended by changing Section 145 as follows:

7 (210 ILCS 9/145)

8 Sec. 145. Conversion of facilities. Entities licensed as  
9 facilities under the Nursing Home Care Act, the Specialized  
10 Mental Health Rehabilitation Act, or the ID/DD Community Care  
11 Act may elect to convert to a license under this Act. Any  
12 facility that chooses to convert, in whole or in part, shall  
13 follow the requirements in the Nursing Home Care Act, the  
14 Specialized Mental Health Rehabilitation Act, or the ID/DD  
15 Community Care Act, as applicable, and rules promulgated under  
16 those Acts regarding voluntary closure and notice to residents.  
17 ~~Any conversion of existing beds licensed under the Nursing Home~~  
18 ~~Care Act, the Specialized Mental Health Rehabilitation Act, or~~  
19 ~~the ID/DD Community Care Act to licensure under this Act is~~  
20 ~~exempt from review by the Health Facilities and Services Review~~  
21 ~~Board.~~

22 (Source: P.A. 96-31, eff. 6-30-09; 96-339, eff. 7-1-10;  
23 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;  
24 revised 9-28-11.)

1 Section 45. The Emergency Medical Services (EMS) Systems  
2 Act is amended by changing Section 32.5 as follows:

3 (210 ILCS 50/32.5)

4 Sec. 32.5. Freestanding Emergency Center.

5 (a) The Department shall issue an annual Freestanding  
6 Emergency Center (FEC) license to any facility that has  
7 received a permit from the Health Facilities and Services  
8 Review Board to establish a Freestanding Emergency Center if  
9 the application for the permit has been deemed complete by the  
10 Department of Public Health by March 1, 2009, and:

11 (1) is located: (A) in a municipality with a population  
12 of 75,000 or fewer inhabitants; (B) within 20 miles of the  
13 hospital that owns or controls the FEC; and (C) within 20  
14 miles of the Resource Hospital affiliated with the FEC as  
15 part of the EMS System;

16 (2) is wholly owned or controlled by an Associate or  
17 Resource Hospital, but is not a part of the hospital's  
18 physical plant;

19 (3) meets the standards for licensed FECs, adopted by  
20 rule of the Department, including, but not limited to:

21 (A) facility design, specification, operation, and  
22 maintenance standards;

23 (B) equipment standards; and

24 (C) the number and qualifications of emergency

1 medical personnel and other staff, which must include  
2 at least one board certified emergency physician  
3 present at the FEC 24 hours per day.

4 (4) limits its participation in the EMS System strictly  
5 to receiving a limited number of BLS runs by emergency  
6 medical vehicles according to protocols developed by the  
7 Resource Hospital within the FEC's designated EMS System  
8 and approved by the Project Medical Director and the  
9 Department;

10 (5) provides comprehensive emergency treatment  
11 services, as defined in the rules adopted by the Department  
12 pursuant to the Hospital Licensing Act, 24 hours per day,  
13 on an outpatient basis;

14 (6) provides an ambulance and maintains on site  
15 ambulance services staffed with paramedics 24 hours per  
16 day;

17 (7) (blank);

18 (8) complies with all State and federal patient rights  
19 provisions, including, but not limited to, the Emergency  
20 Medical Treatment Act and the federal Emergency Medical  
21 Treatment and Active Labor Act;

22 (9) maintains a communications system that is fully  
23 integrated with its Resource Hospital within the FEC's  
24 designated EMS System;

25 (10) reports to the Department any patient transfers  
26 from the FEC to a hospital within 48 hours of the transfer

1 plus any other data determined to be relevant by the  
2 Department;

3 (11) submits to the Department, on a quarterly basis,  
4 the FEC's morbidity and mortality rates for patients  
5 treated at the FEC and other data determined to be relevant  
6 by the Department;

7 (12) does not describe itself or hold itself out to the  
8 general public as a full service hospital or hospital  
9 emergency department in its advertising or marketing  
10 activities;

11 (13) complies with any other rules adopted by the  
12 Department under this Act that relate to FECs;

13 (14) passes the Department's site inspection for  
14 compliance with the FEC requirements of this Act;

15 (15) (blank) ~~submits a copy of the permit issued by the~~  
16 ~~Health Facilities and Services Review Board indicating~~  
17 ~~that the facility has complied with the Illinois Health~~  
18 ~~Facilities Planning Act with respect to the health services~~  
19 ~~to be provided at the facility;~~

20 (16) submits an application for designation as an FEC  
21 in a manner and form prescribed by the Department by rule;  
22 and

23 (17) pays the annual license fee as determined by the  
24 Department by rule.

25 (a-5) Notwithstanding any other provision of this Section,  
26 the Department may issue an annual FEC license to a facility

1 that is located in a county that does not have a licensed  
2 general acute care hospital if the facility's application for a  
3 permit from the Illinois Health Facilities Planning Board has  
4 been deemed complete by the Department of Public Health by  
5 March 1, 2009 and if the facility complies with the  
6 requirements set forth in paragraphs (1) through (17) of  
7 subsection (a).

8 (a-10) Notwithstanding any other provision of this  
9 Section, the Department may issue an annual FEC license to a  
10 facility if the facility has, by March 31, 2009, filed a letter  
11 of intent to establish an FEC and if the facility complies with  
12 the requirements set forth in paragraphs (1) through (17) of  
13 subsection (a).

14 (b) The Department shall:

15 (1) annually inspect facilities of initial FEC  
16 applicants and licensed FECs, and issue annual licenses to  
17 or annually relicense FECs that satisfy the Department's  
18 licensure requirements as set forth in subsection (a);

19 (2) suspend, revoke, refuse to issue, or refuse to  
20 renew the license of any FEC, after notice and an  
21 opportunity for a hearing, when the Department finds that  
22 the FEC has failed to comply with the standards and  
23 requirements of the Act or rules adopted by the Department  
24 under the Act;

25 (3) issue an Emergency Suspension Order for any FEC  
26 when the Director or his or her designee has determined

1           that the continued operation of the FEC poses an immediate  
2           and serious danger to the public health, safety, and  
3           welfare. An opportunity for a hearing shall be promptly  
4           initiated after an Emergency Suspension Order has been  
5           issued; and

6           (4) adopt rules as needed to implement this Section.  
7           (Source: P.A. 96-23, eff. 6-30-09; 96-31, eff. 6-30-09; 96-883,  
8           eff. 3-1-10; 96-1000, eff. 7-2-10; 97-333, eff. 8-12-11.)

9           Section 50. The Health Care Worker Self-Referral Act is  
10          amended by changing Sections 5, 15, and 20 as follows:

11          (225 ILCS 47/5)

12          Sec. 5. Legislative intent. The General Assembly  
13          recognizes that patient referrals by health care workers for  
14          health services to an entity in which the referring health care  
15          worker has an investment interest may present a potential  
16          conflict of interest. The General Assembly finds that these  
17          referral practices may limit or completely eliminate  
18          competitive alternatives in the health care market. In some  
19          instances, these referral practices may expand and improve care  
20          or may make services available which were previously  
21          unavailable. They may also provide lower cost options to  
22          patients or increase competition. Generally, referral  
23          practices are positive occurrences. However, self-referrals  
24          may result in over utilization of health services, increased

1 overall costs of the health care systems, and may affect the  
2 quality of health care.

3 It is the intent of the General Assembly to provide  
4 guidance to health care workers regarding acceptable patient  
5 referrals, to prohibit patient referrals to entities providing  
6 health services in which the referring health care worker has  
7 an investment interest, and to protect the citizens of Illinois  
8 from unnecessary and costly health care expenditures.

9 ~~Recognizing the need for flexibility to quickly respond to~~  
10 ~~changes in the delivery of health services, to avoid results~~  
11 ~~beyond the limitations on self referral provided under this Act~~  
12 ~~and to provide minimal disruption to the appropriate delivery~~  
13 ~~of health care, the Health Facilities and Services Review Board~~  
14 ~~shall be exclusively and solely authorized to implement and~~  
15 ~~interpret this Act through adopted rules.~~

16 The General Assembly recognizes that changes in delivery of  
17 health care has resulted in various methods by which health  
18 care workers practice their professions. It is not the intent  
19 of the General Assembly to limit appropriate delivery of care,  
20 nor force unnecessary changes in the structures created by  
21 workers for the health and convenience of their patients.

22 (Source: P.A. 96-31, eff. 6-30-09.)

23 (225 ILCS 47/15)

24 Sec. 15. Definitions. In this Act:

25 (a) (Blank) ~~"Board"~~ means the Health Facilities and



1 ~~Services Review Board.~~

2 (b) "Entity" means any individual, partnership, firm,  
3 corporation, or other business that provides health services  
4 but does not include an individual who is a health care worker  
5 who provides professional services to an individual.

6 (c) "Group practice" means a group of 2 or more health care  
7 workers legally organized as a partnership, professional  
8 corporation, not-for-profit corporation, faculty practice plan  
9 or a similar association in which:

10 (1) each health care worker who is a member or employee  
11 or an independent contractor of the group provides  
12 substantially the full range of services that the health  
13 care worker routinely provides, including consultation,  
14 diagnosis, or treatment, through the use of office space,  
15 facilities, equipment, or personnel of the group;

16 (2) the services of the health care workers are  
17 provided through the group, and payments received for  
18 health services are treated as receipts of the group; and

19 (3) the overhead expenses and the income from the  
20 practice are distributed by methods previously determined  
21 by the group.

22 (d) "Health care worker" means any individual licensed  
23 under the laws of this State to provide health services,  
24 including but not limited to: dentists licensed under the  
25 Illinois Dental Practice Act; dental hygienists licensed under  
26 the Illinois Dental Practice Act; nurses and advanced practice

1 nurses licensed under the Nurse Practice Act; occupational  
2 therapists licensed under the Illinois Occupational Therapy  
3 Practice Act; optometrists licensed under the Illinois  
4 Optometric Practice Act of 1987; pharmacists licensed under the  
5 Pharmacy Practice Act; physical therapists licensed under the  
6 Illinois Physical Therapy Act; physicians licensed under the  
7 Medical Practice Act of 1987; physician assistants licensed  
8 under the Physician Assistant Practice Act of 1987; podiatrists  
9 licensed under the Podiatric Medical Practice Act of 1987;  
10 clinical psychologists licensed under the Clinical  
11 Psychologist Licensing Act; clinical social workers licensed  
12 under the Clinical Social Work and Social Work Practice Act;  
13 speech-language pathologists and audiologists licensed under  
14 the Illinois Speech-Language Pathology and Audiology Practice  
15 Act; or hearing instrument dispensers licensed under the  
16 Hearing Instrument Consumer Protection Act, or any of their  
17 successor Acts.

18 (e) "Health services" means health care procedures and  
19 services provided by or through a health care worker.

20 (f) "Immediate family member" means a health care worker's  
21 spouse, child, child's spouse, or a parent.

22 (g) "Investment interest" means an equity or debt security  
23 issued by an entity, including, without limitation, shares of  
24 stock in a corporation, units or other interests in a  
25 partnership, bonds, debentures, notes, or other equity  
26 interests or debt instruments except that investment interest

1 for purposes of Section 20 does not include interest in a  
2 hospital licensed under the laws of the State of Illinois.

3 (h) "Investor" means an individual or entity directly or  
4 indirectly owning a legal or beneficial ownership or investment  
5 interest, (such as through an immediate family member, trust,  
6 or another entity related to the investor).

7 (i) "Office practice" includes the facility or facilities  
8 at which a health care worker, on an ongoing basis, provides or  
9 supervises the provision of professional health services to  
10 individuals.

11 (j) "Referral" means any referral of a patient for health  
12 services, including, without limitation:

13 (1) The forwarding of a patient by one health care  
14 worker to another health care worker or to an entity  
15 outside the health care worker's office practice or group  
16 practice that provides health services.

17 (2) The request or establishment by a health care  
18 worker of a plan of care outside the health care worker's  
19 office practice or group practice that includes the  
20 provision of any health services.

21 (Source: P.A. 95-639, eff. 10-5-07; 95-689, eff. 10-29-07;  
22 95-876, eff. 8-21-08; 96-31, eff. 6-30-09.)

23 (225 ILCS 47/20)

24 Sec. 20. Prohibited referrals and claims for payment.

25 (a) A health care worker shall not refer a patient for

1 health services to an entity outside the health care worker's  
2 office or group practice in which the health care worker is an  
3 investor, unless the health care worker directly provides  
4 health services within the entity and will be personally  
5 involved with the provision of care to the referred patient.

6 (b) ~~A Pursuant to Board determination that the following~~  
7 ~~exception is applicable,~~ a health care worker may invest in and  
8 refer to an entity, whether or not the health care worker  
9 provides direct services within said entity, if there is a  
10 demonstrated need in the community for the entity and  
11 alternative financing is not available. For purposes of this  
12 subsection (b), "demonstrated need" in the community for the  
13 entity may exist if (1) there is no facility of reasonable  
14 quality that provides medically appropriate service, (2) use of  
15 existing facilities is onerous or creates too great a hardship  
16 for patients, or (3) the entity is formed to own or lease  
17 medical equipment which replaces obsolete or otherwise  
18 inadequate equipment in or under the control of a hospital  
19 located in a federally designated health manpower shortage  
20 area, ~~or (4) such other standards as established, by rule, by~~  
21 ~~the Board.~~ "Community" shall be defined as a metropolitan area  
22 for a city, and a county for a rural area. In addition, the  
23 following provisions must be met to be exempt under this  
24 Section:

25 (1) Individuals who are not in a position to refer  
26 patients to an entity are given a bona fide opportunity to

1           also invest in the entity on the same terms as those  
2           offered a referring health care worker; and

3           (2) No health care worker who invests shall be required  
4           or encouraged to make referrals to the entity or otherwise  
5           generate business as a condition of becoming or remaining  
6           an investor; and

7           (3) The entity shall market or furnish its services to  
8           referring health care worker investors and other investors  
9           on equal terms; and

10          (4) The entity shall not loan funds or guarantee any  
11          loans for health care workers who are in a position to  
12          refer to an entity; and

13          (5) The income on the health care worker's investment  
14          shall be tied to the health care worker's equity in the  
15          facility rather than to the volume of referrals made; and

16          (6) Any investment contract between the entity and the  
17          health care worker shall not include any covenant or  
18          non-competition clause that prevents a health care worker  
19          from investing in other entities; and

20          (7) When making a referral, a health care worker must  
21          disclose his investment interest in an entity to the  
22          patient being referred to such entity. If alternative  
23          facilities are reasonably available, the health care  
24          worker must provide the patient with a list of alternative  
25          facilities. The health care worker shall inform the patient  
26          that they have the option to use an alternative facility

1 other than one in which the health care worker has an  
2 investment interest and the patient will not be treated  
3 differently by the health care worker if the patient  
4 chooses to use another entity. This shall be applicable to  
5 all health care worker investors, including those who  
6 provide direct care or services for their patients in  
7 entities outside their office practices; and

8 (8) If a third party payor requests information with  
9 regard to a health care worker's investment interest, the  
10 same shall be disclosed; and

11 (9) The entity shall establish an internal utilization  
12 review program to ensure that investing health care workers  
13 provided appropriate or necessary utilization; and

14 (10) If a health care worker's financial interest in an  
15 entity is incompatible with a referred patient's interest,  
16 the health care worker shall make alternative arrangements  
17 for the patient's care.

18 ~~The Board shall make such a determination for a health care~~  
19 ~~worker within 90 days of a completed written request. Failure~~  
20 ~~to make such a determination within the 90 day time frame shall~~  
21 ~~mean that no alternative is practical based upon the facts set~~  
22 ~~forth in the completed written request.~~

23 (c) It shall not be a violation of this Act for a health  
24 care worker to refer a patient for health services to a  
25 publicly traded entity in which he or she has an investment  
26 interest provided that:

1           (1) the entity is listed for trading on the New York  
2           Stock Exchange or on the American Stock Exchange, or is a  
3           national market system security traded under an automated  
4           inter-dealer quotation system operated by the National  
5           Association of Securities Dealers; and

6           (2) the entity had, at the end of the corporation's  
7           most recent fiscal year, total net assets of at least  
8           \$30,000,000 related to the furnishing of health services;  
9           and

10          (3) any investment interest obtained after the  
11          effective date of this Act is traded on the exchanges  
12          listed in paragraph 1 of subsection (c) of this Section  
13          after the entity became a publicly traded corporation; and

14          (4) the entity markets or furnishes its services to  
15          referring health care worker investors and other health  
16          care workers on equal terms; and

17          (5) all stock held in such publicly traded companies,  
18          including stock held in the predecessor privately held  
19          company, shall be of one class without preferential  
20          treatment as to status or remuneration; and

21          (6) the entity does not loan funds or guarantee any  
22          loans for health care workers who are in a position to be  
23          referred to an entity; and

24          (7) the income on the health care worker's investment  
25          is tied to the health care worker's equity in the entity  
26          rather than to the volume of referrals made; and

1           (8) the investment interest does not exceed 1/2 of 1%  
2           of the entity's total equity.

3           (d) Any hospital licensed under the Hospital Licensing Act  
4           shall not discriminate against or otherwise penalize a health  
5           care worker for compliance with this Act.

6           (e) Any health care worker or other entity shall not enter  
7           into an arrangement or scheme seeking to make referrals to  
8           another health care worker or entity based upon the condition  
9           that the health care worker or entity will make referrals with  
10          an intent to evade the prohibitions of this Act by inducing  
11          patient referrals which would be prohibited by this Section if  
12          the health care worker or entity made the referral directly.

13          (f) If compliance with the need and alternative investor  
14          criteria is not practical, the health care worker shall  
15          identify to the patient reasonably available alternative  
16          facilities. ~~The Board shall, by rule, designate when compliance~~  
17          ~~is "not practical".~~

18          (g) (Blank). ~~Health care workers may request from the Board~~  
19          ~~that it render an advisory opinion that a referral to an~~  
20          ~~existing or proposed entity under specified circumstances does~~  
21          ~~or does not violate the provisions of this Act. The Board's~~  
22          ~~opinion shall be presumptively correct. Failure to render such~~  
23          ~~an advisory opinion within 90 days of a completed written~~  
24          ~~request pursuant to this Section shall create a rebuttable~~  
25          ~~presumption that a referral described in the completed written~~  
26          ~~request is not or will not be a violation of this Act.~~



1           (h) Notwithstanding any provision of this Act to the  
2 contrary, a health care worker may refer a patient, who is a  
3 member of a health maintenance organization "HMO" licensed in  
4 this State, for health services to an entity, outside the  
5 health care worker's office or group practice, in which the  
6 health care worker is an investor, provided that any such  
7 referral is made pursuant to a contract with the HMO.  
8 Furthermore, notwithstanding any provision of this Act to the  
9 contrary, a health care worker may refer an enrollee of a  
10 "managed care community network", as defined in subsection (b)  
11 of Section 5-11 of the Illinois Public Aid Code, for health  
12 services to an entity, outside the health care worker's office  
13 or group practice, in which the health care worker is an  
14 investor, provided that any such referral is made pursuant to a  
15 contract with the managed care community network.

16       (Source: P.A. 92-370, eff. 8-15-01.)

17           (225 ILCS 47/30 rep.)

18           (225 ILCS 47/35 rep.)

19           (225 ILCS 47/40 rep.)

20           Section 52. The Health Care Worker Self-Referral Act is  
21 amended by repealing Sections 30, 35, and 40.

22           Section 55. The Illinois Public Aid Code is amended by  
23 changing Section 5-5.02 as follows:

1 (305 ILCS 5/5-5.02) (from Ch. 23, par. 5-5.02)

2 Sec. 5-5.02. Hospital reimbursements.

3 (a) Reimbursement to Hospitals; July 1, 1992 through  
4 September 30, 1992. Notwithstanding any other provisions of  
5 this Code or the Illinois Department's Rules promulgated under  
6 the Illinois Administrative Procedure Act, reimbursement to  
7 hospitals for services provided during the period July 1, 1992  
8 through September 30, 1992, shall be as follows:

9 (1) For inpatient hospital services rendered, or if  
10 applicable, for inpatient hospital discharges occurring,  
11 on or after July 1, 1992 and on or before September 30,  
12 1992, the Illinois Department shall reimburse hospitals  
13 for inpatient services under the reimbursement  
14 methodologies in effect for each hospital, and at the  
15 inpatient payment rate calculated for each hospital, as of  
16 June 30, 1992. For purposes of this paragraph,  
17 "reimbursement methodologies" means all reimbursement  
18 methodologies that pertain to the provision of inpatient  
19 hospital services, including, but not limited to, any  
20 adjustments for disproportionate share, targeted access,  
21 critical care access and uncompensated care, as defined by  
22 the Illinois Department on June 30, 1992.

23 (2) For the purpose of calculating the inpatient  
24 payment rate for each hospital eligible to receive  
25 quarterly adjustment payments for targeted access and  
26 critical care, as defined by the Illinois Department on

1 June 30, 1992, the adjustment payment for the period July  
2 1, 1992 through September 30, 1992, shall be 25% of the  
3 annual adjustment payments calculated for each eligible  
4 hospital, as of June 30, 1992. The Illinois Department  
5 shall determine by rule the adjustment payments for  
6 targeted access and critical care beginning October 1,  
7 1992.

8 (3) For the purpose of calculating the inpatient  
9 payment rate for each hospital eligible to receive  
10 quarterly adjustment payments for uncompensated care, as  
11 defined by the Illinois Department on June 30, 1992, the  
12 adjustment payment for the period August 1, 1992 through  
13 September 30, 1992, shall be one-sixth of the total  
14 uncompensated care adjustment payments calculated for each  
15 eligible hospital for the uncompensated care rate year, as  
16 defined by the Illinois Department, ending on July 31,  
17 1992. The Illinois Department shall determine by rule the  
18 adjustment payments for uncompensated care beginning  
19 October 1, 1992.

20 (b) Inpatient payments. For inpatient services provided on  
21 or after October 1, 1993, in addition to rates paid for  
22 hospital inpatient services pursuant to the Illinois Health  
23 Finance Reform Act, as now or hereafter amended, or the  
24 Illinois Department's prospective reimbursement methodology,  
25 or any other methodology used by the Illinois Department for  
26 inpatient services, the Illinois Department shall make

1 adjustment payments, in an amount calculated pursuant to the  
2 methodology described in paragraph (c) of this Section, to  
3 hospitals that the Illinois Department determines satisfy any  
4 one of the following requirements:

5 (1) Hospitals that are described in Section 1923 of the  
6 federal Social Security Act, as now or hereafter amended;  
7 or

8 (2) Illinois hospitals that have a Medicaid inpatient  
9 utilization rate which is at least one-half a standard  
10 deviation above the mean Medicaid inpatient utilization  
11 rate for all hospitals in Illinois receiving Medicaid  
12 payments from the Illinois Department; or

13 (3) Illinois hospitals that on July 1, 1991 had a  
14 Medicaid inpatient utilization rate, as defined in  
15 paragraph (h) of this Section, that was at least the mean  
16 Medicaid inpatient utilization rate for all hospitals in  
17 Illinois receiving Medicaid payments from the Illinois  
18 Department and which were located in a planning area with  
19 one-third or fewer excess beds ~~as determined by the Health~~  
20 ~~Facilities and Services Review Board,~~ and that, as of June  
21 30, 1992, were located in a federally designated Health  
22 Manpower Shortage Area; or

23 (4) Illinois hospitals that:

24 (A) have a Medicaid inpatient utilization rate  
25 that is at least equal to the mean Medicaid inpatient  
26 utilization rate for all hospitals in Illinois

1 receiving Medicaid payments from the Department; and

2 (B) also have a Medicaid obstetrical inpatient  
3 utilization rate that is at least one standard  
4 deviation above the mean Medicaid obstetrical  
5 inpatient utilization rate for all hospitals in  
6 Illinois receiving Medicaid payments from the  
7 Department for obstetrical services; or

8 (5) Any children's hospital, which means a hospital  
9 devoted exclusively to caring for children. A hospital  
10 which includes a facility devoted exclusively to caring for  
11 children shall be considered a children's hospital to the  
12 degree that the hospital's Medicaid care is provided to  
13 children if either (i) the facility devoted exclusively to  
14 caring for children is separately licensed as a hospital by  
15 a municipality prior to September 30, 1998 or (ii) the  
16 hospital has been designated by the State as a Level III  
17 perinatal care facility, has a Medicaid Inpatient  
18 Utilization rate greater than 55% for the rate year 2003  
19 disproportionate share determination, and has more than  
20 10,000 qualified children days as defined by the Department  
21 in rulemaking.

22 (c) Inpatient adjustment payments. The adjustment payments  
23 required by paragraph (b) shall be calculated based upon the  
24 hospital's Medicaid inpatient utilization rate as follows:

25 (1) hospitals with a Medicaid inpatient utilization  
26 rate below the mean shall receive a per day adjustment

1 payment equal to \$25;

2 (2) hospitals with a Medicaid inpatient utilization  
3 rate that is equal to or greater than the mean Medicaid  
4 inpatient utilization rate but less than one standard  
5 deviation above the mean Medicaid inpatient utilization  
6 rate shall receive a per day adjustment payment equal to  
7 the sum of \$25 plus \$1 for each one percent that the  
8 hospital's Medicaid inpatient utilization rate exceeds the  
9 mean Medicaid inpatient utilization rate;

10 (3) hospitals with a Medicaid inpatient utilization  
11 rate that is equal to or greater than one standard  
12 deviation above the mean Medicaid inpatient utilization  
13 rate but less than 1.5 standard deviations above the mean  
14 Medicaid inpatient utilization rate shall receive a per day  
15 adjustment payment equal to the sum of \$40 plus \$7 for each  
16 one percent that the hospital's Medicaid inpatient  
17 utilization rate exceeds one standard deviation above the  
18 mean Medicaid inpatient utilization rate; and

19 (4) hospitals with a Medicaid inpatient utilization  
20 rate that is equal to or greater than 1.5 standard  
21 deviations above the mean Medicaid inpatient utilization  
22 rate shall receive a per day adjustment payment equal to  
23 the sum of \$90 plus \$2 for each one percent that the  
24 hospital's Medicaid inpatient utilization rate exceeds 1.5  
25 standard deviations above the mean Medicaid inpatient  
26 utilization rate.

1           (d) Supplemental adjustment payments. In addition to the  
2 adjustment payments described in paragraph (c), hospitals as  
3 defined in clauses (1) through (5) of paragraph (b), excluding  
4 county hospitals (as defined in subsection (c) of Section 15-1  
5 of this Code) and a hospital organized under the University of  
6 Illinois Hospital Act, shall be paid supplemental inpatient  
7 adjustment payments of \$60 per day. For purposes of Title XIX  
8 of the federal Social Security Act, these supplemental  
9 adjustment payments shall not be classified as adjustment  
10 payments to disproportionate share hospitals.

11           (e) The inpatient adjustment payments described in  
12 paragraphs (c) and (d) shall be increased on October 1, 1993  
13 and annually thereafter by a percentage equal to the lesser of  
14 (i) the increase in the DRI hospital cost index for the most  
15 recent 12 month period for which data are available, or (ii)  
16 the percentage increase in the statewide average hospital  
17 payment rate over the previous year's statewide average  
18 hospital payment rate. The sum of the inpatient adjustment  
19 payments under paragraphs (c) and (d) to a hospital, other than  
20 a county hospital (as defined in subsection (c) of Section 15-1  
21 of this Code) or a hospital organized under the University of  
22 Illinois Hospital Act, however, shall not exceed \$275 per day;  
23 that limit shall be increased on October 1, 1993 and annually  
24 thereafter by a percentage equal to the lesser of (i) the  
25 increase in the DRI hospital cost index for the most recent  
26 12-month period for which data are available or (ii) the

1 percentage increase in the statewide average hospital payment  
2 rate over the previous year's statewide average hospital  
3 payment rate.

4 (f) Children's hospital inpatient adjustment payments. For  
5 children's hospitals, as defined in clause (5) of paragraph  
6 (b), the adjustment payments required pursuant to paragraphs  
7 (c) and (d) shall be multiplied by 2.0.

8 (g) County hospital inpatient adjustment payments. For  
9 county hospitals, as defined in subsection (c) of Section 15-1  
10 of this Code, there shall be an adjustment payment as  
11 determined by rules issued by the Illinois Department.

12 (h) For the purposes of this Section the following terms  
13 shall be defined as follows:

14 (1) "Medicaid inpatient utilization rate" means a  
15 fraction, the numerator of which is the number of a  
16 hospital's inpatient days provided in a given 12-month  
17 period to patients who, for such days, were eligible for  
18 Medicaid under Title XIX of the federal Social Security  
19 Act, and the denominator of which is the total number of  
20 the hospital's inpatient days in that same period.

21 (2) "Mean Medicaid inpatient utilization rate" means  
22 the total number of Medicaid inpatient days provided by all  
23 Illinois Medicaid-participating hospitals divided by the  
24 total number of inpatient days provided by those same  
25 hospitals.

26 (3) "Medicaid obstetrical inpatient utilization rate"



1 means the ratio of Medicaid obstetrical inpatient days to  
2 total Medicaid inpatient days for all Illinois hospitals  
3 receiving Medicaid payments from the Illinois Department.

4 (i) Inpatient adjustment payment limit. In order to meet  
5 the limits of Public Law 102-234 and Public Law 103-66, the  
6 Illinois Department shall by rule adjust disproportionate  
7 share adjustment payments.

8 (j) University of Illinois Hospital inpatient adjustment  
9 payments. For hospitals organized under the University of  
10 Illinois Hospital Act, there shall be an adjustment payment as  
11 determined by rules adopted by the Illinois Department.

12 (k) The Illinois Department may by rule establish criteria  
13 for and develop methodologies for adjustment payments to  
14 hospitals participating under this Article.

15 (Source: P.A. 96-31, eff. 6-30-09.)

16 Section 60. The Older Adult Services Act is amended by  
17 changing Sections 20, 25, and 30 as follows:

18 (320 ILCS 42/20)

19 Sec. 20. Priority service areas; service expansion.

20 (a) The requirements of this Section are subject to the  
21 availability of funding.

22 (b) The Department, subject to appropriation, shall expand  
23 older adult services that promote independence and permit older  
24 adults to remain in their own homes and communities. Priority

1 shall be given to both the expansion of services and the  
2 development of new services in priority service areas.

3 (c) Inventory of services. The Department shall develop and  
4 maintain an inventory and assessment of (i) the types and  
5 quantities of public older adult services and, to the extent  
6 possible, privately provided older adult services, including  
7 the unduplicated count, location, and characteristics of  
8 individuals served by each facility, program, or service and  
9 (ii) the resources supporting those services, no later than  
10 July 1, 2012. The Department shall investigate the cost of  
11 compliance with this provision and report these findings to the  
12 appropriation committees of both chambers assigned to hear the  
13 agency's budget no later than January 1, 2012. If the  
14 Department determines that compliance is cost prohibitive, it  
15 shall recommend action in the alternative to achieve the intent  
16 of this Section and identify priority service areas for the  
17 purpose of directing the allocation of new resources and the  
18 reallocation of existing resources to areas of greatest need.

19 (d) Priority service areas. The Departments shall assess  
20 the current and projected need for older adult services  
21 throughout the State, analyze the results of the inventory, and  
22 identify priority service areas, which shall serve as the basis  
23 for a priority service plan to be filed with the Governor and  
24 the General Assembly no later than July 1, 2006, and every 5  
25 years thereafter. The January 1, 2012 report required under  
26 subsection (c) of this Section shall serve as compliance with

1 the July 1, 2011 reporting requirement.

2 (e) Moneys appropriated by the General Assembly for the  
3 purpose of this Section, receipts from transfers, donations,  
4 grants, fees, or taxes that may accrue from any public or  
5 private sources to the Department for the purpose of providing  
6 services and care to older adults, and savings attributable to  
7 the nursing home conversion program as calculated in subsection  
8 (h) shall be deposited into the Department on Aging State  
9 Projects Fund. Interest earned by those moneys in the Fund  
10 shall be credited to the Fund.

11 (f) Moneys described in subsection (e) from the Department  
12 on Aging State Projects Fund shall be used for older adult  
13 services, regardless of where the older adult receives the  
14 service, with priority given to both the expansion of services  
15 and the development of new services in priority service areas.  
16 Fundable services shall include:

- 17 (1) Housing, health services, and supportive services:  
18 (A) adult day care;  
19 (B) adult day care for persons with Alzheimer's  
20 disease and related disorders;  
21 (C) activities of daily living;  
22 (D) care-related supplies and equipment;  
23 (E) case management;  
24 (F) community reintegration;  
25 (G) companion;  
26 (H) congregate meals;

1 (I) counseling and education;  
2 (J) elder abuse prevention and intervention;  
3 (K) emergency response and monitoring;  
4 (L) environmental modifications;  
5 (M) family caregiver support;  
6 (N) financial;  
7 (O) home delivered meals;  
8 (P) homemaker;  
9 (Q) home health;  
10 (R) hospice;  
11 (S) laundry;  
12 (T) long-term care ombudsman;  
13 (U) medication reminders;  
14 (V) money management;  
15 (W) nutrition services;  
16 (X) personal care;  
17 (Y) respite care;  
18 (Z) residential care;  
19 (AA) senior benefits outreach;  
20 (BB) senior centers;  
21 (CC) services provided under the Assisted Living  
22 and Shared Housing Act, or sheltered care services that  
23 meet the requirements of the Assisted Living and Shared  
24 Housing Act, or services provided under Section  
25 5-5.01a of the Illinois Public Aid Code (the Supportive  
26 Living Facilities Program);

1 (DD) telemedicine devices to monitor recipients in  
2 their own homes as an alternative to hospital care,  
3 nursing home care, or home visits;

4 (EE) training for direct family caregivers;

5 (FF) transition;

6 (GG) transportation;

7 (HH) wellness and fitness programs; and

8 (II) other programs designed to assist older  
9 adults in Illinois to remain independent and receive  
10 services in the most integrated residential setting  
11 possible for that person.

12 (2) Older Adult Services Demonstration Grants,  
13 pursuant to subsection (g) of this Section.

14 (g) Older Adult Services Demonstration Grants. The  
15 Department may establish a program of demonstration grants to  
16 assist in the restructuring of the delivery system for older  
17 adult services and provide funding for innovative service  
18 delivery models and system change and integration initiatives.  
19 The Department shall prescribe, by rule, the grant application  
20 process. At a minimum, every application must include:

21 (1) The type of grant sought;

22 (2) A description of the project;

23 (3) The objective of the project;

24 (4) The likelihood of the project meeting identified  
25 needs;

26 (5) The plan for financing, administration, and

1 evaluation of the project;

2 (6) The timetable for implementation;

3 (7) The roles and capabilities of responsible  
4 individuals and organizations;

5 (8) Documentation of collaboration with other service  
6 providers, local community government leaders, and other  
7 stakeholders, other providers, and any other stakeholders  
8 in the community;

9 (9) Documentation of community support for the  
10 project, including support by other service providers,  
11 local community government leaders, and other  
12 stakeholders;

13 (10) The total budget for the project;

14 (11) The financial condition of the applicant; and

15 (12) Any other application requirements that may be  
16 established by the Department by rule.

17 Each project may include provisions for a designated staff  
18 person who is responsible for the development of the project  
19 and recruitment of providers.

20 Projects may include, but are not limited to: adult family  
21 foster care; family adult day care; assisted living in a  
22 supervised apartment; personal services in a subsidized  
23 housing project; training for caregivers; specialized assisted  
24 living units; evening and weekend home care coverage; small  
25 incentive grants to attract new providers; money following the  
26 person; cash and counseling; managed long-term care; and

1 respite care projects that establish a local coordinated  
2 network of volunteer and paid respite workers, coordinate  
3 assignment of respite workers to caregivers and older adults,  
4 ensure the health and safety of the older adult, provide  
5 training for caregivers, and ensure that support groups are  
6 available in the community.

7 A demonstration project funded in whole or in part by an  
8 Older Adult Services Demonstration Grant is exempt from the  
9 requirements of the Illinois Health Facilities Planning Act. ~~To~~  
10 ~~the extent applicable, however, for the purpose of maintaining~~  
11 ~~the statewide inventory authorized by the Illinois Health~~  
12 ~~Facilities Planning Act, the Department shall send to the~~  
13 ~~Health Facilities and Services Review Board a copy of each~~  
14 ~~grant award made under this subsection (g).~~

15 The Department, in collaboration with the Departments of  
16 Public Health and Healthcare and Family Services, shall  
17 evaluate the effectiveness of the projects receiving grants  
18 under this Section.

19 (h) No later than July 1 of each year, the Department of  
20 Public Health shall provide information to the Department of  
21 Healthcare and Family Services to enable the Department of  
22 Healthcare and Family Services to annually document and verify  
23 the savings attributable to the nursing home conversion program  
24 for the previous fiscal year to estimate an annual amount of  
25 such savings that may be appropriated to the Department on  
26 Aging State Projects Fund and notify the General Assembly, the

1 Department on Aging, the Department of Human Services, and the  
2 Advisory Committee of the savings no later than October 1 of  
3 the same fiscal year.

4 (Source: P.A. 96-31, eff. 6-30-09; 97-448, eff. 8-19-11.)

5 (320 ILCS 42/25)

6 Sec. 25. Older adult services restructuring. No later than  
7 January 1, 2005, the Department shall commence the process of  
8 restructuring the older adult services delivery system.  
9 Priority shall be given to both the expansion of services and  
10 the development of new services in priority service areas.  
11 Subject to the availability of funding, the restructuring shall  
12 include, but not be limited to, the following:

13 (1) Planning. The Department on Aging and the Departments  
14 of Public Health and Healthcare and Family Services shall  
15 develop a plan to restructure the State's service delivery  
16 system for older adults pursuant to this Act no later than  
17 September 30, 2010. The plan shall include a schedule for the  
18 implementation of the initiatives outlined in this Act and all  
19 other initiatives identified by the participating agencies to  
20 fulfill the purposes of this Act and shall protect the rights  
21 of all older Illinoisans to services based on their health  
22 circumstances and functioning level, regardless of whether  
23 they receive their care in their homes, in a community setting,  
24 or in a residential facility. Financing for older adult  
25 services shall be based on the principle that "money follows



1 the individual" taking into account individual preference, but  
2 shall not jeopardize the health, safety, or level of care of  
3 nursing home residents. The plan shall also identify potential  
4 impediments to delivery system restructuring and include any  
5 known regulatory or statutory barriers.

6 (2) Comprehensive case management. The Department shall  
7 implement a statewide system of holistic comprehensive case  
8 management. The system shall include the identification and  
9 implementation of a universal, comprehensive assessment tool  
10 to be used statewide to determine the level of functional,  
11 cognitive, socialization, and financial needs of older adults.  
12 This tool shall be supported by an electronic intake,  
13 assessment, and care planning system linked to a central  
14 location. "Comprehensive case management" includes services  
15 and coordination such as (i) comprehensive assessment of the  
16 older adult (including the physical, functional, cognitive,  
17 psycho-social, and social needs of the individual); (ii)  
18 development and implementation of a service plan with the older  
19 adult to mobilize the formal and family resources and services  
20 identified in the assessment to meet the needs of the older  
21 adult, including coordination of the resources and services  
22 with any other plans that exist for various formal services,  
23 such as hospital discharge plans, and with the information and  
24 assistance services; (iii) coordination and monitoring of  
25 formal and family service delivery, including coordination and  
26 monitoring to ensure that services specified in the plan are

1 being provided; (iv) periodic reassessment and revision of the  
2 status of the older adult with the older adult or, if  
3 necessary, the older adult's designated representative; and  
4 (v) in accordance with the wishes of the older adult, advocacy  
5 on behalf of the older adult for needed services or resources.

6 (3) Coordinated point of entry. The Department shall  
7 implement and publicize a statewide coordinated point of entry  
8 using a uniform name, identity, logo, and toll-free number.

9 (4) Public web site. The Department shall develop a public  
10 web site that provides links to available services, resources,  
11 and reference materials concerning caregiving, diseases, and  
12 best practices for use by professionals, older adults, and  
13 family caregivers.

14 (5) Expansion of older adult services. The Department shall  
15 expand older adult services that promote independence and  
16 permit older adults to remain in their own homes and  
17 communities.

18 (6) Consumer-directed home and community-based services.  
19 The Department shall expand the range of service options  
20 available to permit older adults to exercise maximum choice and  
21 control over their care.

22 (7) Comprehensive delivery system. The Department shall  
23 expand opportunities for older adults to receive services in  
24 systems that integrate acute and chronic care.

25 (8) Enhanced transition and follow-up services. The  
26 Department shall implement a program of transition from one

1 residential setting to another and follow-up services,  
2 regardless of residential setting, pursuant to rules with  
3 respect to (i) resident eligibility, (ii) assessment of the  
4 resident's health, cognitive, social, and financial needs,  
5 (iii) development of transition plans, and (iv) the level of  
6 services that must be available before transitioning a resident  
7 from one setting to another.

8 (9) Family caregiver support. The Department shall develop  
9 strategies for public and private financing of services that  
10 supplement and support family caregivers.

11 (10) Quality standards and quality improvement. The  
12 Department shall establish a core set of uniform quality  
13 standards for all providers that focus on outcomes and take  
14 into consideration consumer choice and satisfaction, and the  
15 Department shall require each provider to implement a  
16 continuous quality improvement process to address consumer  
17 issues. The continuous quality improvement process must  
18 benchmark performance, be person-centered and data-driven, and  
19 focus on consumer satisfaction.

20 (11) Workforce. The Department shall develop strategies to  
21 attract and retain a qualified and stable worker pool, provide  
22 living wages and benefits, and create a work environment that  
23 is conducive to long-term employment and career development.  
24 Resources such as grants, education, and promotion of career  
25 opportunities may be used.

26 (12) Coordination of services. The Department shall

1 identify methods to better coordinate service networks to  
2 maximize resources and minimize duplication of services and  
3 ease of application.

4 (13) Barriers to services. The Department shall identify  
5 barriers to the provision, availability, and accessibility of  
6 services and shall implement a plan to address those barriers.  
7 The plan shall: (i) identify barriers, including but not  
8 limited to, statutory and regulatory complexity, reimbursement  
9 issues, payment issues, and labor force issues; (ii) recommend  
10 changes to State or federal laws or administrative rules or  
11 regulations; (iii) recommend application for federal waivers  
12 to improve efficiency and reduce cost and paperwork; (iv)  
13 develop innovative service delivery models; and (v) recommend  
14 application for federal or private service grants.

15 (14) Reimbursement and funding. The Department shall  
16 investigate and evaluate costs and payments by defining costs  
17 to implement a uniform, audited provider cost reporting system  
18 to be considered by all Departments in establishing payments.  
19 To the extent possible, multiple cost reporting mandates shall  
20 not be imposed.

21 (15) Medicaid nursing home cost containment and Medicare  
22 utilization. The Department of Healthcare and Family Services  
23 (formerly Department of Public Aid), in collaboration with the  
24 Department on Aging and the Department of Public Health and in  
25 consultation with the Advisory Committee, shall propose a plan  
26 to contain Medicaid nursing home costs and maximize Medicare

1 utilization. The plan must not impair the ability of an older  
2 adult to choose among available services. The plan shall  
3 include, but not be limited to, (i) techniques to maximize the  
4 use of the most cost-effective services without sacrificing  
5 quality and (ii) methods to identify and serve older adults in  
6 need of minimal services to remain independent, but who are  
7 likely to develop a need for more extensive services in the  
8 absence of those minimal services.

9 (16) Bed reduction. The Department of Public Health shall  
10 implement a nursing home conversion program to reduce the  
11 number of Medicaid-certified nursing home beds in areas with  
12 excess beds. The Department of Healthcare and Family Services  
13 shall investigate changes to the Medicaid nursing facility  
14 reimbursement system in order to reduce beds. Such changes may  
15 include, but are not limited to, incentive payments that will  
16 enable facilities to adjust to the restructuring and expansion  
17 of services required by the Older Adult Services Act, including  
18 adjustments for the voluntary closure or layaway of nursing  
19 home beds certified under Title XIX of the federal Social  
20 Security Act. Any savings shall be reallocated to fund  
21 home-based or community-based older adult services pursuant to  
22 Section 20.

23 (17) Financing. The Department shall investigate and  
24 evaluate financing options for older adult services and shall  
25 make recommendations in the report required by Section 15  
26 concerning the feasibility of these financing arrangements.

1 These arrangements shall include, but are not limited to:

2 (A) private long-term care insurance coverage for  
3 older adult services;

4 (B) enhancement of federal long-term care financing  
5 initiatives;

6 (C) employer benefit programs such as medical savings  
7 accounts for long-term care;

8 (D) individual and family cost-sharing options;

9 (E) strategies to reduce reliance on government  
10 programs;

11 (F) fraudulent asset divestiture and financial  
12 planning prevention; and

13 (G) methods to supplement and support family and  
14 community caregiving.

15 (18) Older Adult Services Demonstration Grants. The  
16 Department shall implement a program of demonstration grants  
17 that will assist in the restructuring of the older adult  
18 services delivery system, and shall provide funding for  
19 innovative service delivery models and system change and  
20 integration initiatives pursuant to subsection (g) of Section  
21 20.

22 (19) (Blank). ~~Bed need methodology update. For the purposes~~  
23 ~~of determining areas with excess beds, the Departments shall~~  
24 ~~provide information and assistance to the Health Facilities and~~  
25 ~~Services Review Board to update the Bed Need Methodology for~~  
26 ~~Long Term Care to update the assumptions used to establish the~~

1 ~~methodology to make them consistent with modern older adult~~  
2 ~~services.~~

3 (20) Affordable housing. The Departments shall utilize the  
4 recommendations of Illinois' Annual Comprehensive Housing  
5 Plan, as developed by the Affordable Housing Task Force through  
6 the Governor's Executive Order 2003-18, in their efforts to  
7 address the affordable housing needs of older adults.

8 The Older Adult Services Advisory Committee shall  
9 investigate innovative and promising practices operating as  
10 demonstration or pilot projects in Illinois and in other  
11 states. The Department on Aging shall provide the Older Adult  
12 Services Advisory Committee with a list of all demonstration or  
13 pilot projects funded by the Department on Aging, including  
14 those specified by rule, law, policy memorandum, or funding  
15 arrangement. The Committee shall work with the Department on  
16 Aging to evaluate the viability of expanding these programs  
17 into other areas of the State.

18 (Source: P.A. 96-31, eff. 6-30-09; 96-248, eff. 8-11-09;  
19 96-1000, eff. 7-2-10.)

20 (320 ILCS 42/30)

21 Sec. 30. Nursing home conversion program.

22 (a) The Department of Public Health, in collaboration with  
23 the Department on Aging and the Department of Healthcare and  
24 Family Services, shall establish a nursing home conversion  
25 program. Start-up grants, pursuant to subsections (l) and (m)

1 of this Section, shall be made available to nursing homes as  
2 appropriations permit as an incentive to reduce certified beds,  
3 retrofit, and retool operations to meet new service delivery  
4 expectations and demands.

5 (b) Grant moneys shall be made available for capital and  
6 other costs related to: (1) the conversion of all or a part of  
7 a nursing home to an assisted living establishment or a special  
8 program or unit for persons with Alzheimer's disease or related  
9 disorders licensed under the Assisted Living and Shared Housing  
10 Act or a supportive living facility established under Section  
11 5-5.01a of the Illinois Public Aid Code; (2) the conversion of  
12 multi-resident bedrooms in the facility into single-occupancy  
13 rooms; and (3) the development of any of the services  
14 identified in a priority service plan that can be provided by a  
15 nursing home within the confines of a nursing home or  
16 transportation services. Grantees shall be required to provide  
17 a minimum of a 20% match toward the total cost of the project.

18 (c) Nothing in this Act shall prohibit the co-location of  
19 services or the development of multifunctional centers under  
20 subsection (f) of Section 20, including a nursing home offering  
21 community-based services or a community provider establishing  
22 a residential facility.

23 (d) A certified nursing home with at least 50% of its  
24 resident population having their care paid for by the Medicaid  
25 program is eligible to apply for a grant under this Section.

26 (e) Any nursing home receiving a grant under this Section



1 shall reduce the number of certified nursing home beds by a  
2 number equal to or greater than the number of beds being  
3 converted for one or more of the permitted uses under item (1)  
4 or (2) of subsection (b). The nursing home shall retain the  
5 Certificate of Need for its nursing and sheltered care beds  
6 that were converted for 15 years. If the beds are reinstated by  
7 the provider or its successor in interest, the provider shall  
8 pay to the fund from which the grant was awarded, on an  
9 amortized basis, the amount of the grant. The Department shall  
10 establish, by rule, the bed reduction methodology for nursing  
11 homes that receive a grant pursuant to item (3) of subsection  
12 (b).

13 (f) Any nursing home receiving a grant under this Section  
14 shall agree that, for a minimum of 10 years after the date that  
15 the grant is awarded, a minimum of 50% of the nursing home's  
16 resident population shall have their care paid for by the  
17 Medicaid program. If the nursing home provider or its successor  
18 in interest ceases to comply with the requirement set forth in  
19 this subsection, the provider shall pay to the fund from which  
20 the grant was awarded, on an amortized basis, the amount of the  
21 grant.

22 (g) Before awarding grants, the Department of Public Health  
23 shall seek recommendations from the Department on Aging and the  
24 Department of Healthcare and Family Services. The Department of  
25 Public Health shall attempt to balance the distribution of  
26 grants among geographic regions, and among small and large

1 nursing homes. The Department of Public Health shall develop,  
2 by rule, the criteria for the award of grants based upon the  
3 following factors:

4 (1) the unique needs of older adults (including those  
5 with moderate and low incomes), caregivers, and providers  
6 in the geographic area of the State the grantee seeks to  
7 serve;

8 (2) whether the grantee proposes to provide services in  
9 a priority service area;

10 (3) the extent to which the conversion or transition  
11 will result in the reduction of certified nursing home beds  
12 in an area with excess beds;

13 (4) the compliance history of the nursing home; and

14 (5) any other relevant factors identified by the  
15 Department, including standards of need.

16 (h) A conversion funded in whole or in part by a grant  
17 under this Section must not:

18 (1) diminish or reduce the quality of services  
19 available to nursing home residents;

20 (2) force any nursing home resident to involuntarily  
21 accept home-based or community-based services instead of  
22 nursing home services;

23 (3) diminish or reduce the supply and distribution of  
24 nursing home services in any community below the level of  
25 need, as defined by the Department by rule; or

26 (4) cause undue hardship on any person who requires

1 nursing home care.

2 (i) The Department shall prescribe, by rule, the grant  
3 application process. At a minimum, every application must  
4 include:

5 (1) the type of grant sought;

6 (2) a description of the project;

7 (3) the objective of the project;

8 (4) the likelihood of the project meeting identified  
9 needs;

10 (5) the plan for financing, administration, and  
11 evaluation of the project;

12 (6) the timetable for implementation;

13 (7) the roles and capabilities of responsible  
14 individuals and organizations;

15 (8) documentation of collaboration with other service  
16 providers, local community government leaders, and other  
17 stakeholders, other providers, and any other stakeholders  
18 in the community;

19 (9) documentation of community support for the  
20 project, including support by other service providers,  
21 local community government leaders, and other  
22 stakeholders;

23 (10) the total budget for the project;

24 (11) the financial condition of the applicant; and

25 (12) any other application requirements that may be  
26 established by the Department by rule.

1 (j) A conversion project funded in whole or in part by a  
2 grant under this Section is exempt from the requirements of the  
3 Illinois Health Facilities Planning Act. ~~The Department of~~  
4 ~~Public Health, however, shall send to the Health Facilities and~~  
5 ~~Services Review Board a copy of each grant award made under~~  
6 ~~this Section.~~

7 (k) Applications for grants are public information, except  
8 that nursing home financial condition and any proprietary data  
9 shall be classified as nonpublic data.

10 (l) The Department of Public Health may award grants from  
11 the Long Term Care Civil Money Penalties Fund established under  
12 Section 1919(h) (2) (A) (ii) of the Social Security Act and 42 CFR  
13 488.422(g) if the award meets federal requirements.

14 (m) The Nursing Home Conversion Fund is created as a  
15 special fund in the State treasury. Moneys appropriated by the  
16 General Assembly or transferred from other sources for the  
17 purposes of this Section shall be deposited into the Fund. All  
18 interest earned on moneys in the fund shall be credited to the  
19 fund. Moneys contained in the fund shall be used to support the  
20 purposes of this Section.

21 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;  
22 96-758, eff. 8-25-09; 96-1000, eff. 7-2-10.)

23 (20 ILCS 3960/4 rep.)

24 (20 ILCS 3960/4.2 rep.)

25 (20 ILCS 3960/5 rep.)

1 (20 ILCS 3960/5.4 rep.)

2 (20 ILCS 3960/6 rep.)

3 (20 ILCS 3960/12 rep.)

4 (20 ILCS 3960/12.2 rep.)

5 (20 ILCS 3960/12.3 rep.)

6 (20 ILCS 3960/15.1 rep.)

7 Section 90. The Illinois Health Facilities Planning Act is  
8 amended by repealing Sections 4, 4.2, 5, 5.4, 6, 12, 12.2,  
9 12.3, and 15.1.

10 Section 99. Effective date. This Act takes effect July 1,  
11 2013.

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| 3  | 5 ILCS 120/1.02                         | from Ch. 102, par. 41.02    |
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| 5  | 20 ILCS 2310/2310-217                   |                             |
| 6  | 20 ILCS 3960/2                          | from Ch. 111 1/2, par. 1152 |
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| 20 | 225 ILCS 47/30 rep.                     |                             |
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| 23 | 305 ILCS 5/5-5.02                       | from Ch. 23, par. 5-5.02    |
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- 1 320 ILCS 42/30
- 2 20 ILCS 3960/4 rep.
- 3 20 ILCS 3960/4.2 rep.
- 4 20 ILCS 3960/5 rep.
- 5 20 ILCS 3960/5.4 rep.
- 6 20 ILCS 3960/6 rep.
- 7 20 ILCS 3960/12 rep.
- 8 20 ILCS 3960/12.2 rep.
- 9 20 ILCS 3960/12.3 rep.
- 10 20 ILCS 3960/15.1 rep.