



Sen. Christine Radogno

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09800HB1584sam001

LRB098 08118 KTG 49181 a

1 AMENDMENT TO HOUSE BILL 1584

2 AMENDMENT NO. _____. Amend House Bill 1584 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Health Facilities Planning Act is
5 amended by changing Section 3 as follows:

6 (20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

7 (Section scheduled to be repealed on December 31, 2019)

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

9 "Health care facilities" means and includes the following
10 facilities, organizations, and related persons:

11 1. An ambulatory surgical treatment center required to
12 be licensed pursuant to the Ambulatory Surgical Treatment
13 Center Act;

14 2. An institution, place, building, or agency required
15 to be licensed pursuant to the Hospital Licensing Act;

16 3. Skilled and intermediate long term care facilities

1 licensed under the Nursing Home Care Act;

2 3.5. Skilled and intermediate care facilities licensed
3 under the ID/DD Community Care Act;

4 3.7. Facilities licensed under the Specialized Mental
5 Health Rehabilitation Act;

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

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

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

17 7. An institution, place, building, or room used for
18 provision of a health care category of service, including,
19 but not limited to, cardiac catheterization and open heart
20 surgery; and

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

26 This Act shall not apply to the construction of any new

1 facility or the renovation of any existing facility located on
2 any campus facility as defined in Section 5-5.8b of the
3 Illinois Public Aid Code, provided that the campus facility
4 encompasses 30 or more contiguous acres and that the new or
5 renovated facility is intended for use by a licensed
6 residential facility.

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

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

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

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

24 This Act does not apply to facilities granted waivers under
25 Section 3-102.2 of the Nursing Home Care Act. However, if a
26 demonstration project under that Act applies for a certificate

1 of need to convert to a nursing facility, it shall meet the
2 licensure and certificate of need requirements in effect as of
3 the date of application.

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

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

24 This Act does not apply to any change of ownership of a
25 healthcare facility that is licensed under the Nursing Home
26 Care Act, the Specialized Mental Health Rehabilitation Act, or

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

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

1 for such action or attendant financial obligation.

2 No permit or exemption is required for a facility licensed
3 under the ID/DD Community Care Act prior to the reduction of
4 the number of beds at a facility. If there is a total reduction
5 of beds at a facility licensed under the ID/DD Community Care
6 Act, this is a discontinuation or closure of the facility.
7 However, if a facility licensed under the ID/DD Community Care
8 Act reduces the number of beds or discontinues the facility,
9 that facility must notify the Board as provided in Section 14.1
10 of this Act.

11 "Person" means any one or more natural persons, legal
12 entities, governmental bodies other than federal, or any
13 combination thereof.

14 "Consumer" means any person other than a person (a) whose
15 major occupation currently involves or whose official capacity
16 within the last 12 months has involved the providing,
17 administering or financing of any type of health care facility,
18 (b) who is engaged in health research or the teaching of
19 health, (c) who has a material financial interest in any
20 activity which involves the providing, administering or
21 financing of any type of health care facility, or (d) who is or
22 ever has been a member of the immediate family of the person
23 defined by (a), (b), or (c).

24 "State Board" or "Board" means the Health Facilities and
25 Services Review Board.

26 "Construction or modification" means the establishment,

1 erection, building, alteration, reconstruction, modernization,
2 improvement, extension, discontinuation, change of ownership,
3 of or by a health care facility, or the purchase or acquisition
4 by or through a health care facility of equipment or service
5 for diagnostic or therapeutic purposes or for facility
6 administration or operation, or any capital expenditure made by
7 or on behalf of a health care facility which exceeds the
8 capital expenditure minimum; however, any capital expenditure
9 made by or on behalf of a health care facility for (i) the
10 construction or modification of a facility licensed under the
11 Assisted Living and Shared Housing Act or (ii) a conversion
12 project undertaken in accordance with Section 30 of the Older
13 Adult Services Act shall be excluded from any obligations under
14 this Act.

15 "Establish" means the construction of a health care
16 facility or the replacement of an existing facility on another
17 site or the initiation of a category of service.

18 "Major medical equipment" means medical equipment which is
19 used for the provision of medical and other health services and
20 which costs in excess of the capital expenditure minimum,
21 except that such term does not include medical equipment
22 acquired by or on behalf of a clinical laboratory to provide
23 clinical laboratory services if the clinical laboratory is
24 independent of a physician's office and a hospital and it has
25 been determined under Title XVIII of the Social Security Act to
26 meet the requirements of paragraphs (10) and (11) of Section

1 1861(s) of such Act. In determining whether medical equipment
2 has a value in excess of the capital expenditure minimum, the
3 value of studies, surveys, designs, plans, working drawings,
4 specifications, and other activities essential to the
5 acquisition of such equipment shall be included.

6 "Capital Expenditure" means an expenditure: (A) made by or
7 on behalf of a health care facility (as such a facility is
8 defined in this Act); and (B) which under generally accepted
9 accounting principles is not properly chargeable as an expense
10 of operation and maintenance, or is made to obtain by lease or
11 comparable arrangement any facility or part thereof or any
12 equipment for a facility or part; and which exceeds the capital
13 expenditure minimum.

14 For the purpose of this paragraph, the cost of any studies,
15 surveys, designs, plans, working drawings, specifications, and
16 other activities essential to the acquisition, improvement,
17 expansion, or replacement of any plant or equipment with
18 respect to which an expenditure is made shall be included in
19 determining if such expenditure exceeds the capital
20 expenditures minimum. Unless otherwise interdependent, or
21 submitted as one project by the applicant, components of
22 construction or modification undertaken by means of a single
23 construction contract or financed through the issuance of a
24 single debt instrument shall not be grouped together as one
25 project. Donations of equipment or facilities to a health care
26 facility which if acquired directly by such facility would be

1 subject to review under this Act shall be considered capital
2 expenditures, and a transfer of equipment or facilities for
3 less than fair market value shall be considered a capital
4 expenditure for purposes of this Act if a transfer of the
5 equipment or facilities at fair market value would be subject
6 to review.

7 "Capital expenditure minimum" means \$11,500,000 for
8 projects by hospital applicants, \$6,500,000 for applicants for
9 projects related to skilled and intermediate care long-term
10 care facilities licensed under the Nursing Home Care Act, and
11 \$3,000,000 for projects by all other applicants, which shall be
12 annually adjusted to reflect the increase in construction costs
13 due to inflation, for major medical equipment and for all other
14 capital expenditures.

15 "Non-clinical service area" means an area (i) for the
16 benefit of the patients, visitors, staff, or employees of a
17 health care facility and (ii) not directly related to the
18 diagnosis, treatment, or rehabilitation of persons receiving
19 services from the health care facility. "Non-clinical service
20 areas" include, but are not limited to, chapels; gift shops;
21 news stands; computer systems; tunnels, walkways, and
22 elevators; telephone systems; projects to comply with life
23 safety codes; educational facilities; student housing;
24 patient, employee, staff, and visitor dining areas;
25 administration and volunteer offices; modernization of
26 structural components (such as roof replacement and masonry

1 work); boiler repair or replacement; vehicle maintenance and
2 storage facilities; parking facilities; mechanical systems for
3 heating, ventilation, and air conditioning; loading docks; and
4 repair or replacement of carpeting, tile, wall coverings,
5 window coverings or treatments, or furniture. Solely for the
6 purpose of this definition, "non-clinical service area" does
7 not include health and fitness centers.

8 "Areawide" means a major area of the State delineated on a
9 geographic, demographic, and functional basis for health
10 planning and for health service and having within it one or
11 more local areas for health planning and health service. The
12 term "region", as contrasted with the term "subregion", and the
13 word "area" may be used synonymously with the term "areawide".

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

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

20 "Licensed health care professional" means a person
21 licensed to practice a health profession under pertinent
22 licensing statutes of the State of Illinois.

23 "Director" means the Director of the Illinois Department of
24 Public Health.

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

26 "Alternative health care model" means a facility or program

1 authorized under the Alternative Health Care Delivery Act.

2 "Out-of-state facility" means a person that is both (i)
3 licensed as a hospital or as an ambulatory surgery center under
4 the laws of another state or that qualifies as a hospital or an
5 ambulatory surgery center under regulations adopted pursuant
6 to the Social Security Act and (ii) not licensed under the
7 Ambulatory Surgical Treatment Center Act, the Hospital
8 Licensing Act, or the Nursing Home Care Act. Affiliates of
9 out-of-state facilities shall be considered out-of-state
10 facilities. Affiliates of Illinois licensed health care
11 facilities 100% owned by an Illinois licensed health care
12 facility, its parent, or Illinois physicians licensed to
13 practice medicine in all its branches shall not be considered
14 out-of-state facilities. Nothing in this definition shall be
15 construed to include an office or any part of an office of a
16 physician licensed to practice medicine in all its branches in
17 Illinois that is not required to be licensed under the
18 Ambulatory Surgical Treatment Center Act.

19 "Change of ownership of a health care facility" means a
20 change in the person who has ownership or control of a health
21 care facility's physical plant and capital assets. A change in
22 ownership is indicated by the following transactions: sale,
23 transfer, acquisition, lease, change of sponsorship, or other
24 means of transferring control.

25 "Related person" means any person that: (i) is at least 50%
26 owned, directly or indirectly, by either the health care

1 facility or a person owning, directly or indirectly, at least
2 50% of the health care facility; or (ii) owns, directly or
3 indirectly, at least 50% of the health care facility.

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

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

10 "Category of service" means a grouping by generic class of
11 various types or levels of support functions, equipment, care,
12 or treatment provided to patients or residents, including, but
13 not limited to, classes such as medical-surgical, pediatrics,
14 or cardiac catheterization. A category of service may include
15 subcategories or levels of care that identify a particular
16 degree or type of care within the category of service. Nothing
17 in this definition shall be construed to include the practice
18 of a physician or other licensed health care professional while
19 functioning in an office providing for the care, diagnosis, or
20 treatment of patients. A category of service that is subject to
21 the Board's jurisdiction must be designated in rules adopted by
22 the Board.

23 (Source: P.A. 97-38, eff. 6-28-11; 97-277, eff. 1-1-12; 97-813,
24 eff. 7-13-12; 97-980, eff. 8-17-12; 98-414, eff. 1-1-14.)

25 Section 10. The Alternative Health Care Delivery Act is

1 amended by changing Sections 15, 30, and 35 as follows:

2 (210 ILCS 3/15)

3 Sec. 15. License required. No health care facility or
4 program that meets the definition and scope of an alternative
5 health care model shall operate as such unless it is a
6 participant in a demonstration program under this Act and
7 licensed by the Department as an alternative health care model.
8 The provisions of this Act concerning children's
9 community-based health care centers ~~children's respite care~~
10 ~~centers~~ shall not apply to any facility licensed under the
11 Hospital Licensing Act, the Nursing Home Care Act, the
12 Specialized Mental Health Rehabilitation Act, the ID/DD
13 Community Care Act, or the University of Illinois Hospital Act
14 that provides respite care services to children.

15 (Source: P.A. 96-339, eff. 7-1-10; 97-38, eff. 6-28-11; 97-135,
16 eff. 7-14-11; 97-227, eff. 1-1-12; 97-813, eff. 7-13-12.)

17 (210 ILCS 3/30)

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

21 (a) (Blank).

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

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

5 (1) Two in the City of Chicago.

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

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

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

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

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

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

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

1 Act of the 91st General Assembly.

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

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

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

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

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

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

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

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

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

7 (1) The postsurgical recovery care center shall apply
8 to the Health Facilities and Services Review Board for a
9 Certificate of Need permit to discontinue the postsurgical
10 recovery care center and to establish a 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; 97-813, eff. 7-13-12.)".