



Rep. David Harris

Filed: 3/12/2015

09900HB3139ham001

LRB099 07883 JLK 31648 a

1 AMENDMENT TO HOUSE BILL 3139

2 AMENDMENT NO. _____. Amend House Bill 3139 by replacing
3 everything after the enacting clause with the following:

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.

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

5 "Public body" includes all legislative, executive,
6 administrative or advisory bodies of the State, counties,
7 townships, cities, villages, incorporated towns, school
8 districts and all other municipal corporations, boards,
9 bureaus, committees or commissions of this State, and any
10 subsidiary bodies of any of the foregoing including but not
11 limited to committees and subcommittees which are supported in
12 whole or in part by tax revenue, or which expend tax revenue,
13 except the General Assembly and committees or commissions
14 thereof. "Public body" includes tourism boards and convention
15 or civic center boards located in counties that are contiguous
16 to the Mississippi River with populations of more than 250,000
17 but less than 300,000. ~~"Public body" includes the Health~~
18 ~~Facilities and Services Review Board.~~ "Public body" does not
19 include a child death review team or the Illinois Child Death
20 Review Teams Executive Council established under the Child
21 Death Review Team Act, an ethics commission acting under the
22 State Officials and Employees Ethics Act, a regional youth
23 advisory board or the Statewide Youth Advisory Board
24 established under the Department of Children and Family
25 Services Statewide Youth Advisory Board Act, or the Illinois
26 Independent Tax Tribunal.

1 (Source: P.A. 97-1129, eff. 8-28-12; 98-806, eff. 1-1-15.)

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

4 (5 ILCS 430/5-50)

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

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

9 (b) "Ex parte communication" means any written or oral
10 communication by any person that imparts or requests material
11 information or makes a material argument regarding potential
12 action concerning regulatory, quasi-adjudicatory, investment,
13 or licensing matters pending before or under consideration by
14 the agency. "Ex parte communication" does not include the
15 following: (i) statements by a person publicly made in a public
16 forum; (ii) statements regarding matters of procedure and
17 practice, such as format, the number of copies required, the
18 manner of filing, and the status of a matter; and (iii)
19 statements made by a State employee of the agency to the agency
20 head or other employees of that agency.

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

1 (c) An ex parte communication received by any agency,
2 agency head, or other agency employee, other than an ex parte
3 communication described in subsection (b-5), shall immediately
4 be reported to that agency's ethics officer by the recipient of
5 the communication and by any other employee of that agency who
6 responds to the communication. The ethics officer shall require
7 that the ex parte communication be promptly made a part of the
8 record. The ethics officer shall promptly file the ex parte
9 communication with the Executive Ethics Commission, including
10 all written communications, all written responses to the
11 communications, and a memorandum prepared by the ethics officer
12 stating the nature and substance of all oral communications,
13 the identity and job title of the person to whom each
14 communication was made, all responses made, the identity and
15 job title of the person making each response, the identity of
16 each person from whom the written or oral ex parte
17 communication was received, the individual or entity
18 represented by that person, any action the person requested or
19 recommended, and any other pertinent information. The
20 disclosure shall also contain the date of any ex parte
21 communication.

22 (d) "Interested party" means a person or entity whose
23 rights, privileges, or interests are the subject of or are
24 directly affected by a regulatory, quasi-adjudicatory,
25 investment, or licensing matter.

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

1 Executive Ethics Commission
2 Illinois Commerce Commission
3 Educational Labor Relations Board
4 State Board of Elections
5 Illinois Gaming Board
6 ~~Health Facilities and Services Review Board~~
7 Illinois Workers' Compensation Commission
8 Illinois Labor Relations Board
9 Illinois Liquor Control Commission
10 Pollution Control Board
11 Property Tax Appeal Board
12 Illinois Racing Board
13 Illinois Purchased Care Review Board
14 Department of State Police Merit Board
15 Motor Vehicle Review Board
16 Prisoner Review Board
17 Civil Service Commission
18 Personnel Review Board for the Treasurer
19 Merit Commission for the Secretary of State
20 Merit Commission for the Office of the Comptroller
21 Court of Claims
22 Board of Review of the Department of Employment Security
23 Department of Insurance
24 Department of Professional Regulation and licensing boards
25 under the Department
26 Department of Public Health and licensing boards under the

1 Department
2 Office of Banks and Real Estate and licensing boards under
3 the Office
4 State Employees Retirement System Board of Trustees
5 Judges Retirement System Board of Trustees
6 General Assembly Retirement System Board of Trustees
7 Illinois Board of Investment
8 State Universities Retirement System Board of Trustees
9 Teachers Retirement System Officers Board of Trustees

10 (f) Any person who fails to (i) report an ex parte
11 communication to an ethics officer, (ii) make information part
12 of the record, or (iii) make a filing with the Executive Ethics
13 Commission as required by this Section or as required by
14 Section 5-165 of the Illinois Administrative Procedure Act
15 violates this Act.

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

17 Section 15. The Department of Public Health Powers and
18 Duties Law of the Civil Administrative Code of Illinois is
19 amended by changing Sections 2310-217 and 2310-640 as follows:

20 (20 ILCS 2310/2310-217)

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

22 (a) The Center for Comprehensive Health Planning
23 ("Center") is hereby created to promote the distribution of
24 health care services and improve the healthcare delivery system

1 in Illinois by establishing a statewide Comprehensive Health
2 Plan ~~and ensuring a predictable, transparent, and efficient~~
3 ~~Certificate of Need process under the Illinois Health~~
4 ~~Facilities Planning Act.~~ The objectives of the Comprehensive
5 Health Plan include: to assess existing community resources and
6 determine health care needs; to support safety net services for
7 uninsured and underinsured residents; to promote adequate
8 financing for health care services; and to recognize and
9 respond to changes in community health care needs, including
10 public health emergencies and natural disasters. The Center
11 shall comprehensively assess health and mental health
12 services; assess health needs with a special focus on the
13 identification of health disparities; identify State-level and
14 regional needs; and make findings that identify the impact of
15 market forces on the access to high quality services for
16 uninsured and underinsured residents. The Center shall conduct
17 a biennial comprehensive assessment of health resources and
18 service needs, including, but not limited to, facilities,
19 clinical services, and workforce; conduct needs assessments
20 using key indicators of population health status and
21 determinations of potential benefits that could occur with
22 certain changes in the health care delivery system; collect and
23 analyze relevant, objective, and accurate data, including
24 health care utilization data; identify issues related to health
25 care financing such as revenue streams, federal opportunities,
26 better utilization of existing resources, development of

1 resources, and incentives for new resource development;
2 evaluate findings by the needs assessments; and annually report
3 to the General Assembly and the public.

4 The Illinois Department of Public Health shall establish a
5 Center for Comprehensive Health Planning to develop a
6 long-range Comprehensive Health Plan, which Plan shall guide
7 the development of clinical services, facilities, and
8 workforce that meet the health and mental health care needs of
9 this State.

10 (b) Center for Comprehensive Health Planning.

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

12 (A) (blank) ~~providing technical assistance to the~~
13 ~~Health Facilities and Services Review Board to permit~~
14 ~~that Board to apply relevant components of the~~
15 ~~Comprehensive Health Plan in its deliberations;~~

16 (B) attempting to identify unmet health needs and
17 assist in any inter-agency State planning for health
18 resource development;

19 (C) considering health plans and other related
20 publications that have been developed in Illinois and
21 nationally;

22 (D) establishing priorities and recommend methods
23 for meeting identified health service, facilities, and
24 workforce needs. Plan recommendations shall be
25 short-term, mid-term, and long-range;

26 (E) conducting an analysis regarding the

1 availability of long-term care resources throughout
2 the State, using data and plans developed under the
3 Illinois Older Adult Services Act, to adjust existing
4 bed need criteria and standards ~~under the Health~~
5 ~~Facilities Planning Act~~ for changes in utilization of
6 institutional and non-institutional care options, with
7 special consideration of the availability of the
8 least-restrictive options in accordance with the needs
9 and preferences of persons requiring long-term care;
10 and

11 (F) considering and recognizing health resource
12 development projects or information on methods by
13 which a community may receive benefit, that are
14 consistent with health resource needs identified
15 through the comprehensive health planning process.

16 (2) A Comprehensive Health Planner shall be appointed
17 by the Governor, with the advice and consent of the Senate,
18 to supervise the Center and its staff for a paid 3-year
19 term, subject to review and re-approval every 3 years. The
20 Planner shall receive an annual salary of \$120,000, or an
21 amount set by the Compensation Review Board, whichever is
22 greater. The Planner shall prepare a budget for review and
23 approval by the Illinois General Assembly, which shall
24 become part of the annual report available on the
25 Department website.

26 (c) Comprehensive Health Plan.

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

3 (2) Components of the Plan shall include:

4 (A) an inventory to map the State for growth,
5 population shifts, and utilization of available
6 healthcare resources, using both State-level and
7 regionally defined areas;

8 (B) an evaluation of health service needs,
9 addressing gaps in service, over-supply, and
10 continuity of care, including an assessment of
11 existing safety net services;

12 (C) an inventory of health care facility
13 infrastructure, including regulated facilities and
14 services, and unregulated facilities and services, as
15 determined by the Center;

16 (D) recommendations on ensuring access to care,
17 especially for safety net services, including rural
18 and medically underserved communities; and

19 (E) an integration between health planning for
20 clinical services, facilities and workforce ~~under the~~
21 ~~Illinois Health Facilities Planning Act~~ and other
22 health planning laws and activities of the State.

23 (3) (Blank). ~~Components of the Plan may include~~
24 ~~recommendations that will be integrated into any relevant~~
25 ~~certificate of need review criteria, standards, and~~
26 ~~procedures.~~

1 (d) Within 60 days of receiving the Comprehensive Health
2 Plan, the State Board of Health shall review and comment upon
3 the Plan and any policy change recommendations. The first Plan
4 shall be submitted to the State Board of Health within one year
5 after hiring the Comprehensive Health Planner. The Plan shall
6 be submitted to the General Assembly by the following March 1.
7 The Center and State Board shall hold public hearings on the
8 Plan and its updates. The Center shall permit the public to
9 request the Plan to be updated more frequently to address
10 emerging population and demographic trends.

11 (e) Current comprehensive health planning data and
12 information about Center funding shall be available to the
13 public on the Department website.

14 (f) The Department shall submit to a performance audit of
15 the Center by the Auditor General in order to assess whether
16 progress is being made to develop a Comprehensive Health Plan
17 and whether resources are sufficient to meet the goals of the
18 Center for Comprehensive Health Planning.

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

20 (20 ILCS 2310/2310-640)

21 Sec. 2310-640. Hospital Capital Investment Program.

22 (a) Subject to appropriation, the Department shall
23 establish and administer a program to award capital grants to
24 Illinois hospitals licensed under the Hospital Licensing Act.
25 Grants awarded under this program shall only be used to fund

1 capital projects to improve or renovate the hospital's facility
2 or to improve, replace or acquire the hospital's equipment or
3 technology. Such projects may include, but are not limited to,
4 projects to satisfy any building code, safety standard or life
5 safety code; projects to maintain, improve, renovate, expand or
6 construct buildings or structures; projects to maintain,
7 establish or improve health information technology; or
8 projects to maintain or improve patient safety, quality of care
9 or access to care.

10 The Department shall establish rules necessary to
11 implement the Hospital Capital Investment Program, including
12 application standards, requirements for the distribution and
13 obligation of grant funds, accounting for the use of the funds,
14 reporting the status of funded projects, and standards for
15 monitoring compliance with standards. In awarding grants under
16 this Section, the Department shall consider criteria that
17 include but are not limited to: the financial requirements of
18 the project and the extent to which the grant makes it possible
19 to implement the project; the proposed project's likely benefit
20 in terms of patient safety or quality of care; and the proposed
21 project's likely benefit in terms of maintaining or improving
22 access to care.

23 The Department shall approve a hospital's eligibility for a
24 hospital capital investment grant pursuant to the standards
25 established by this Section. The Department shall determine
26 eligible project costs, including but not limited to the use of

1 funds for the acquisition, development, construction,
2 reconstruction, rehabilitation, improvement, architectural
3 planning, engineering, and installation of capital facilities
4 consisting of buildings, structures, technology and durable
5 equipment for hospital purposes. No portion of a hospital
6 capital investment grant awarded by the Department may be used
7 by a hospital to pay for any on-going operational costs, pay
8 outstanding debt, or be allocated to an endowment or other
9 invested fund.

10 ~~Nothing in this Section shall exempt nor relieve any~~
11 ~~hospital receiving a grant under this Section from any~~
12 ~~requirement of the Illinois Health Facilities Planning Act.~~

13 (b) Safety Net Hospital Grants. The Department shall make
14 capital grants to hospitals eligible for safety net hospital
15 grants under this subsection. The total amount of grants to any
16 individual hospital shall be no less than \$2,500,000 and no
17 more than \$7,000,000. The total amount of grants to hospitals
18 under this subsection shall not exceed \$100,000,000. Hospitals
19 that satisfy one of the following criteria shall be eligible to
20 apply for safety net hospital grants:

21 (1) Any general acute care hospital located in a county
22 of over 3,000,000 inhabitants that has a Medicaid inpatient
23 utilization rate for the rate year beginning on October 1,
24 2008 greater than 43%, that is not affiliated with a
25 hospital system that owns or operates more than 3
26 hospitals, and that has more than 13,500 Medicaid inpatient

1 days.

2 (2) Any general acute care hospital that is located in
3 a county of more than 3,000,000 inhabitants and has a
4 Medicaid inpatient utilization rate for the rate year
5 beginning on October 1, 2008 greater than 55% and has
6 authorized beds for the obstetric-gynecology category of
7 service as reported in the 2008 Annual Hospital Bed Report,
8 issued by the Illinois Department of Public Health.

9 (3) Any hospital that is defined in 89 Illinois
10 Administrative Code Section 149.50(c)(3)(A) and that has
11 less than 20,000 Medicaid inpatient days.

12 (4) Any general acute care hospital that is located in
13 a county of less than 3,000,000 inhabitants and has a
14 Medicaid inpatient utilization rate for the rate year
15 beginning on October 1, 2008 greater than 64%.

16 (5) Any general acute care hospital that is located in
17 a county of over 3,000,000 inhabitants and a city of less
18 than 1,000,000 inhabitants, that has a Medicaid inpatient
19 utilization rate for the rate year beginning on October 1,
20 2008 greater than 22%, that has more than 12,000 Medicaid
21 inpatient days, and that has a case mix index greater than
22 0.71.

23 (c) Community Hospital Grants. The Department shall make a
24 one-time capital grant to any public or not-for-profit
25 hospitals located in counties of less than 3,000,000
26 inhabitants that are not otherwise eligible for a grant under

1 subsection (b) of this Section and that have a Medicaid
2 inpatient utilization rate for the rate year beginning on
3 October 1, 2008 of at least 10%. The total amount of grants
4 under this subsection shall not exceed \$50,000,000. This grant
5 shall be the sum of the following payments:

6 (1) For each acute care hospital, a base payment of:

7 (i) \$170,000 if it is located in an urban area; or

8 (ii) \$340,000 if it is located in a rural area.

9 (2) A payment equal to the product of \$45 multiplied by
10 total Medicaid inpatient days for each hospital.

11 (d) Annual report. The Department of Public Health shall
12 prepare and submit to the Governor and the General Assembly an
13 annual report by January 1 of each year regarding its
14 administration of the Hospital Capital Investment Program,
15 including an overview of the program and information about the
16 specific purpose and amount of each grant and the status of
17 funded projects. ~~The report shall include information as to
18 whether each project is subject to and authorized under the
19 Illinois Health Facilities Planning Act, if applicable.~~

20 (e) Definitions. As used in this Section, the following
21 terms shall be defined as follows:

22 "General acute care hospital" shall have the same meaning
23 as general acute care hospital in Section 5A-12.2 of the
24 Illinois Public Aid Code.

25 "Hospital" shall have the same meaning as defined in
26 Section 3 of the Hospital Licensing Act, but in no event shall

1 it include a hospital owned or operated by a State agency, a
2 State university, or a county with a population of 3,000,000 or
3 more.

4 "Medicaid inpatient day" shall have the same meaning as
5 defined in Section 5A-12.2(n) of the Illinois Public Aid Code.

6 "Medicaid inpatient utilization rate" shall have the same
7 meaning as provided in Title 89, Chapter I, subchapter d, Part
8 148, Section 148.120 of the Illinois Administrative Code.

9 "Rural" shall have the same meaning as provided in Title
10 89, Chapter I, subchapter d, Part 148, Section 148.25(g)(3) of
11 the Illinois Administrative Code.

12 "Urban" shall have the same meaning as provided in Title
13 89, Chapter I, subchapter d, Part 148, Section 148.25(g)(4) of
14 the Illinois Administrative Code.

15 (Source: P.A. 96-37, eff. 7-13-09; 96-1000, eff. 7-2-10.)

16 (20 ILCS 3960/Act rep.)

17 Section 20. The Illinois Health Facilities Planning Act is
18 repealed.

19 (20 ILCS 4050/15 rep.)

20 Section 25. The Hospital Basic Services Preservation Act is
21 amended by repealing Section 15.

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

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

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

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

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

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

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

25 In addition to the foregoing, the Auditor General may

1 conduct an audit of the Metropolitan Pier and Exposition
2 Authority, the Regional Transportation Authority, the Suburban
3 Bus Division, the Commuter Rail Division and the Chicago
4 Transit Authority and any other subsidized carrier when
5 authorized by the Legislative Audit Commission. Such audit may
6 be a financial, management or program audit, or any combination
7 thereof.

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

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

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

26 The Auditor General is authorized to conduct financial and

1 compliance audits of the Illinois Distance Learning Foundation
2 and the Illinois Conservation Foundation.

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

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

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

23 The Auditor General of the State of Illinois shall annually
24 conduct or cause to be conducted a financial and compliance
25 audit of the books and records of any county water commission
26 organized pursuant to the Water Commission Act of 1985 and

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

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

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

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

21 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
22 96-939, eff. 6-24-10.)

23 (30 ILCS 105/5.213 rep.) (from Ch. 127, par. 141.213)

24 Section 35. The State Finance Act is amended by repealing
25 Section 5.213.

1 Section 40. The Hospital District Law is amended by
2 changing Section 15 as follows:

3 (70 ILCS 910/15) (from Ch. 23, par. 1265)

4 Sec. 15. A Hospital District shall constitute a municipal
5 corporation and body politic separate and apart from any other
6 municipality, the State of Illinois or any other public or
7 governmental agency and shall have and exercise the following
8 governmental powers, and all other powers incidental,
9 necessary, convenient, or desirable to carry out and effectuate
10 such express powers.

11 1. To establish and maintain a hospital and hospital
12 facilities within or outside its corporate limits, and to
13 construct, acquire, develop, expand, extend and improve any
14 such hospital or hospital facility. If a Hospital District
15 utilizes its authority to levy a tax pursuant to Section 20 of
16 this Act for the purpose of establishing and maintaining
17 hospitals or hospital facilities, such District shall be
18 prohibited from establishing and maintaining hospitals or
19 hospital facilities located outside of its district unless so
20 authorized by referendum. To approve the provision of any
21 service and to approve any contract or other arrangement not
22 prohibited by a hospital licensed under the Hospital Licensing
23 Act, incorporated under the General Not-For-Profit Corporation
24 Act, and exempt from taxation under paragraph (3) of subsection

1 (c) of Section 501 of the Internal Revenue Code.

2 2. To acquire land in fee simple, rights in land and
3 easements upon, over or across land and leasehold interests in
4 land and tangible and intangible personal property used or
5 useful for the location, establishment, maintenance,
6 development, expansion, extension or improvement of any such
7 hospital or hospital facility. Such acquisition may be by
8 dedication, purchase, gift, agreement, lease, use or adverse
9 possession or by condemnation.

10 3. To operate, maintain and manage such hospital and
11 hospital facility, and to make and enter into contracts for the
12 use, operation or management of and to provide rules and
13 regulations for the operation, management or use of such
14 hospital or hospital facility.

15 Such contracts may include the lease by the District of all
16 or any portion of its facilities to a not-for-profit
17 corporation organized by the District's board of directors. The
18 rent to be paid pursuant to any such lease shall be in an
19 amount deemed appropriate by the board of directors. Any of the
20 remaining assets which are not the subject of such a lease may
21 be conveyed and transferred to the not-for-profit corporation
22 organized by the District's board of directors provided that
23 the not-for-profit corporation agrees to discharge or assume
24 such debts, liabilities, and obligations of the District as
25 determined to be appropriate by the District's board of
26 directors.

1 4. To fix, charge and collect reasonable fees and
2 compensation for the use or occupancy of such hospital or any
3 part thereof, or any hospital facility, and for nursing care,
4 medicine, attendance, or other services furnished by such
5 hospital or hospital facilities, according to the rules and
6 regulations prescribed by the board from time to time.

7 5. To borrow money and to issue general obligation bonds,
8 revenue bonds, notes, certificates, or other evidences of
9 indebtedness for the purpose of accomplishing any of its
10 corporate purposes, subject to compliance with any conditions
11 or limitations set forth in this Act ~~or the Health Facilities~~
12 ~~Planning Act~~ or otherwise provided by the constitution of the
13 State of Illinois and to execute, deliver, and perform
14 mortgages and security agreements to secure such borrowing.

15 6. To employ or enter into contracts for the employment of
16 any person, firm, or corporation, and for professional
17 services, necessary or desirable for the accomplishment of the
18 corporate objects of the District or the proper administration,
19 management, protection or control of its property.

20 7. To maintain such hospital for the benefit of the
21 inhabitants of the area comprising the District who are sick,
22 injured, or maimed regardless of race, creed, religion, sex,
23 national origin or color, and to adopt such reasonable rules
24 and regulations as may be necessary to render the use of the
25 hospital of the greatest benefit to the greatest number; to
26 exclude from the use of the hospital all persons who wilfully

1 disregard any of the rules and regulations so established; to
2 extend the privileges and use of the hospital to persons
3 residing outside the area of the District upon such terms and
4 conditions as the board of directors prescribes by its rules
5 and regulations.

6 8. To police its property and to exercise police powers in
7 respect thereto or in respect to the enforcement of any rule or
8 regulation provided by the ordinances of the District and to
9 employ and commission police officers and other qualified
10 persons to enforce the same.

11 The use of any such hospital or hospital facility of a
12 District shall be subject to the reasonable regulation and
13 control of the District and upon such reasonable terms and
14 conditions as shall be established by its board of directors.

15 A regulatory ordinance of a District adopted under any
16 provision of this Section may provide for a suspension or
17 revocation of any rights or privileges within the control of
18 the District for a violation of any such regulatory ordinance.

19 Nothing in this Section or in other provisions of this Act
20 shall be construed to authorize the District or board to
21 establish or enforce any regulation or rule in respect to
22 hospitalization or in the operation or maintenance of such
23 hospital or any hospital facilities within its jurisdiction
24 which is in conflict with any federal or state law or
25 regulation applicable to the same subject matter.

26 9. To provide for the benefit of its employees group life,

1 health, accident, hospital and medical insurance, or any
2 combination of such types of insurance, and to further provide
3 for its employees by the establishment of a pension or
4 retirement plan or system; to effectuate the establishment of
5 any such insurance program or pension or retirement plan or
6 system, a Hospital District may make, enter into or subscribe
7 to agreements, contracts, policies or plans with private
8 insurance companies. Such insurance may include provisions for
9 employees who rely on treatment by spiritual means alone
10 through prayer for healing in accord with the tenets and
11 practice of a well-recognized religious denomination. The
12 board of directors of a Hospital District may provide for
13 payment by the District of a portion of the premium or charge
14 for such insurance or for a pension or retirement plan for
15 employees with the employee paying the balance of such premium
16 or charge. If the board of directors of a Hospital District
17 undertakes a plan pursuant to which the Hospital District pays
18 a portion of such premium or charge, the board shall provide
19 for the withholding and deducting from the compensation of such
20 employees as consent to joining such insurance program or
21 pension or retirement plan or system, the balance of the
22 premium or charge for such insurance or plan or system.

23 If the board of directors of a Hospital District does not
24 provide for a program or plan pursuant to which such District
25 pays a portion of the premium or charge for any group insurance
26 program or pension or retirement plan or system, the board may

1 provide for the withholding and deducting from the compensation
2 of such employees as consent thereto the premium or charge for
3 any group life, health, accident, hospital and medical
4 insurance or for any pension or retirement plan or system.

5 A Hospital District deducting from the compensation of its
6 employees for any group insurance program or pension or
7 retirement plan or system, pursuant to this Section, may agree
8 to receive and may receive reimbursement from the insurance
9 company for the cost of withholding and transferring such
10 amount to the company.

11 10. Except as provided in Section 15.3, to sell at public
12 auction or by sealed bid and convey any real estate held by the
13 District which the board of directors, by ordinance adopted by
14 at least 2/3rds of the members of the board then holding
15 office, has determined to be no longer necessary or useful to,
16 or for the best interests of, the District.

17 An ordinance directing the sale of real estate shall
18 include the legal description of the real estate, its present
19 use, a statement that the property is no longer necessary or
20 useful to, or for the best interests of, the District, the
21 terms and conditions of the sale, whether the sale is to be at
22 public auction or sealed bid, and the date, time, and place the
23 property is to be sold at auction or sealed bids opened.

24 Before making a sale by virtue of the ordinance, the board
25 of directors shall cause notice of the proposal to sell to be
26 published once each week for 3 successive weeks in a newspaper

1 published, or, if none is published, having a general
2 circulation, in the district, the first publication to be not
3 less than 30 days before the day provided in the notice for the
4 public sale or opening of bids for the real estate.

5 The notice of the proposal to sell shall include the same
6 information included in the ordinance directing the sale and
7 shall advertise for bids therefor. A sale of property by public
8 auction shall be held at the property to be sold at a time and
9 date determined by the board of directors. The board of
10 directors may accept the high bid or any other bid determined
11 to be in the best interests of the district by a vote of 2/3rds
12 of the board then holding office, but by a majority vote of
13 those holding office, they may reject any and all bids.

14 The chairman and secretary of the board of directors shall
15 execute all documents necessary for the conveyance of such real
16 property sold pursuant to the foregoing authority.

17 11. To establish and administer a program of loans for
18 postsecondary students pursuing degrees in accredited public
19 health-related educational programs at public institutions of
20 higher education. If a student is awarded a loan, the
21 individual shall agree to accept employment within the hospital
22 district upon graduation from the public institution of higher
23 education. For the purposes of this Act, "public institutions
24 of higher education" means the University of Illinois; Southern
25 Illinois University; Chicago State University; Eastern
26 Illinois University; Governors State University; Illinois

1 State University; Northeastern Illinois University; Northern
2 Illinois University; Western Illinois University; the public
3 community colleges of the State; and any other public colleges,
4 universities or community colleges now or hereafter
5 established or authorized by the General Assembly. The
6 district's board of directors shall by resolution provide for
7 eligibility requirements, award criteria, terms of financing,
8 duration of employment accepted within the district and such
9 other aspects of the loan program as its establishment and
10 administration may necessitate.

11 12. To establish and maintain congregate housing units; to
12 acquire land in fee simple and leasehold interests in land for
13 the location, establishment, maintenance, and development of
14 those housing units; to borrow funds and give debt instruments,
15 real estate mortgages, and security interests in personal
16 property, contract rights, and general intangibles; and to
17 enter into any contract required for participation in any
18 federal or State programs.

19 (Source: P.A. 92-534, eff. 5-14-02; 92-611, eff. 7-3-02.)

20 Section 45. The Alternative Health Care Delivery Act is
21 amended by changing Sections 20, 30, and 36.5 as follows:

22 (210 ILCS 3/20)

23 Sec. 20. Board responsibilities. The State Board of Health
24 shall have the responsibilities set forth in this Section.

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

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

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

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

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

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

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

26 (1) Whether the alternative health care models

1 improved access to health care for their service
2 populations in the State.

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

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

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

25 (5) The implementation by alternative health care
26 models of any special commitments made during application

1 review ~~to the Health Facilities and Services Review Board.~~

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

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

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

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

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

16 (210 ILCS 3/30)

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

20 (a) (Blank).

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

24 (a-10) There shall be no more than a total of 9 children's
25 community-based health care center alternative health care

1 models in the demonstration program, which shall be located as
2 follows:

3 (1) Two in the City of Chicago.

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

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

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

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

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

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

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

26 (a-25) There shall be no more than 10 birth center

1 alternative health care models in the demonstration program,
2 located as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (d-5) (Blank).

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

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

26 (Source: P.A. 97-135, eff. 7-14-11; 97-333, eff. 8-12-11;

1 97-813, eff. 7-13-12; 98-629, eff. 1-1-15; 98-756, eff.
2 7-16-14; revised 10-3-14.)

3 Section 50. The Assisted Living and Shared Housing Act is
4 amended by changing Sections 10, 145, and 155 as follows:

5 (210 ILCS 9/10)

6 Sec. 10. Definitions. For purposes of this Act:

7 "Activities of daily living" means eating, dressing,
8 bathing, toileting, transferring, or personal hygiene.

9 "Assisted living establishment" or "establishment" means a
10 home, building, residence, or any other place where sleeping
11 accommodations are provided for at least 3 unrelated adults, at
12 least 80% of whom are 55 years of age or older and where the
13 following are provided consistent with the purposes of this
14 Act:

15 (1) services consistent with a social model that is
16 based on the premise that the resident's unit in assisted
17 living and shared housing is his or her own home;

18 (2) community-based residential care for persons who
19 need assistance with activities of daily living, including
20 personal, supportive, and intermittent health-related
21 services available 24 hours per day, if needed, to meet the
22 scheduled and unscheduled needs of a resident;

23 (3) mandatory services, whether provided directly by
24 the establishment or by another entity arranged for by the

1 establishment, with the consent of the resident or
2 resident's representative; and

3 (4) a physical environment that is a homelike setting
4 that includes the following and such other elements as
5 established by the Department: individual living units
6 each of which shall accommodate small kitchen appliances
7 and contain private bathing, washing, and toilet
8 facilities, or private washing and toilet facilities with a
9 common bathing room readily accessible to each resident.
10 Units shall be maintained for single occupancy except in
11 cases in which 2 residents choose to share a unit.
12 Sufficient common space shall exist to permit individual
13 and group activities.

14 "Assisted living establishment" or "establishment" does
15 not mean any of the following:

16 (1) A home, institution, or similar place operated by
17 the federal government or the State of Illinois.

18 (2) A long term care facility licensed under the
19 Nursing Home Care Act, a facility licensed under the
20 Specialized Mental Health Rehabilitation Act of 2013, or a
21 facility licensed under the ID/DD Community Care Act.
22 However, a facility licensed under either of those Acts may
23 convert distinct parts of the facility to assisted living.
24 ~~If the facility elects to do so, the facility shall retain~~
25 ~~the Certificate of Need for its nursing and sheltered care~~
26 ~~beds that were converted.~~

1 (3) A hospital, sanitarium, or other institution, the
2 principal activity or business of which is the diagnosis,
3 care, and treatment of human illness and that is required
4 to be licensed under the Hospital Licensing Act.

5 (4) A facility for child care as defined in the Child
6 Care Act of 1969.

7 (5) A community living facility as defined in the
8 Community Living Facilities Licensing Act.

9 (6) A nursing home or sanitarium operated solely by and
10 for persons who rely exclusively upon treatment by
11 spiritual means through prayer in accordance with the creed
12 or tenants of a well-recognized church or religious
13 denomination.

14 (7) A facility licensed by the Department of Human
15 Services as a community-integrated living arrangement as
16 defined in the Community-Integrated Living Arrangements
17 Licensure and Certification Act.

18 (8) A supportive residence licensed under the
19 Supportive Residences Licensing Act.

20 (9) The portion of a life care facility as defined in
21 the Life Care Facilities Act not licensed as an assisted
22 living establishment under this Act; a life care facility
23 may apply under this Act to convert sections of the
24 community to assisted living.

25 (10) A free-standing hospice facility licensed under
26 the Hospice Program Licensing Act.

1 (11) A shared housing establishment.

2 (12) A supportive living facility as described in
3 Section 5-5.01a of the Illinois Public Aid Code.

4 "Department" means the Department of Public Health.

5 "Director" means the Director of Public Health.

6 "Emergency situation" means imminent danger of death or
7 serious physical harm to a resident of an establishment.

8 "License" means any of the following types of licenses
9 issued to an applicant or licensee by the Department:

10 (1) "Probationary license" means a license issued to an
11 applicant or licensee that has not held a license under
12 this Act prior to its application or pursuant to a license
13 transfer in accordance with Section 50 of this Act.

14 (2) "Regular license" means a license issued by the
15 Department to an applicant or licensee that is in
16 substantial compliance with this Act and any rules
17 promulgated under this Act.

18 "Licensee" means a person, agency, association,
19 corporation, partnership, or organization that has been issued
20 a license to operate an assisted living or shared housing
21 establishment.

22 "Licensed health care professional" means a registered
23 professional nurse, an advanced practice nurse, a physician
24 assistant, and a licensed practical nurse.

25 "Mandatory services" include the following:

26 (1) 3 meals per day available to the residents prepared

1 by the establishment or an outside contractor;

2 (2) housekeeping services including, but not limited
3 to, vacuuming, dusting, and cleaning the resident's unit;

4 (3) personal laundry and linen services available to
5 the residents provided or arranged for by the
6 establishment;

7 (4) security provided 24 hours each day including, but
8 not limited to, locked entrances or building or contract
9 security personnel;

10 (5) an emergency communication response system, which
11 is a procedure in place 24 hours each day by which a
12 resident can notify building management, an emergency
13 response vendor, or others able to respond to his or her
14 need for assistance; and

15 (6) assistance with activities of daily living as
16 required by each resident.

17 "Negotiated risk" is the process by which a resident, or
18 his or her representative, may formally negotiate with
19 providers what risks each are willing and unwilling to assume
20 in service provision and the resident's living environment. The
21 provider assures that the resident and the resident's
22 representative, if any, are informed of the risks of these
23 decisions and of the potential consequences of assuming these
24 risks.

25 "Owner" means the individual, partnership, corporation,
26 association, or other person who owns an assisted living or

1 shared housing establishment. In the event an assisted living
2 or shared housing establishment is operated by a person who
3 leases or manages the physical plant, which is owned by another
4 person, "owner" means the person who operates the assisted
5 living or shared housing establishment, except that if the
6 person who owns the physical plant is an affiliate of the
7 person who operates the assisted living or shared housing
8 establishment and has significant control over the day to day
9 operations of the assisted living or shared housing
10 establishment, the person who owns the physical plant shall
11 incur jointly and severally with the owner all liabilities
12 imposed on an owner under this Act.

13 "Physician" means a person licensed under the Medical
14 Practice Act of 1987 to practice medicine in all of its
15 branches.

16 "Resident" means a person residing in an assisted living or
17 shared housing establishment.

18 "Resident's representative" means a person, other than the
19 owner, agent, or employee of an establishment or of the health
20 care provider unless related to the resident, designated in
21 writing by a resident to be his or her representative. This
22 designation may be accomplished through the Illinois Power of
23 Attorney Act, pursuant to the guardianship process under the
24 Probate Act of 1975, or pursuant to an executed designation of
25 representative form specified by the Department.

26 "Self" means the individual or the individual's designated

1 representative.

2 "Shared housing establishment" or "establishment" means a
3 publicly or privately operated free-standing residence for 16
4 or fewer persons, at least 80% of whom are 55 years of age or
5 older and who are unrelated to the owners and one manager of
6 the residence, where the following are provided:

7 (1) services consistent with a social model that is
8 based on the premise that the resident's unit is his or her
9 own home;

10 (2) community-based residential care for persons who
11 need assistance with activities of daily living, including
12 housing and personal, supportive, and intermittent
13 health-related services available 24 hours per day, if
14 needed, to meet the scheduled and unscheduled needs of a
15 resident; and

16 (3) mandatory services, whether provided directly by
17 the establishment or by another entity arranged for by the
18 establishment, with the consent of the resident or the
19 resident's representative.

20 "Shared housing establishment" or "establishment" does not
21 mean any of the following:

22 (1) A home, institution, or similar place operated by
23 the federal government or the State of Illinois.

24 (2) A long term care facility licensed under the
25 Nursing Home Care Act, a facility licensed under the
26 Specialized Mental Health Rehabilitation Act of 2013, or a

1 facility licensed under the ID/DD Community Care Act. A
2 facility licensed under either of those Acts may, however,
3 convert sections of the facility to assisted living. ~~If the~~
4 ~~facility elects to do so, the facility shall retain the~~
5 ~~Certificate of Need for its nursing beds that were~~
6 ~~converted.~~

7 (3) A hospital, sanitarium, or other institution, the
8 principal activity or business of which is the diagnosis,
9 care, and treatment of human illness and that is required
10 to be licensed under the Hospital Licensing Act.

11 (4) A facility for child care as defined in the Child
12 Care Act of 1969.

13 (5) A community living facility as defined in the
14 Community Living Facilities Licensing Act.

15 (6) A nursing home or sanitarium operated solely by and
16 for persons who rely exclusively upon treatment by
17 spiritual means through prayer in accordance with the creed
18 or tenants of a well-recognized church or religious
19 denomination.

20 (7) A facility licensed by the Department of Human
21 Services as a community-integrated living arrangement as
22 defined in the Community-Integrated Living Arrangements
23 Licensure and Certification Act.

24 (8) A supportive residence licensed under the
25 Supportive Residences Licensing Act.

26 (9) A life care facility as defined in the Life Care

1 Facilities Act; a life care facility may apply under this
2 Act to convert sections of the community to assisted
3 living.

4 (10) A free-standing hospice facility licensed under
5 the Hospice Program Licensing Act.

6 (11) An assisted living establishment.

7 (12) A supportive living facility as described in
8 Section 5-5.01a of the Illinois Public Aid Code.

9 "Total assistance" means that staff or another individual
10 performs the entire activity of daily living without
11 participation by the resident.

12 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813,
13 eff. 7-13-12; 98-104, eff. 7-22-13.)

14 (210 ILCS 9/145)

15 Sec. 145. Conversion of facilities. Entities licensed as
16 facilities under the Nursing Home Care Act, the Specialized
17 Mental Health Rehabilitation Act of 2013, or the ID/DD
18 Community Care Act may elect to convert to a license under this
19 Act. Any facility that chooses to convert, in whole or in part,
20 shall follow the requirements in the Nursing Home Care Act, the
21 Specialized Mental Health Rehabilitation Act of 2013, or the
22 ID/DD Community Care Act, as applicable, and rules promulgated
23 under those Acts regarding voluntary closure and notice to
24 residents. ~~Any conversion of existing beds licensed under the~~
25 ~~Nursing Home Care Act, the Specialized Mental Health~~

1 ~~Rehabilitation Act of 2013, or the ID/DD Community Care Act to~~
2 ~~licensure under this Act is exempt from review by the Health~~
3 ~~Facilities and Services Review Board.~~

4 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813,
5 eff. 7-13-12; 98-104, eff. 7-22-13.)

6 (210 ILCS 9/155)

7 Sec. 155. Application of Act. An establishment licensed
8 under this Act shall obtain and maintain all other licenses,
9 permits, certificates, and other governmental approvals
10 required of it, ~~except that a licensed assisted living or~~
11 ~~shared housing establishment is exempt from the provisions of~~
12 ~~the Illinois Health Facilities Planning Act.~~ An establishment
13 licensed under this Act shall comply with the requirements of
14 all local, State, federal, and other applicable laws, rules,
15 and ordinances and the National Fire Protection Association's
16 Life Safety Code.

17 (Source: P.A. 91-656, eff. 1-1-01.)

18 Section 55. The Life Care Facilities Act is amended by
19 changing Sections 2 and 7 as follows:

20 (210 ILCS 40/2) (from Ch. 111 1/2, par. 4160-2)

21 Sec. 2. As used in this Act, unless the context otherwise
22 requires:

23 (a) "Department" means the Department of Public Health.

1 (b) "Director" means the Director of the Department.

2 (c) "Life care contract" means a contract to provide to a
3 person for the duration of such person's life or for a term in
4 excess of one year, nursing services, medical services or
5 personal care services, in addition to maintenance services for
6 such person in a facility, conditioned upon the transfer of an
7 entrance fee to the provider of such services in addition to or
8 in lieu of the payment of regular periodic charges for the care
9 and services involved.

10 (d) "Provider" means a person who provides services
11 pursuant to a life care contract.

12 (e) "Resident" means a person who enters into a life care
13 contract with a provider, or who is designated in a life care
14 contract to be a person provided with maintenance and nursing,
15 medical or personal care services.

16 (f) "Facility" means a place or places in which a provider
17 undertakes to provide a resident with nursing services, medical
18 services or personal care services, in addition to maintenance
19 services for a term in excess of one year or for life pursuant
20 to a life care contract. The term also means a place or places
21 in which a provider undertakes to provide such services to a
22 non-resident.

23 (g) "Living unit" means an apartment, room or other area
24 within a facility set aside for the exclusive use of one or
25 more identified residents.

26 (h) "Entrance fee" means an initial or deferred transfer to

1 a provider of a sum of money or property, made or promised to
2 be made by a person entering into a life care contract, which
3 assures a resident of services pursuant to a life care
4 contract.

5 (i) "Permit" means a written authorization to enter into
6 life care contracts issued by the Department to a provider.

7 (j) "Medical services" means those services pertaining to
8 medical or dental care that are performed in behalf of patients
9 at the direction of a physician licensed under the Medical
10 Practice Act of 1987 or a dentist licensed under the Illinois
11 Dental Practice Act by such physicians or dentists, or by a
12 registered or licensed practical nurse as defined in the Nurse
13 Practice Act or by other professional and technical personnel.

14 (k) "Nursing services" means those services pertaining to
15 the curative, restorative and preventive aspects of nursing
16 care that are performed at the direction of a physician
17 licensed under the Medical Practice Act of 1987 by or under the
18 supervision of a registered or licensed practical nurse as
19 defined in the Nurse Practice Act.

20 (l) "Personal care services" means assistance with meals,
21 dressing, movement, bathing or other personal needs or
22 maintenance, or general supervision and oversight of the
23 physical and mental well-being of an individual, who is
24 incapable of maintaining a private, independent residence or
25 who is incapable of managing his person whether or not a
26 guardian has been appointed for such individual.

1 (m) "Maintenance services" means food, shelter and laundry
2 services.

3 (n) (Blank) ~~"Certificates of Need" means those permits~~
4 ~~issued pursuant to the Illinois Health Facilities Planning Act~~
5 ~~as now or hereafter amended.~~

6 (o) "Non-resident" means a person admitted to a facility
7 who has not entered into a life care contract.

8 (Source: P.A. 95-639, eff. 10-5-07.)

9 (210 ILCS 40/7) (from Ch. 111 1/2, par. 4160-7)

10 Sec. 7. As a condition for the issuance of a permit
11 pursuant to this Act, the provider shall establish and maintain
12 on a current basis, a letter of credit or an escrow account
13 with a bank, trust company, or other financial institution
14 located in the State of Illinois. The letter of credit shall be
15 in an amount and form acceptable to the Department, but in no
16 event shall the amount exceed that applicable to the
17 corresponding escrow agreement alternative, as described
18 below. The terms of the escrow agreement shall meet the
19 following provisions:

20 (a) Requirements for new facilities.

21 (1) If the entrance fee applies to a living unit which has
22 not previously been occupied by any resident, all entrance fee
23 payments representing either all or any smaller portion of the
24 total entrance fee shall be paid to the escrow agent by the
25 resident.

1 (2) When the provider has sold at least 1/2 of its living
2 units, obtained a mortgage commitment, if needed, and obtained
3 all necessary zoning permits ~~and Certificates of Need, if~~
4 ~~required~~, the escrow agent may release a sum representing 1/5
5 of the resident's total entrance fee to the provider. Upon
6 completion of the foundation of the living unit an additional
7 1/5 of the resident's total entrance fee may be released to the
8 provider. When the living unit is under roof a further and
9 additional 1/5 of the resident's total entrance fee may be
10 released to the provider. All remaining monies, if any, shall
11 remain in escrow until the resident's living unit is
12 substantially completed and ready for occupancy by the
13 resident. When the living unit is ready for occupancy the
14 escrow agent may release the remaining escrow amount to the
15 provider and further entrance fee payments, if any, may be paid
16 by the resident to the provider directly. All monies released
17 from escrow shall be used for the facility and for no other
18 purpose.

19 (b) General requirements for all facilities, including new
20 and existing facilities.

21 (1) At the time of resident occupancy and at all times
22 thereafter, the escrow amount shall be in an amount which
23 equals or exceeds the aggregate principal and interest payments
24 due during the next 6 months on account of any first mortgage
25 or other long-term financing of the facility. Existing
26 facilities shall have 2 years from the date of this Act

1 becoming law to comply with this subsection. Upon application
2 from a facility showing good cause, the Director may extend
3 compliance with this subsection one additional year.

4 (2) Notwithstanding paragraph (1) of this subsection, the
5 escrow monies required under paragraph (1) of this subsection
6 may be released to the provider upon approval by the Director.
7 The Director may attach such conditions on the release of
8 monies as he deems fit including, but not limited to, the
9 performance of an audit which satisfies the Director that the
10 facility is solvent, a plan from the facility to bring the
11 facility back in compliance with paragraph (1) of this
12 subsection, and a repayment schedule.

13 (3) The principal of the escrow account may be invested
14 with the earnings thereon payable to the provider as it
15 accrues.

16 (4) If the facility ceases to operate all monies in the
17 escrow account except the amount representing principal and
18 interest shall be repaid by the escrow agent to the resident.

19 (5) Balloon payments due at conclusion of the mortgage
20 shall not be subject to the escrow requirements of paragraph
21 (1) this subsection.

22 (Source: P.A. 85-1349.)

23 Section 60. The Nursing Home Care Act is amended by
24 changing Sections 3-102.2 and 3-103 as follows:

1 (210 ILCS 45/3-102.2)

2 Sec. 3-102.2. Supported congregate living arrangement
3 demonstration. The Illinois Department may grant no more than 3
4 waivers from the requirements of this Act for facilities
5 participating in the supported congregate living arrangement
6 demonstration. A joint waiver request must be made by an
7 applicant and the Department on Aging. If the Department on
8 Aging does not act upon an application within 60 days, the
9 applicant may submit a written waiver request on its own
10 behalf. The waiver request must include a specific program plan
11 describing the types of residents to be served and the services
12 that will be provided in the facility. The Department shall
13 conduct an on-site review at each facility annually or as often
14 as necessary to ascertain compliance with the program plan. The
15 Department may revoke the waiver if it determines that the
16 facility is not in compliance with the program plan. Nothing in
17 this Section prohibits the Department from conducting
18 complaint investigations.

19 ~~A facility granted a waiver under this Section is not~~
20 ~~subject to the Illinois Health Facilities Planning Act, unless~~
21 ~~it subsequently applies for a certificate of need to convert to~~
22 ~~a nursing facility.~~ A facility applying for conversion shall
23 meet the licensure ~~and certificate of need~~ requirements in
24 effect as of the date of application, and this provision may
25 not be waived.

26 (Source: P.A. 89-530, eff. 7-19-96.)

1 (210 ILCS 45/3-103) (from Ch. 111 1/2, par. 4153-103)

2 Sec. 3-103. The procedure for obtaining a valid license
3 shall be as follows:

4 (1) Application to operate a facility shall be made to
5 the Department on forms furnished by the Department.

6 (2) All license applications shall be accompanied with
7 an application fee. The fee for an annual license shall be
8 \$1,990. Facilities that pay a fee or assessment pursuant to
9 Article V-C of the Illinois Public Aid Code shall be exempt
10 from the license fee imposed under this item (2). The fee
11 for a 2-year license shall be double the fee for the annual
12 license. The fees collected shall be deposited with the
13 State Treasurer into the Long Term Care Monitor/Receiver
14 Fund, which has been created as a special fund in the State
15 treasury. This special fund is to be used by the Department
16 for expenses related to the appointment of monitors and
17 receivers as contained in Sections 3-501 through 3-517 of
18 this Act, for the enforcement of this Act, for expenses
19 related to surveyor development, and for implementation of
20 the Abuse Prevention Review Team Act. All federal moneys
21 received as a result of expenditures from the Fund shall be
22 deposited into the Fund. The Department may reduce or waive
23 a penalty pursuant to Section 3-308 only if that action
24 will not threaten the ability of the Department to meet the
25 expenses required to be met by the Long Term Care

1 Monitor/Receiver Fund. The application shall be under oath
2 and the submission of false or misleading information shall
3 be a Class A misdemeanor. The application shall contain the
4 following information:

5 (a) The name and address of the applicant if an
6 individual, and if a firm, partnership, or
7 association, of every member thereof, and in the case
8 of a corporation, the name and address thereof and of
9 its officers and its registered agent, and in the case
10 of a unit of local government, the name and address of
11 its chief executive officer;

12 (b) The name and location of the facility for which
13 a license is sought;

14 (c) The name of the person or persons under whose
15 management or supervision the facility will be
16 conducted;

17 (d) The number and type of residents for which
18 maintenance, personal care, or nursing is to be
19 provided; and

20 (e) Such information relating to the number,
21 experience, and training of the employees of the
22 facility, any management agreements for the operation
23 of the facility, and of the moral character of the
24 applicant and employees as the Department may deem
25 necessary.

26 (3) Each initial application shall be accompanied by a

1 financial statement setting forth the financial condition
2 of the applicant and by a statement from the unit of local
3 government having zoning jurisdiction over the facility's
4 location stating that the location of the facility is not
5 in violation of a zoning ordinance. ~~An initial application~~
6 ~~for a new facility shall be accompanied by a permit as~~
7 ~~required by the "Illinois Health Facilities Planning Act".~~
8 After the application is approved, the applicant shall
9 advise the Department every 6 months of any changes in the
10 information originally provided in the application.

11 (4) Other information necessary to determine the
12 identity and qualifications of an applicant to operate a
13 facility in accordance with this Act shall be included in
14 the application as required by the Department in
15 regulations.

16 (Source: P.A. 96-758, eff. 8-25-09; 96-1372, eff. 7-29-10;
17 96-1504, eff. 1-27-11; 96-1530, eff. 2-16-11; 97-489, eff.
18 1-1-12.)

19 Section 65. The ID/DD Community Care Act is amended by
20 changing Section 3-103 as follows:

21 (210 ILCS 47/3-103)

22 Sec. 3-103. Application for license; financial statement.
23 The procedure for obtaining a valid license shall be as
24 follows:

1 (1) Application to operate a facility shall be made to
2 the Department on forms furnished by the Department.

3 (2) All license applications shall be accompanied with
4 an application fee. The fee for an annual license shall be
5 \$995. Facilities that pay a fee or assessment pursuant to
6 Article V-C of the Illinois Public Aid Code shall be exempt
7 from the license fee imposed under this item (2). The fee
8 for a 2-year license shall be double the fee for the annual
9 license set forth in the preceding sentence. The fees
10 collected shall be deposited with the State Treasurer into
11 the Long Term Care Monitor/Receiver Fund, which has been
12 created as a special fund in the State treasury. This
13 special fund is to be used by the Department for expenses
14 related to the appointment of monitors and receivers as
15 contained in Sections 3-501 through 3-517. At the end of
16 each fiscal year, any funds in excess of \$1,000,000 held in
17 the Long Term Care Monitor/Receiver Fund shall be deposited
18 in the State's General Revenue Fund. The application shall
19 be under oath and the submission of false or misleading
20 information shall be a Class A misdemeanor. The application
21 shall contain the following information:

22 (a) The name and address of the applicant if an
23 individual, and if a firm, partnership, or
24 association, of every member thereof, and in the case
25 of a corporation, the name and address thereof and of
26 its officers and its registered agent, and in the case

1 of a unit of local government, the name and address of
2 its chief executive officer;

3 (b) The name and location of the facility for which
4 a license is sought;

5 (c) The name of the person or persons under whose
6 management or supervision the facility will be
7 conducted;

8 (d) The number and type of residents for which
9 maintenance, personal care, or nursing is to be
10 provided; and

11 (e) Such information relating to the number,
12 experience, and training of the employees of the
13 facility, any management agreements for the operation
14 of the facility, and of the moral character of the
15 applicant and employees as the Department may deem
16 necessary.

17 (3) Each initial application shall be accompanied by a
18 financial statement setting forth the financial condition
19 of the applicant and by a statement from the unit of local
20 government having zoning jurisdiction over the facility's
21 location stating that the location of the facility is not
22 in violation of a zoning ordinance. ~~An initial application~~
23 ~~for a new facility shall be accompanied by a permit as~~
24 ~~required by the Illinois Health Facilities Planning Act.~~
25 After the application is approved, the applicant shall
26 advise the Department every 6 months of any changes in the

1 information originally provided in the application.

2 (4) Other information necessary to determine the
3 identity and qualifications of an applicant to operate a
4 facility in accordance with this Act shall be included in
5 the application as required by the Department in
6 regulations.

7 (Source: P.A. 96-339, eff. 7-1-10.)

8 Section 70. The Specialized Mental Health Rehabilitation
9 Act of 2013 is amended by changing Section 1-101.5 as follows:

10 (210 ILCS 49/1-101.5)

11 Sec. 1-101.5. Prior law.

12 (a) This Act provides for licensure of long term care
13 facilities that are federally designated as institutions for
14 the mentally diseased on the effective date of this Act and
15 specialize in providing services to individuals with a serious
16 mental illness. On and after the effective date of this Act,
17 these facilities shall be governed by this Act instead of the
18 Nursing Home Care Act.

19 (b) All consent decrees that apply to facilities federally
20 designated as institutions for the mentally diseased shall
21 continue to apply to facilities licensed under this Act.

22 (c) A facility licensed under this Act may voluntarily
23 close, and the facility may reopen in an underserved region of
24 the State, ~~if the facility receives a certificate of need from~~

1 ~~the Health Facilities and Services Review Board.~~ At no time
2 shall the total number of licensed beds under this Act exceed
3 the total number of licensed beds existing on July 22, 2013
4 (the effective date of Public Act 98-104).

5 (Source: P.A. 98-104, eff. 7-22-13; 98-651, eff. 6-16-14.)

6 Section 75. The Emergency Medical Services (EMS) Systems
7 Act is amended by changing Section 32.5 as follows:

8 (210 ILCS 50/32.5)

9 Sec. 32.5. Freestanding Emergency Center.

10 (a) The Department shall issue an annual Freestanding
11 Emergency Center (FEC) license to any facility that has
12 received a permit from the Health Facilities and Services
13 Review Board to establish a Freestanding Emergency Center by
14 January 1, 2015, and:

15 (1) is located: (A) in a municipality with a population
16 of 50,000 or fewer inhabitants; (B) within 50 miles of the
17 hospital that owns or controls the FEC; and (C) within 50
18 miles of the Resource Hospital affiliated with the FEC as
19 part of the EMS System;

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

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

1 (A) facility design, specification, operation, and
2 maintenance standards;

3 (B) equipment standards; and

4 (C) the number and qualifications of emergency
5 medical personnel and other staff, which must include
6 at least one board certified emergency physician
7 present at the FEC 24 hours per day.

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

14 (5) provides comprehensive emergency treatment
15 services, as defined in the rules adopted by the Department
16 pursuant to the Hospital Licensing Act, 24 hours per day,
17 on an outpatient basis;

18 (6) provides an ambulance and maintains on site
19 ambulance services staffed with paramedics 24 hours per
20 day;

21 (7) (blank);

22 (8) complies with all State and federal patient rights
23 provisions, including, but not limited to, the Emergency
24 Medical Treatment Act and the federal Emergency Medical
25 Treatment and Active Labor Act;

26 (9) maintains a communications system that is fully

1 integrated with its Resource Hospital within the FEC's
2 designated EMS System;

3 (10) reports to the Department any patient transfers
4 from the FEC to a hospital within 48 hours of the transfer
5 plus any other data determined to be relevant by the
6 Department;

7 (11) submits to the Department, on a quarterly basis,
8 the FEC's morbidity and mortality rates for patients
9 treated at the FEC and other data determined to be relevant
10 by the Department;

11 (12) does not describe itself or hold itself out to the
12 general public as a full service hospital or hospital
13 emergency department in its advertising or marketing
14 activities;

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

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

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

24 (16) submits an application for designation as an FEC
25 in a manner and form prescribed by the Department by rule;
26 and

1 (17) pays the annual license fee as determined by the
2 Department by rule.

3 (a-5) Notwithstanding any other provision of this Section,
4 the Department may issue an annual FEC license to a facility
5 that is located in a county that does not have a licensed
6 general acute care hospital ~~if the facility's application for a~~
7 ~~permit from the Illinois Health Facilities Planning Board has~~
8 ~~been deemed complete by the Department of Public Health by~~
9 ~~January 1, 2014 and~~ if the facility complies with the
10 requirements set forth in paragraphs (1) through (17) of
11 subsection (a).

12 (a-10) Notwithstanding any other provision of this
13 Section, the Department may issue an annual FEC license to a
14 facility if the facility has, by January 1, 2014, filed a
15 letter of intent to establish an FEC and if the facility
16 complies with the requirements set forth in paragraphs (1)
17 through (17) of subsection (a).

18 (b) The Department shall:

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

23 (2) suspend, revoke, refuse to issue, or refuse to
24 renew the license of any FEC, after notice and an
25 opportunity for a hearing, when the Department finds that
26 the FEC has failed to comply with the standards and

1 requirements of the Act or rules adopted by the Department
2 under the Act;

3 (3) issue an Emergency Suspension Order for any FEC
4 when the Director or his or her designee has determined
5 that the continued operation of the FEC poses an immediate
6 and serious danger to the public health, safety, and
7 welfare. An opportunity for a hearing shall be promptly
8 initiated after an Emergency Suspension Order has been
9 issued; and

10 (4) adopt rules as needed to implement this Section.

11 (Source: P.A. 96-23, eff. 6-30-09; 96-31, eff. 6-30-09; 96-883,
12 eff. 3-1-10; 96-1000, eff. 7-2-10; 97-333, eff. 8-12-11;
13 97-1112, eff. 8-27-12.)

14 Section 80. The Hospital Emergency Service Act is amended
15 by changing Section 1.3 as follows:

16 (210 ILCS 80/1.3)

17 Sec. 1.3. Long-term acute care hospitals and
18 rehabilitation hospitals. For the purpose of this Act, general
19 acute care hospitals designated by Medicare as long-term acute
20 care hospitals and rehabilitation hospitals are not required to
21 provide hospital emergency services described in Section 1 of
22 this Act. Hospitals defined in this Section may provide
23 hospital emergency services at their option.

24 Any long-term acute care hospital that opts to discontinue

1 or otherwise not provide emergency services described in
2 Section 1 shall:

3 (1) comply with all provisions of the federal Emergency
4 Medical Treatment and Labor Act (EMTALA);

5 (2) comply with all provisions required under the
6 Social Security Act;

7 (3) provide annual notice to communities in the
8 hospital's service area about available emergency medical
9 services; and

10 (4) make educational materials available to
11 individuals who are present at the hospital concerning the
12 availability of medical services within the hospital's
13 service area.

14 Long-term acute care hospitals that operate standby
15 emergency services as of January 1, 2011 may discontinue
16 hospital emergency services by notifying the Department of
17 Public Health. Long-term acute care hospitals that operate
18 basic or comprehensive emergency services must notify the
19 Department of Public Health ~~Health Facilities and Services~~
20 ~~Review Board~~ and follow the appropriate procedures.

21 Any rehabilitation hospital that opts to discontinue or
22 otherwise not provide emergency services described in Section 1
23 shall:

24 (1) comply with all provisions of the federal Emergency
25 Medical Treatment and Active Labor Act (EMTALA);

26 (2) comply with all provisions required under the

1 Social Security Act;

2 (3) provide annual notice to communities in the
3 hospital's service area about available emergency medical
4 services;

5 (4) make educational materials available to
6 individuals who are present at the hospital concerning the
7 availability of medical services within the hospital's
8 service area;

9 (5) not use the term "hospital" in its name or on any
10 signage; and

11 (6) notify in writing the Department ~~and the Health~~
12 ~~Facilities and Services Review Board~~ of the
13 discontinuation.

14 (Source: P.A. 97-667, eff. 1-13-12; 98-683, eff. 6-30-14;
15 98-756, eff. 7-16-14.)

16 Section 85. The Hospital Licensing Act is amended by
17 changing Sections 4.5, 4.6, 4.7 and 10.8 as follows:

18 (210 ILCS 85/4.5)

19 Sec. 4.5. Hospital with multiple locations; single
20 license.

21 (a) A hospital located in a county with fewer than
22 3,000,000 inhabitants may apply to the Department for approval
23 to conduct its operations from more than one location within
24 the county under a single license.

1 (b) The facilities or buildings at those locations must be
2 owned or operated together by a single corporation or other
3 legal entity serving as the licensee and must share:

4 (1) a single board of directors with responsibility for
5 governance, including financial oversight and the
6 authority to designate or remove the chief executive
7 officer;

8 (2) a single medical staff accountable to the board of
9 directors and governed by a single set of medical staff
10 bylaws, rules, and regulations with responsibility for the
11 quality of the medical services; and

12 (3) a single chief executive officer, accountable to
13 the board of directors, with management responsibility.

14 (c) Each hospital building or facility that is located on a
15 site geographically separate from the campus or premises of
16 another hospital building or facility operated by the licensee
17 must, at a minimum, individually comply with the Department's
18 hospital licensing requirements for emergency services.

19 (d) The hospital shall submit to the Department a
20 comprehensive plan in relation to the waiver or waivers
21 requested describing the services and operations of each
22 facility or building and how common services or operations will
23 be coordinated between the various locations. With the
24 exception of items required by subsection (c), the Department
25 is authorized to waive compliance with the hospital licensing
26 requirements for specific buildings or facilities, provided

1 that the hospital has documented which other building or
2 facility under its single license provides that service or
3 operation, and that doing so would not endanger the public's
4 health, safety, or welfare. ~~Nothing in this Section relieves a~~
5 ~~hospital from the requirements of the Health Facilities~~
6 ~~Planning Act.~~

7 (Source: P.A. 89-171, eff. 7-19-95.)

8 (210 ILCS 85/4.6)

9 Sec. 4.6. Additional licensing requirements.

10 (a) Notwithstanding any other law or rule to the contrary,
11 the Department may license as a hospital a building that (i) is
12 owned or operated by a hospital licensed under this Act, (ii)
13 is located in a municipality with a population of less than
14 60,000, and (iii) includes a postsurgical recovery care center
15 licensed under the Alternative Health Care Delivery Act for a
16 period of not less than 2 years, an ambulatory surgical
17 treatment center licensed under the Ambulatory Surgical
18 Treatment Center Act, and a Freestanding Emergency Center
19 licensed under the Emergency Medical Services (EMS) Systems
20 Act. Only the components of the building which are currently
21 licensed shall be eligible under the provisions of this
22 Section.

23 (b) Prior to issuing a license, the Department shall
24 inspect the facility and require the facility to meet such of
25 the Department's rules relating to the establishment of

1 hospitals as the Department determines are appropriate to such
2 facility. Once the Department approves the facility and issues
3 a hospital license, all other licenses as listed in subsection
4 (a) above shall be null and void.

5 (c) Only one license may be issued under the authority of
6 this Section. No license may be issued after 18 months after
7 the effective date of this amendatory Act of the 91st General
8 Assembly.

9 (d) Beginning on the effective date of this amendatory Act
10 of the 96th General Assembly, each hospital building or
11 facility that is (i) located on the campus of the licensee but
12 on a site that is not contiguous, adjacent, or otherwise
13 attached to the main hospital building of the campus of the
14 licensee, (ii) operated by the licensee, and (iii) provides
15 inpatient services to patients at this building or facility
16 shall, at a minimum, individually comply with the Department's
17 hospital licensing requirements for emergency services. The
18 hospital shall submit to the Department a comprehensive plan
19 describing the services and operations of each facility or
20 building and how common services or operations will be
21 coordinated between the various locations. The Department
22 shall review the plan and may authorize a waiver granting an
23 exemption for compliance with the hospital licensing
24 requirements for specific buildings or facilities, including
25 requirements for emergency services, provided that the
26 hospital has documented which other building or facility under

1 its single license provides that service or operation, and that
2 doing so would not endanger the public's health, safety, or
3 welfare. ~~Nothing in this Section relieves a hospital from the~~
4 ~~requirements of the Illinois Health Facilities Planning Act.~~

5 (Source: P.A. 96-1515, eff. 2-4-11.)

6 (210 ILCS 85/4.7)

7 Sec. 4.7. Additional licensing requirements.

8 (a) A hospital located in a county with fewer than 325,000
9 inhabitants may apply to the Department for approval to conduct
10 its operations from more than one location within the county
11 under a single license at a separate building or facility
12 already licensed as a hospital. The operations shall be limited
13 to psychiatric services. The host hospital shall house the
14 licensee. The licensee's application shall be supported by
15 information that its operations at the host hospital will
16 provide access to necessary services for the region that the
17 host hospital does not provide. The services proposed by the
18 licensee at the host hospital shall not consist of emergency
19 services.

20 (b) The portion of the facilities or buildings operated by
21 the licensee at the host hospital shall be leased in part and
22 operated by a single corporation or other legal entity serving
23 as the licensee and shall have a single:

24 (1) board of directors with the responsibility for
25 governance, including financial oversight and authority to

1 designate or remove the chief executive officer;

2 (2) medical staff accountable to the board of directors
3 of the licensee and governed by a single set of medical
4 staff bylaws and associated rules and regulation of the
5 licensee, with responsibility for the quality of the
6 medical services provided by the licensee at the host
7 hospital side; and

8 (3) chief executive officer, accountable to the board
9 of directors of the licensee, with management
10 responsibility for the licensee's operations at the host
11 hospital site.

12 The host hospital and licensee shall be jointly responsible
13 for hospital licensing requirements relating to design and
14 construction, engineering and maintenance of the physical
15 plan, waste disposal, and fire safety.

16 (c) The licensee and host hospital shall notify the public
17 and patients through general signage and written notification
18 provided upon admission that services are provided at the host
19 hospital site by 2 separately licensed hospitals. The signage
20 shall specify which services are provided by the host hospital
21 or the licensee or both.

22 (d) One emergency department shall serve the host hospital.
23 Patients shall be notified that emergency services are provided
24 by the host hospital. Those patients that require admission
25 from the emergency department to a service that is operated by
26 the licensee shall be admitted according to the Emergency

1 Medical Treatment and Active Labor Act regulations and
2 transferred to the licensee. The admission, registration, and
3 consent form documents shall be specific to the licensee.

4 (e) The licensee and host hospital shall submit to the
5 Department a comprehensive plan describing the services and
6 operations of each facility or building and between the
7 licensee and host hospital, and how common services or
8 operations will be coordinated between the various locations.
9 ~~Nothing in this Section relieves a hospital from the~~
10 ~~requirements in the Illinois Health Facilities Planning Act.~~

11 (Source: P.A. 96-1505, eff. 1-27-11.)

12 (210 ILCS 85/10.8)

13 Sec. 10.8. Requirements for employment of physicians.

14 (a) Physician employment by hospitals and hospital
15 affiliates. Employing entities may employ physicians to
16 practice medicine in all of its branches provided that the
17 following requirements are met:

18 (1) The employed physician is a member of the medical
19 staff of either the hospital or hospital affiliate. If a
20 hospital affiliate decides to have a medical staff, its
21 medical staff shall be organized in accordance with written
22 bylaws where the affiliate medical staff is responsible for
23 making recommendations to the governing body of the
24 affiliate regarding all quality assurance activities and
25 safeguarding professional autonomy. The affiliate medical

1 staff bylaws may not be unilaterally changed by the
2 governing body of the affiliate. Nothing in this Section
3 requires hospital affiliates to have a medical staff.

4 (2) Independent physicians, who are not employed by an
5 employing entity, periodically review the quality of the
6 medical services provided by the employed physician to
7 continuously improve patient care.

8 (3) The employing entity and the employed physician
9 sign a statement acknowledging that the employer shall not
10 unreasonably exercise control, direct, or interfere with
11 the employed physician's exercise and execution of his or
12 her professional judgment in a manner that adversely
13 affects the employed physician's ability to provide
14 quality care to patients. This signed statement shall take
15 the form of a provision in the physician's employment
16 contract or a separate signed document from the employing
17 entity to the employed physician. This statement shall
18 state: "As the employer of a physician, (employer's name)
19 shall not unreasonably exercise control, direct, or
20 interfere with the employed physician's exercise and
21 execution of his or her professional judgment in a manner
22 that adversely affects the employed physician's ability to
23 provide quality care to patients."

24 (4) The employing entity shall establish a mutually
25 agreed upon independent review process with criteria under
26 which an employed physician may seek review of the alleged

1 violation of this Section by physicians who are not
2 employed by the employing entity. The affiliate may arrange
3 with the hospital medical staff to conduct these reviews.
4 The independent physicians shall make findings and
5 recommendations to the employing entity and the employed
6 physician within 30 days of the conclusion of the gathering
7 of the relevant information.

8 (b) Definitions. For the purpose of this Section:

9 "Employing entity" means a hospital licensed under the
10 Hospital Licensing Act or a hospital affiliate.

11 "Employed physician" means a physician who receives an IRS
12 W-2 form, or any successor federal income tax form, from an
13 employing entity.

14 "Hospital" means a hospital licensed under the Hospital
15 Licensing Act, except county hospitals as defined in subsection
16 (c) of Section 15-1 of the Public Aid Code.

17 "Hospital affiliate" means a corporation, partnership,
18 joint venture, limited liability company, or similar
19 organization, other than a hospital, that is devoted primarily
20 to the provision, management, or support of health care
21 services and that directly or indirectly controls, is
22 controlled by, or is under common control of the hospital.

23 "Control" means having at least an equal or a majority
24 ownership or membership interest. A hospital affiliate shall be
25 100% owned or controlled by any combination of hospitals, their
26 parent corporations, or physicians licensed to practice

1 medicine in all its branches in Illinois. "Hospital affiliate"
2 does not include a health maintenance organization regulated
3 under the Health Maintenance Organization Act.

4 "Physician" means an individual licensed to practice
5 medicine in all its branches in Illinois.

6 "Professional judgment" means the exercise of a
7 physician's independent clinical judgment in providing
8 medically appropriate diagnoses, care, and treatment to a
9 particular patient at a particular time. Situations in which an
10 employing entity does not interfere with an employed
11 physician's professional judgment include, without limitation,
12 the following:

13 (1) practice restrictions based upon peer review of the
14 physician's clinical practice to assess quality of care and
15 utilization of resources in accordance with applicable
16 bylaws;

17 (2) supervision of physicians by appropriately
18 licensed medical directors, medical school faculty,
19 department chairpersons or directors, or supervising
20 physicians;

21 (3) written statements of ethical or religious
22 directives; and

23 (4) reasonable referral restrictions that do not, in
24 the reasonable professional judgment of the physician,
25 adversely affect the health or welfare of the patient.

26 (c) Private enforcement. An employed physician aggrieved

1 by a violation of this Act may seek to obtain an injunction or
2 reinstatement of employment with the employing entity as the
3 court may deem appropriate. Nothing in this Section limits or
4 abrogates any common law cause of action. Nothing in this
5 Section shall be deemed to alter the law of negligence.

6 (d) Department enforcement. The Department may enforce the
7 provisions of this Section, but nothing in this Section shall
8 require or permit the Department to license, certify, or
9 otherwise investigate the activities of a hospital affiliate
10 not otherwise required to be licensed by the Department.

11 (e) Retaliation prohibited. No employing entity shall
12 retaliate against any employed physician for requesting a
13 hearing or review under this Section. No action may be taken
14 that affects the ability of a physician to practice during this
15 review, except in circumstances where the medical staff bylaws
16 authorize summary suspension.

17 (f) Physician collaboration. No employing entity shall
18 adopt or enforce, either formally or informally, any policy,
19 rule, regulation, or practice inconsistent with the provision
20 of adequate collaboration, including medical direction of
21 licensed advanced practice nurses or supervision of licensed
22 physician assistants and delegation to other personnel under
23 Section 54.5 of the Medical Practice Act of 1987.

24 (g) Physician disciplinary actions. Nothing in this
25 Section shall be construed to limit or prohibit the governing
26 body of an employing entity or its medical staff, if any, from

1 taking disciplinary actions against a physician as permitted by
2 law.

3 (h) Physician review. Nothing in this Section shall be
4 construed to prohibit a hospital or hospital affiliate from
5 making a determination not to pay for a particular health care
6 service or to prohibit a medical group, independent practice
7 association, hospital medical staff, or hospital governing
8 body from enforcing reasonable peer review or utilization
9 review protocols or determining whether the employed physician
10 complied with those protocols.

11 (i) ~~(Blank) Review. Nothing in this Section may be used or~~
12 ~~construed to establish that any activity of a hospital or~~
13 ~~hospital affiliate is subject to review under the Illinois~~
14 ~~Health Facilities Planning Act.~~

15 (j) Rules. The Department shall adopt any rules necessary
16 to implement this Section.

17 (Source: P.A. 92-455, eff. 9-30-01.)

18 (225 ILCS 7/4 rep.)

19 Section 90. The Board and Care Home Act is amended by
20 repealing Section 4.

21 Section 95. The Health Care Worker Self-Referral Act is
22 amended by changing Sections 5, 15, 20, 30, 35, and 40 as
23 follows:

1 (225 ILCS 47/5)

2 Sec. 5. Legislative intent. The General Assembly
3 recognizes that patient referrals by health care workers for
4 health services to an entity in which the referring health care
5 worker has an investment interest may present a potential
6 conflict of interest. The General Assembly finds that these
7 referral practices may limit or completely eliminate
8 competitive alternatives in the health care market. In some
9 instances, these referral practices may expand and improve care
10 or may make services available which were previously
11 unavailable. They may also provide lower cost options to
12 patients or increase competition. Generally, referral
13 practices are positive occurrences. However, self-referrals
14 may result in over utilization of health services, increased
15 overall costs of the health care systems, and may affect the
16 quality of health care.

17 It is the intent of the General Assembly to provide
18 guidance to health care workers regarding acceptable patient
19 referrals, to prohibit patient referrals to entities providing
20 health services in which the referring health care worker has
21 an investment interest, and to protect the citizens of Illinois
22 from unnecessary and costly health care expenditures.

23 Recognizing the need for flexibility to quickly respond to
24 changes in the delivery of health services, to avoid results
25 beyond the limitations on self referral provided under this Act
26 and to provide minimal disruption to the appropriate delivery

1 of health care, the Department of Public Health may adopt rules
2 ~~Health Facilities and Services Review Board shall be~~
3 ~~exclusively and solely authorized to implement and interpret~~
4 this Act ~~through adopted rules.~~

5 The General Assembly recognizes that changes in delivery of
6 health care has resulted in various methods by which health
7 care workers practice their professions. It is not the intent
8 of the General Assembly to limit appropriate delivery of care,
9 nor force unnecessary changes in the structures created by
10 workers for the health and convenience of their patients.

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

12 (225 ILCS 47/15)

13 Sec. 15. Definitions. In this Act:

14 (a) "Department" means the Department of Public Health.

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

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

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

24 (1) each health care worker who is a member or employee
25 or an independent contractor of the group provides

1 substantially the full range of services that the health
2 care worker routinely provides, including consultation,
3 diagnosis, or treatment, through the use of office space,
4 facilities, equipment, or personnel of the group;

5 (2) the services of the health care workers are
6 provided through the group, and payments received for
7 health services are treated as receipts of the group; and

8 (3) the overhead expenses and the income from the
9 practice are distributed by methods previously determined
10 by the group.

11 (d) "Health care worker" means any individual licensed
12 under the laws of this State to provide health services,
13 including but not limited to: dentists licensed under the
14 Illinois Dental Practice Act; dental hygienists licensed under
15 the Illinois Dental Practice Act; nurses and advanced practice
16 nurses licensed under the Nurse Practice Act; occupational
17 therapists licensed under the Illinois Occupational Therapy
18 Practice Act; optometrists licensed under the Illinois
19 Optometric Practice Act of 1987; pharmacists licensed under the
20 Pharmacy Practice Act; physical therapists licensed under the
21 Illinois Physical Therapy Act; physicians licensed under the
22 Medical Practice Act of 1987; physician assistants licensed
23 under the Physician Assistant Practice Act of 1987; podiatric
24 physicians licensed under the Podiatric Medical Practice Act of
25 1987; clinical psychologists licensed under the Clinical
26 Psychologist Licensing Act; clinical social workers licensed

1 under the Clinical Social Work and Social Work Practice Act;
2 speech-language pathologists and audiologists licensed under
3 the Illinois Speech-Language Pathology and Audiology Practice
4 Act; or hearing instrument dispensers licensed under the
5 Hearing Instrument Consumer Protection Act, or any of their
6 successor Acts.

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

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

11 (g) "Investment interest" means an equity or debt security
12 issued by an entity, including, without limitation, shares of
13 stock in a corporation, units or other interests in a
14 partnership, bonds, debentures, notes, or other equity
15 interests or debt instruments except that investment interest
16 for purposes of Section 20 does not include interest in a
17 hospital licensed under the laws of the State of Illinois.

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

22 (i) "Office practice" includes the facility or facilities
23 at which a health care worker, on an ongoing basis, provides or
24 supervises the provision of professional health services to
25 individuals.

26 (j) "Referral" means any referral of a patient for health

1 services, including, without limitation:

2 (1) The forwarding of a patient by one health care
3 worker to another health care worker or to an entity
4 outside the health care worker's office practice or group
5 practice that provides health services.

6 (2) The request or establishment by a health care
7 worker of a plan of care outside the health care worker's
8 office practice or group practice that includes the
9 provision of any health services.

10 (Source: P.A. 98-214, eff. 8-9-13.)

11 (225 ILCS 47/20)

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

13 (a) A health care worker shall not refer a patient for
14 health services to an entity outside the health care worker's
15 office or group practice in which the health care worker is an
16 investor, unless the health care worker directly provides
17 health services within the entity and will be personally
18 involved with the provision of care to the referred patient.

19 (b) Pursuant to Department ~~Board~~ determination that the
20 following exception is applicable, a health care worker may
21 invest in and refer to an entity, whether or not the health
22 care worker provides direct services within said entity, if
23 there is a demonstrated need in the community for the entity
24 and alternative financing is not available. For purposes of
25 this subsection (b), "demonstrated need" in the community for

1 the entity may exist if (1) there is no facility of reasonable
2 quality that provides medically appropriate service, (2) use of
3 existing facilities is onerous or creates too great a hardship
4 for patients, (3) the entity is formed to own or lease medical
5 equipment which replaces obsolete or otherwise inadequate
6 equipment in or under the control of a hospital located in a
7 federally designated health manpower shortage area, or (4) such
8 other standards as established, by rule, by the Department
9 ~~Board~~. "Community" shall be defined as a metropolitan area for
10 a city, and a county for a rural area. In addition, the
11 following provisions must be met to be exempt under this
12 Section:

13 (1) Individuals who are not in a position to refer
14 patients to an entity are given a bona fide opportunity to
15 also invest in the entity on the same terms as those
16 offered a referring health care worker; and

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

21 (3) The entity shall market or furnish its services to
22 referring health care worker investors and other investors
23 on equal terms; and

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

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

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

8 (7) When making a referral, a health care worker must
9 disclose his investment interest in an entity to the
10 patient being referred to such entity. If alternative
11 facilities are reasonably available, the health care
12 worker must provide the patient with a list of alternative
13 facilities. The health care worker shall inform the patient
14 that they have the option to use an alternative facility
15 other than one in which the health care worker has an
16 investment interest and the patient will not be treated
17 differently by the health care worker if the patient
18 chooses to use another entity. This shall be applicable to
19 all health care worker investors, including those who
20 provide direct care or services for their patients in
21 entities outside their office practices; and

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

25 (9) The entity shall establish an internal utilization
26 review program to ensure that investing health care workers

1 provided appropriate or necessary utilization; and

2 (10) If a health care worker's financial interest in an
3 entity is incompatible with a referred patient's interest,
4 the health care worker shall make alternative arrangements
5 for the patient's care.

6 The Department ~~Board~~ shall make such a determination for a
7 health care worker within 90 days of a completed written
8 request. Failure to make such a determination within the 90 day
9 time frame shall mean that no alternative is practical based
10 upon the facts set forth in the completed written request.

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

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

20 (2) the entity had, at the end of the corporation's
21 most recent fiscal year, total net assets of at least
22 \$30,000,000 related to the furnishing of health services;
23 and

24 (3) any investment interest obtained after the
25 effective date of this Act is traded on the exchanges
26 listed in paragraph 1 of subsection (c) of this Section

1 after the entity became a publicly traded corporation; and

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

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

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

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

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

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

20 (e) Any health care worker or other entity shall not enter
21 into an arrangement or scheme seeking to make referrals to
22 another health care worker or entity based upon the condition
23 that the health care worker or entity will make referrals with
24 an intent to evade the prohibitions of this Act by inducing
25 patient referrals which would be prohibited by this Section if
26 the health care worker or entity made the referral directly.

1 (f) If compliance with the need and alternative investor
2 criteria is not practical, the health care worker shall
3 identify to the patient reasonably available alternative
4 facilities. The Department Board shall, by rule, designate when
5 compliance is "not practical".

6 (g) Health care workers may request from the Department
7 ~~Board~~ that it render an advisory opinion that a referral to an
8 existing or proposed entity under specified circumstances does
9 or does not violate the provisions of this Act. The
10 Department's Board's opinion shall be presumptively correct.
11 Failure to render such an advisory opinion within 90 days of a
12 completed written request pursuant to this Section shall create
13 a rebuttable presumption that a referral described in the
14 completed written request is not or will not be a violation of
15 this Act.

16 (h) Notwithstanding any provision of this Act to the
17 contrary, a health care worker may refer a patient, who is a
18 member of a health maintenance organization "HMO" licensed in
19 this State, for health services to an entity, outside the
20 health care worker's office or group practice, in which the
21 health care worker is an investor, provided that any such
22 referral is made pursuant to a contract with the HMO.
23 Furthermore, notwithstanding any provision of this Act to the
24 contrary, a health care worker may refer an enrollee of a
25 "managed care community network", as defined in subsection (b)
26 of Section 5-11 of the Illinois Public Aid Code, for health

1 services to an entity, outside the health care worker's office
2 or group practice, in which the health care worker is an
3 investor, provided that any such referral is made pursuant to a
4 contract with the managed care community network.

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

6 (225 ILCS 47/30)

7 Sec. 30. Rulemaking. The Department ~~Health Facilities and~~
8 ~~Services Review Board~~ shall exclusively and solely implement
9 the provisions of this Act pursuant to rules adopted in
10 accordance with the Illinois Administrative Procedure Act
11 concerning, but not limited to:

12 (a) Standards and procedures for the administration of this
13 Act.

14 (b) Procedures and criteria for exceptions from the
15 prohibitions set forth in Section 20.

16 (c) Procedures and criteria for determining practical
17 compliance with the needs and alternative investor criteria in
18 Section 20.

19 (d) Procedures and criteria for determining when a written
20 request for an opinion set forth in Section 20 is complete.

21 (e) Procedures and criteria for advising health care
22 workers of the applicability of this Act to practices pursuant
23 to written requests.

24 (f) Any rules of the Health Facilities and Services Review
25 Board adopted under the Health Care Worker Self-Referral Act

1 that are in full force on the effective date of this amendatory
2 Act of the 99th General Assembly shall become the rules of the
3 Department. This amendatory Act of the 99th General Assembly
4 does not affect the legality of any such rules in the Illinois
5 Administrative Code.

6 Any proposed rules filed with the Secretary of State by the
7 Health Facilities and Services Review Board that are pending in
8 the rulemaking process on the effective date of this amendatory
9 Act of the 99th General Assembly and pertain to the Health Care
10 Worker Self-Referral Act shall be deemed to have been filed by
11 the Department. As soon as practicable hereafter, the
12 Department shall revise and clarify the rules transferred to it
13 under this amendatory Act of the 99th General Assembly to
14 reflect the reorganization of powers, duties, rights, and
15 responsibilities affected by this amendatory Act, using the
16 procedures for recodification of rules available under the
17 Illinois Administrative Procedure Act, except that existing
18 title, part, and section numbering for the affected rules may
19 be retained.

20 The Department may propose and adopt under the Illinois
21 Administrative Procedure Act such other rules of the Health
22 Facilities and Services Review Board that may be useful to its
23 administration of the Health Care Worker Self-Referral Act.

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

1 Sec. 35. Administrative Procedure Act; application. The
2 Illinois Administrative Procedure Act is hereby expressly
3 adopted and incorporated herein and shall apply to the
4 Department Board as if all of the provisions of such Act were
5 included in this Act; except that in case of a conflict between
6 the Illinois Administrative Procedure Act and this Act the
7 provisions of this Act shall control.

8 (Source: P.A. 87-1207.)

9 (225 ILCS 47/40)

10 Sec. 40. Review under Administrative Review Law. Any person
11 who is adversely affected by a final decision of the Department
12 Board may have such decision judicially reviewed. The
13 provisions of the Administrative Review Law and the rules
14 adopted pursuant thereto shall apply to and govern all
15 proceedings for the judicial review of final administrative
16 decisions of the Department Board. The term "administrative
17 decisions" is as defined in Section 3-101 of the Code of Civil
18 Procedure.

19 (Source: P.A. 87-1207.)

20 Section 100. The Nurse Agency Licensing Act is amended by
21 changing Section 3 as follows:

22 (225 ILCS 510/3) (from Ch. 111, par. 953)

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

1 (a) "Certified nurse aide" means an individual certified as
2 defined in Section 3-206 of the Nursing Home Care Act or
3 Section 3-206 of the ID/DD Community Care Act, as now or
4 hereafter amended.

5 (b) "Department" means the Department of Labor.

6 (c) "Director" means the Director of Labor.

7 (d) "Health care facility" means and includes the following
8 facilities and organizations: ~~is defined as in Section 3 of the~~
9 ~~Illinois Health Facilities Planning Act, as now or hereafter~~
10 ~~amended.~~

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

14 (2) an institution, place, building, or agency
15 required to be licensed pursuant to the Hospital Licensing
16 Act;

17 (3) skilled and intermediate long term care facilities
18 licensed under the Nursing Home Care Act;

19 (4) hospitals, nursing homes, ambulatory surgical
20 treatment centers, or kidney disease treatment centers
21 maintained by the State or any department or agency
22 thereof;

23 (5) kidney disease treatment centers, including a
24 free-standing hemodialysis unit; and

25 (6) an institution, place, building, or room used for
26 the performance of outpatient surgical procedures that is

1 leased, owned, or operated by or on behalf of an
2 out-of-state facility.

3 (e) "Licensee" means any nursing agency which is properly
4 licensed under this Act.

5 (f) "Nurse" means a registered nurse or a licensed
6 practical nurse as defined in the Nurse Practice Act.

7 (g) "Nurse agency" means any individual, firm,
8 corporation, partnership or other legal entity that employs,
9 assigns or refers nurses or certified nurse aides to a health
10 care facility for a fee. The term "nurse agency" includes
11 nurses registries. The term "nurse agency" does not include
12 services provided by home health agencies licensed and operated
13 under the Home Health, Home Services, and Home Nursing Agency
14 Licensing Act or a licensed or certified individual who
15 provides his or her own services as a regular employee of a
16 health care facility, nor does it apply to a health care
17 facility's organizing nonsalaried employees to provide
18 services only in that facility.

19 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813,
20 eff. 7-13-12; 98-104, eff. 7-22-13.)

21 Section 105. The Illinois Public Aid Code is amended by
22 changing Sections 5-5.01a and 5-5.02 as follows:

23 (305 ILCS 5/5-5.01a)

24 Sec. 5-5.01a. Supportive living facilities program. The

1 Department shall establish and provide oversight for a program
2 of supportive living facilities that seek to promote resident
3 independence, dignity, respect, and well-being in the most
4 cost-effective manner.

5 A supportive living facility is either a free-standing
6 facility or a distinct physical and operational entity within a
7 nursing facility. A supportive living facility integrates
8 housing with health, personal care, and supportive services and
9 is a designated setting that offers residents their own
10 separate, private, and distinct living units.

11 Sites for the operation of the program shall be selected by
12 the Department based upon criteria that may include the need
13 for services in a geographic area, the availability of funding,
14 and the site's ability to meet the standards.

15 Beginning July 1, 2014, subject to federal approval, the
16 Medicaid rates for supportive living facilities shall be equal
17 to the supportive living facility Medicaid rate effective on
18 June 30, 2014 increased by 8.85%. Once the assessment imposed
19 at Article V-G of this Code is determined to be a permissible
20 tax under Title XIX of the Social Security Act, the Department
21 shall increase the Medicaid rates for supportive living
22 facilities effective on July 1, 2014 by 9.09%. The Department
23 shall apply this increase retroactively to coincide with the
24 imposition of the assessment in Article V-G of this Code in
25 accordance with the approval for federal financial
26 participation by the Centers for Medicare and Medicaid

1 Services.

2 The Department may adopt rules to implement this Section.
3 Rules that establish or modify the services, standards, and
4 conditions for participation in the program shall be adopted by
5 the Department in consultation with the Department on Aging,
6 the Department of Rehabilitation Services, and the Department
7 of Mental Health and Developmental Disabilities (or their
8 successor agencies).

9 Facilities or distinct parts of facilities which are
10 selected as supportive living facilities and are in good
11 standing with the Department's rules are exempt from the
12 provisions of the Nursing Home Care Act ~~and the Illinois Health~~
13 ~~Facilities Planning Act.~~

14 (Source: P.A. 98-651, eff. 6-16-14.)

15 (305 ILCS 5/5-5.02) (from Ch. 23, par. 5-5.02)

16 Sec. 5-5.02. Hospital reimbursements.

17 (a) Reimbursement to Hospitals; July 1, 1992 through
18 September 30, 1992. Notwithstanding any other provisions of
19 this Code or the Illinois Department's Rules promulgated under
20 the Illinois Administrative Procedure Act, reimbursement to
21 hospitals for services provided during the period July 1, 1992
22 through September 30, 1992, shall be as follows:

23 (1) For inpatient hospital services rendered, or if
24 applicable, for inpatient hospital discharges occurring,
25 on or after July 1, 1992 and on or before September 30,

1 1992, the Illinois Department shall reimburse hospitals
2 for inpatient services under the reimbursement
3 methodologies in effect for each hospital, and at the
4 inpatient payment rate calculated for each hospital, as of
5 June 30, 1992. For purposes of this paragraph,
6 "reimbursement methodologies" means all reimbursement
7 methodologies that pertain to the provision of inpatient
8 hospital services, including, but not limited to, any
9 adjustments for disproportionate share, targeted access,
10 critical care access and uncompensated care, as defined by
11 the Illinois Department on June 30, 1992.

12 (2) For the purpose of calculating the inpatient
13 payment rate for each hospital eligible to receive
14 quarterly adjustment payments for targeted access and
15 critical care, as defined by the Illinois Department on
16 June 30, 1992, the adjustment payment for the period July
17 1, 1992 through September 30, 1992, shall be 25% of the
18 annual adjustment payments calculated for each eligible
19 hospital, as of June 30, 1992. The Illinois Department
20 shall determine by rule the adjustment payments for
21 targeted access and critical care beginning October 1,
22 1992.

23 (3) For the purpose of calculating the inpatient
24 payment rate for each hospital eligible to receive
25 quarterly adjustment payments for uncompensated care, as
26 defined by the Illinois Department on June 30, 1992, the

1 adjustment payment for the period August 1, 1992 through
2 September 30, 1992, shall be one-sixth of the total
3 uncompensated care adjustment payments calculated for each
4 eligible hospital for the uncompensated care rate year, as
5 defined by the Illinois Department, ending on July 31,
6 1992. The Illinois Department shall determine by rule the
7 adjustment payments for uncompensated care beginning
8 October 1, 1992.

9 (b) Inpatient payments. For inpatient services provided on
10 or after October 1, 1993, in addition to rates paid for
11 hospital inpatient services pursuant to the Illinois Health
12 Finance Reform Act, as now or hereafter amended, or the
13 Illinois Department's prospective reimbursement methodology,
14 or any other methodology used by the Illinois Department for
15 inpatient services, the Illinois Department shall make
16 adjustment payments, in an amount calculated pursuant to the
17 methodology described in paragraph (c) of this Section, to
18 hospitals that the Illinois Department determines satisfy any
19 one of the following requirements:

20 (1) Hospitals that are described in Section 1923 of the
21 federal Social Security Act, as now or hereafter amended,
22 except that for rate year 2015 and after a hospital
23 described in Section 1923(b)(1)(B) of the federal Social
24 Security Act and qualified for the payments described in
25 subsection (c) of this Section for rate year 2014 provided
26 the hospital continues to meet the description in Section

1 1923(b) (1) (B) in the current determination year; or

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

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

17 (4) Illinois hospitals that:

18 (A) have a Medicaid inpatient utilization rate
19 that is at least equal to the mean Medicaid inpatient
20 utilization rate for all hospitals in Illinois
21 receiving Medicaid payments from the Department; and

22 (B) also have a Medicaid obstetrical inpatient
23 utilization rate that is at least one standard
24 deviation above the mean Medicaid obstetrical
25 inpatient utilization rate for all hospitals in
26 Illinois receiving Medicaid payments from the

1 Department for obstetrical services; or

2 (5) Any children's hospital, which means a hospital
3 devoted exclusively to caring for children. A hospital
4 which includes a facility devoted exclusively to caring for
5 children shall be considered a children's hospital to the
6 degree that the hospital's Medicaid care is provided to
7 children if either (i) the facility devoted exclusively to
8 caring for children is separately licensed as a hospital by
9 a municipality prior to February 28, 2013 or (ii) the
10 hospital has been designated by the State as a Level III
11 perinatal care facility, has a Medicaid Inpatient
12 Utilization rate greater than 55% for the rate year 2003
13 disproportionate share determination, and has more than
14 10,000 qualified children days as defined by the Department
15 in rulemaking.

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

19 (1) hospitals with a Medicaid inpatient utilization
20 rate below the mean shall receive a per day adjustment
21 payment equal to \$25;

22 (2) hospitals with a Medicaid inpatient utilization
23 rate that is equal to or greater than the mean Medicaid
24 inpatient utilization rate but less than one standard
25 deviation above the mean Medicaid inpatient utilization
26 rate shall receive a per day adjustment payment equal to

1 the sum of \$25 plus \$1 for each one percent that the
2 hospital's Medicaid inpatient utilization rate exceeds the
3 mean Medicaid inpatient utilization rate;

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

13 (4) hospitals with a Medicaid inpatient utilization
14 rate that is equal to or greater than 1.5 standard
15 deviations above the mean Medicaid inpatient utilization
16 rate shall receive a per day adjustment payment equal to
17 the sum of \$90 plus \$2 for each one percent that the
18 hospital's Medicaid inpatient utilization rate exceeds 1.5
19 standard deviations above the mean Medicaid inpatient
20 utilization rate.

21 (d) Supplemental adjustment payments. In addition to the
22 adjustment payments described in paragraph (c), hospitals as
23 defined in clauses (1) through (5) of paragraph (b), excluding
24 county hospitals (as defined in subsection (c) of Section 15-1
25 of this Code) and a hospital organized under the University of
26 Illinois Hospital Act, shall be paid supplemental inpatient

1 adjustment payments of \$60 per day. For purposes of Title XIX
2 of the federal Social Security Act, these supplemental
3 adjustment payments shall not be classified as adjustment
4 payments to disproportionate share hospitals.

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

24 (f) Children's hospital inpatient adjustment payments. For
25 children's hospitals, as defined in clause (5) of paragraph
26 (b), the adjustment payments required pursuant to paragraphs

1 (c) and (d) shall be multiplied by 2.0.

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

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

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

15 (2) "Mean Medicaid inpatient utilization rate" means
16 the total number of Medicaid inpatient days provided by all
17 Illinois Medicaid-participating hospitals divided by the
18 total number of inpatient days provided by those same
19 hospitals.

20 (3) "Medicaid obstetrical inpatient utilization rate"
21 means the ratio of Medicaid obstetrical inpatient days to
22 total Medicaid inpatient days for all Illinois hospitals
23 receiving Medicaid payments from the Illinois Department.

24 (i) Inpatient adjustment payment limit. In order to meet
25 the limits of Public Law 102-234 and Public Law 103-66, the
26 Illinois Department shall by rule adjust disproportionate

1 share adjustment payments.

2 (j) University of Illinois Hospital inpatient adjustment
3 payments. For hospitals organized under the University of
4 Illinois Hospital Act, there shall be an adjustment payment as
5 determined by rules adopted by the Illinois Department.

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

9 (l) On and after July 1, 2012, the Department shall reduce
10 any rate of reimbursement for services or other payments or
11 alter any methodologies authorized by this Code to reduce any
12 rate of reimbursement for services or other payments in
13 accordance with Section 5-5e.

14 (Source: P.A. 97-689, eff. 6-14-12; 98-104, eff. 7-22-13.)

15 Section 110. The Older Adult Services Act is amended by
16 changing Sections 20, 25, and 30 as follows:

17 (320 ILCS 42/20)

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

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

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

1 development of new services in priority service areas.

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

18 (d) Priority service areas. The Departments shall assess
19 the current and projected need for older adult services
20 throughout the State, analyze the results of the inventory, and
21 identify priority service areas, which shall serve as the basis
22 for a priority service plan to be filed with the Governor and
23 the General Assembly no later than July 1, 2006, and every 5
24 years thereafter. The January 1, 2012 report required under
25 subsection (c) of this Section shall serve as compliance with
26 the July 1, 2011 reporting requirement.

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

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

16 (1) Housing, health services, and supportive services:

17 (A) adult day care;

18 (B) adult day care for persons with Alzheimer's
19 disease and related disorders;

20 (C) activities of daily living;

21 (D) care-related supplies and equipment;

22 (E) case management;

23 (F) community reintegration;

24 (G) companion;

25 (H) congregate meals;

26 (I) counseling and education;

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

1 their own homes as an alternative to hospital care,
2 nursing home care, or home visits;

3 (EF) training for direct family caregivers;

4 (FG) transition;

5 (GH) transportation;

6 (HI) wellness and fitness programs; and

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

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

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

20 (1) The type of grant sought;

21 (2) A description of the project;

22 (3) The objective of the project;

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

25 (5) The plan for financing, administration, and
26 evaluation of the project;

1 (6) The timetable for implementation;

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

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

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

12 (10) The total budget for the project;

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

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

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

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

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

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

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

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

1 Advisory Committee of the savings no later than October 1 of
2 the same fiscal year.

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

4 (320 ILCS 42/25)

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

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

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

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

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

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

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

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

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

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

24 (8) Enhanced transition and follow-up services. The
25 Department shall implement a program of transition from one
26 residential setting to another and follow-up services,

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

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

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

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

25 (12) Coordination of services. The Department shall
26 identify methods to better coordinate service networks to

1 maximize resources and minimize duplication of services and
2 ease of application.

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

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

20 (15) Medicaid nursing home cost containment and Medicare
21 utilization. The Department of Healthcare and Family Services
22 (formerly Department of Public Aid), in collaboration with the
23 Department on Aging and the Department of Public Health and in
24 consultation with the Advisory Committee, shall propose a plan
25 to contain Medicaid nursing home costs and maximize Medicare
26 utilization. The plan must not impair the ability of an older

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

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

22 (17) Financing. The Department shall investigate and
23 evaluate financing options for older adult services and shall
24 make recommendations in the report required by Section 15
25 concerning the feasibility of these financing arrangements.
26 These arrangements shall include, but are not limited to:

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

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

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

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

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

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

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

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

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

1 ~~services.~~

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

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

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

19 (320 ILCS 42/30)

20 Sec. 30. Nursing home conversion program.

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

1 appropriations permit as an incentive to reduce certified beds,
2 retrofit, and retool operations to meet new service delivery
3 expectations and demands.

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

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

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

25 (e) Any nursing home receiving a grant under this Section
26 shall reduce the number of certified nursing home beds by a

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

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

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

1 by rule, the criteria for the award of grants based upon the
2 following factors:

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

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

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

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

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

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

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

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

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

25 (4) cause undue hardship on any person who requires
26 nursing home care.

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

4 (1) the type of grant sought;

5 (2) a description of the project;

6 (3) the objective of the project;

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

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

11 (6) the timetable for implementation;

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

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

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

22 (10) the total budget for the project;

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

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

26 (j) (Blank). ~~A conversion project funded in whole or in~~

1 ~~part by a grant under this Section is exempt from the~~
2 ~~requirements of the Illinois Health Facilities Planning Act.~~
3 ~~The Department of Public Health, however, shall send to the~~
4 ~~Health Facilities and Services Review Board a copy of each~~
5 ~~grant award made under this Section.~~

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

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

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

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

22 (405 ILCS 25/4.03 rep.) (from Ch. 91 1/2, par. 604.03)

23 Section 115. The Specialized Living Centers Act is amended
24 by repealing Section 4.03."