



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4370

by Rep. William Davis

SYNOPSIS AS INTRODUCED:

20 ILCS 3960/12

110 ILCS 330/8b new

210 ILCS 85/6.14h new

from Ch. 111 1/2, par. 1162

Amends the Hospital Licensing Act and the University of Illinois Hospital Act. Provides that the Health Facilities and Services Review Board shall require the University of Illinois Hospital and hospitals with more than 50 beds to submit an annual report by April 15, 2017 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year. Provides that each hospital shall include certain specified information in its annual report. Provides that the Board, the University of Illinois Hospital, and all participating hospitals shall hold an annual workshop open to the public in June of 2016 and every year thereafter on the state of supplier diversity to collaboratively seek solutions to structural impediments to achieving stated goals. Amends the Illinois Health Facilities Planning Act. Requires the Board to adopt rules to implement the reporting requirements. Effective immediately.

LRB099 15652 RPS 39946 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Health Facilities Planning Act is
5 amended by changing Section 12 as follows:

6 (20 ILCS 3960/12) (from Ch. 111 1/2, par. 1162)

7 (Section scheduled to be repealed on December 31, 2019)

8 Sec. 12. Powers and duties of State Board. For purposes of
9 this Act, the State Board shall exercise the following powers
10 and duties:

11 (1) Prescribe rules, regulations, standards, criteria,
12 procedures or reviews which may vary according to the purpose
13 for which a particular review is being conducted or the type of
14 project reviewed and which are required to carry out the
15 provisions and purposes of this Act. Policies and procedures of
16 the State Board shall take into consideration the priorities
17 and needs of medically underserved areas and other health care
18 services identified through the comprehensive health planning
19 process, giving special consideration to the impact of projects
20 on access to safety net services.

21 (2) Adopt procedures for public notice and hearing on all
22 proposed rules, regulations, standards, criteria, and plans
23 required to carry out the provisions of this Act.

1 (3) (Blank).

2 (4) Develop criteria and standards for health care
3 facilities planning, conduct statewide inventories of health
4 care facilities, maintain an updated inventory on the Board's
5 web site reflecting the most recent bed and service changes and
6 updated need determinations when new census data become
7 available or new need formulae are adopted, and develop health
8 care facility plans which shall be utilized in the review of
9 applications for permit under this Act. Such health facility
10 plans shall be coordinated by the Board with pertinent State
11 Plans. Inventories pursuant to this Section of skilled or
12 intermediate care facilities licensed under the Nursing Home
13 Care Act, skilled or intermediate care facilities licensed
14 under the ID/DD Community Care Act, skilled or intermediate
15 care facilities licensed under the MC/DD Act, facilities
16 licensed under the Specialized Mental Health Rehabilitation
17 Act of 2013, or nursing homes licensed under the Hospital
18 Licensing Act shall be conducted on an annual basis no later
19 than July 1 of each year and shall include among the
20 information requested a list of all services provided by a
21 facility to its residents and to the community at large and
22 differentiate between active and inactive beds.

23 In developing health care facility plans, the State Board
24 shall consider, but shall not be limited to, the following:

25 (a) The size, composition and growth of the population
26 of the area to be served;

1 (b) The number of existing and planned facilities
2 offering similar programs;

3 (c) The extent of utilization of existing facilities;

4 (d) The availability of facilities which may serve as
5 alternatives or substitutes;

6 (e) The availability of personnel necessary to the
7 operation of the facility;

8 (f) Multi-institutional planning and the establishment
9 of multi-institutional systems where feasible;

10 (g) The financial and economic feasibility of proposed
11 construction or modification; and

12 (h) In the case of health care facilities established
13 by a religious body or denomination, the needs of the
14 members of such religious body or denomination may be
15 considered to be public need.

16 The health care facility plans which are developed and
17 adopted in accordance with this Section shall form the basis
18 for the plan of the State to deal most effectively with
19 statewide health needs in regard to health care facilities.

20 (5) Coordinate with the Center for Comprehensive Health
21 Planning and other state agencies having responsibilities
22 affecting health care facilities, including those of licensure
23 and cost reporting. Beginning no later than January 1, 2013,
24 the Department of Public Health shall produce a written annual
25 report to the Governor and the General Assembly regarding the
26 development of the Center for Comprehensive Health Planning.

1 The Chairman of the State Board and the State Board
2 Administrator shall also receive a copy of the annual report.

3 (6) Solicit, accept, hold and administer on behalf of the
4 State any grants or bequests of money, securities or property
5 for use by the State Board or Center for Comprehensive Health
6 Planning in the administration of this Act; and enter into
7 contracts consistent with the appropriations for purposes
8 enumerated in this Act.

9 (7) The State Board shall prescribe procedures for review,
10 standards, and criteria which shall be utilized to make
11 periodic reviews and determinations of the appropriateness of
12 any existing health services being rendered by health care
13 facilities subject to the Act. The State Board shall consider
14 recommendations of the Board in making its determinations.

15 (8) Prescribe, in consultation with the Center for
16 Comprehensive Health Planning, rules, regulations, standards,
17 and criteria for the conduct of an expeditious review of
18 applications for permits for projects of construction or
19 modification of a health care facility, which projects are
20 classified as emergency, substantive, or non-substantive in
21 nature.

22 Six months after June 30, 2009 (the effective date of
23 Public Act 96-31), substantive projects shall include no more
24 than the following:

25 (a) Projects to construct (1) a new or replacement
26 facility located on a new site or (2) a replacement

1 facility located on the same site as the original facility
2 and the cost of the replacement facility exceeds the
3 capital expenditure minimum, which shall be reviewed by the
4 Board within 120 days;

5 (b) Projects proposing a (1) new service within an
6 existing healthcare facility or (2) discontinuation of a
7 service within an existing healthcare facility, which
8 shall be reviewed by the Board within 60 days; or

9 (c) Projects proposing a change in the bed capacity of
10 a health care facility by an increase in the total number
11 of beds or by a redistribution of beds among various
12 categories of service or by a relocation of beds from one
13 physical facility or site to another by more than 20 beds
14 or more than 10% of total bed capacity, as defined by the
15 State Board, whichever is less, over a 2-year period.

16 The Chairman may approve applications for exemption that
17 meet the criteria set forth in rules or refer them to the full
18 Board. The Chairman may approve any unopposed application that
19 meets all of the review criteria or refer them to the full
20 Board.

21 Such rules shall not abridge the right of the Center for
22 Comprehensive Health Planning to make recommendations on the
23 classification and approval of projects, nor shall such rules
24 prevent the conduct of a public hearing upon the timely request
25 of an interested party. Such reviews shall not exceed 60 days
26 from the date the application is declared to be complete.

1 (9) Prescribe rules, regulations, standards, and criteria
2 pertaining to the granting of permits for construction and
3 modifications which are emergent in nature and must be
4 undertaken immediately to prevent or correct structural
5 deficiencies or hazardous conditions that may harm or injure
6 persons using the facility, as defined in the rules and
7 regulations of the State Board. This procedure is exempt from
8 public hearing requirements of this Act.

9 (10) Prescribe rules, regulations, standards and criteria
10 for the conduct of an expeditious review, not exceeding 60
11 days, of applications for permits for projects to construct or
12 modify health care facilities which are needed for the care and
13 treatment of persons who have acquired immunodeficiency
14 syndrome (AIDS) or related conditions.

15 (10.5) Provide its rationale when voting on an item before
16 it at a State Board meeting in order to comply with subsection
17 (b) of Section 3-108 of the Code of Civil Procedure.

18 (11) Issue written decisions upon request of the applicant
19 or an adversely affected party to the Board. Requests for a
20 written decision shall be made within 15 days after the Board
21 meeting in which a final decision has been made. A "final
22 decision" for purposes of this Act is the decision to approve
23 or deny an application, or take other actions permitted under
24 this Act, at the time and date of the meeting that such action
25 is scheduled by the Board. The transcript of the State Board
26 meeting shall be incorporated into the Board's final decision.

1 The staff of the Board shall prepare a written copy of the
2 final decision and the Board shall approve a final copy for
3 inclusion in the formal record. The Board shall consider, for
4 approval, the written draft of the final decision no later than
5 the next scheduled Board meeting. The written decision shall
6 identify the applicable criteria and factors listed in this Act
7 and the Board's regulations that were taken into consideration
8 by the Board when coming to a final decision. If the Board
9 denies or fails to approve an application for permit or
10 exemption, the Board shall include in the final decision a
11 detailed explanation as to why the application was denied and
12 identify what specific criteria or standards the applicant did
13 not fulfill.

14 (12) Require at least one of its members to participate in
15 any public hearing, after the appointment of a majority of the
16 members to the Board.

17 (13) Provide a mechanism for the public to comment on, and
18 request changes to, draft rules and standards.

19 (14) Implement public information campaigns to regularly
20 inform the general public about the opportunity for public
21 hearings and public hearing procedures.

22 (15) Establish a separate set of rules and guidelines for
23 long-term care that recognizes that nursing homes are a
24 different business line and service model from other regulated
25 facilities. An open and transparent process shall be developed
26 that considers the following: how skilled nursing fits in the

1 continuum of care with other care providers, modernization of
2 nursing homes, establishment of more private rooms,
3 development of alternative services, and current trends in
4 long-term care services. The Chairman of the Board shall
5 appoint a permanent Health Services Review Board Long-term Care
6 Facility Advisory Subcommittee that shall develop and
7 recommend to the Board the rules to be established by the Board
8 under this paragraph (15). The Subcommittee shall also provide
9 continuous review and commentary on policies and procedures
10 relative to long-term care and the review of related projects.
11 The Subcommittee shall make recommendations to the Board no
12 later than January 1, 2016 and every January thereafter
13 pursuant to the Subcommittee's responsibility for the
14 continuous review and commentary on policies and procedures
15 relative to long-term care. In consultation with other experts
16 from the health field of long-term care, the Board and the
17 Subcommittee shall study new approaches to the current bed need
18 formula and Health Service Area boundaries to encourage
19 flexibility and innovation in design models reflective of the
20 changing long-term care marketplace and consumer preferences
21 and submit its recommendations to the Chairman of the Board no
22 later than January 1, 2017. The Subcommittee shall evaluate,
23 and make recommendations to the State Board regarding, the
24 buying, selling, and exchange of beds between long-term care
25 facilities within a specified geographic area or drive time.
26 The Board shall file the proposed related administrative rules

1 for the separate rules and guidelines for long-term care
2 required by this paragraph (15) by no later than September 30,
3 2011. The Subcommittee shall be provided a reasonable and
4 timely opportunity to review and comment on any review,
5 revision, or updating of the criteria, standards, procedures,
6 and rules used to evaluate project applications as provided
7 under Section 12.3 of this Act.

8 The Chairman of the Board shall appoint voting members of
9 the Subcommittee, who shall serve for a period of 3 years, with
10 one-third of the terms expiring each January, to be determined
11 by lot. Appointees shall include, but not be limited to,
12 recommendations from each of the 3 statewide long-term care
13 associations, with an equal number to be appointed from each.
14 Compliance with this provision shall be through the appointment
15 and reappointment process. All appointees serving as of April
16 1, 2015 shall serve to the end of their term as determined by
17 lot or until the appointee voluntarily resigns, whichever is
18 earlier.

19 One representative from the Department of Public Health,
20 the Department of Healthcare and Family Services, the
21 Department on Aging, and the Department of Human Services may
22 each serve as an ex-officio non-voting member of the
23 Subcommittee. The Chairman of the Board shall select a
24 Subcommittee Chair, who shall serve for a period of 3 years.

25 (16) Prescribe the format of the State Board Staff Report.
26 A State Board Staff Report shall pertain to applications that

1 include, but are not limited to, applications for permit or
2 exemption, applications for permit renewal, applications for
3 extension of the obligation period, applications requesting a
4 declaratory ruling, or applications under the Health Care
5 Worker Self-Referral Act. State Board Staff Reports shall
6 compare applications to the relevant review criteria under the
7 Board's rules.

8 (17) Establish a separate set of rules and guidelines for
9 facilities licensed under the Specialized Mental Health
10 Rehabilitation Act of 2013. An application for the
11 re-establishment of a facility in connection with the
12 relocation of the facility shall not be granted unless the
13 applicant has a contractual relationship with at least one
14 hospital to provide emergency and inpatient mental health
15 services required by facility consumers, and at least one
16 community mental health agency to provide oversight and
17 assistance to facility consumers while living in the facility,
18 and appropriate services, including case management, to assist
19 them to prepare for discharge and reside stably in the
20 community thereafter. No new facilities licensed under the
21 Specialized Mental Health Rehabilitation Act of 2013 shall be
22 established after June 16, 2014 (the effective date of Public
23 Act 98-651) except in connection with the relocation of an
24 existing facility to a new location. An application for a new
25 location shall not be approved unless there are adequate
26 community services accessible to the consumers within a

1 reasonable distance, or by use of public transportation, so as
2 to facilitate the goal of achieving maximum individual
3 self-care and independence. At no time shall the total number
4 of authorized beds under this Act in facilities licensed under
5 the Specialized Mental Health Rehabilitation Act of 2013 exceed
6 the number of authorized beds on June 16, 2014 (the effective
7 date of Public Act 98-651).

8 (18) Adopt rules to implement the requirements of Section
9 8b of the University of Illinois Hospital Act and Section 6.14h
10 of the Hospital Licensing Act.

11 (Source: P.A. 98-414, eff. 1-1-14; 98-463, eff. 8-16-13;
12 98-651, eff. 6-16-14; 98-1086, eff. 8-26-14; 99-78, eff.
13 7-20-15; 99-114, eff. 7-23-15; 99-180, eff. 7-29-15; 99-277,
14 eff. 8-5-15; revised 10-15-15.)

15 Section 10. The University of Illinois Hospital Act is
16 amended by adding Section 8b as follows:

17 (110 ILCS 330/8b new)

18 Sec. 8b. Supplier diversity goals.

19 (a) The public policy of this State is to collaboratively
20 work with hospitals that serve Illinois residents to improve
21 their supplier diversity in a non-antagonistic manner.

22 (b) The Health Facilities and Services Review Board shall
23 require the University of Illinois Hospital to submit an annual
24 report by April 15, 2017 and every April 15 thereafter, in a

1 searchable Adobe PDF format, on all procurement goals and
2 actual spending for female-owned, minority-owned,
3 veteran-owned, and small business enterprises in the previous
4 calendar year. These goals shall be expressed as a percentage
5 of the total work performed by the entity submitting the
6 report, and the actual spending for all female-owned,
7 minority-owned, veteran-owned, and small business enterprises
8 shall also be expressed as a percentage of the total work
9 performed by the entity submitting the report.

10 (c) The University of Illinois Hospital in its annual
11 report shall include the following information:

12 (1) an explanation of the plan for the next year to
13 increase participation;

14 (2) an explanation of the plan to increase the goals;

15 (3) the areas of procurement that the University of
16 Illinois Hospital shall be actively seeking more
17 participation in in the next year;

18 (4) an outline of the plan to alert and encourage
19 potential vendors in that area to seek business from the
20 University of Illinois Hospital;

21 (5) an explanation of the challenges faced in finding
22 quality vendors and offer any suggestions for what the
23 Health Facilities and Services Review Board could do to be
24 helpful to identify those vendors;

25 (6) a list of the certifications the University of
26 Illinois Hospital recognizes;

1 (7) the point of contact for any potential vendor who
2 wishes to do business with the University of Illinois
3 Hospital and explain the process for a vendor to enroll
4 with the University of Illinois Hospital as a
5 minority-owned, women-owned, or veteran-owned company; and

6 (8) any particular success stories to encourage other
7 hospitals to emulate best practices.

8 (d) Each annual report shall include the rules,
9 regulations, and definitions used for the procurement goals in
10 the University of Illinois Hospital's annual report.

11 (e) The University of Illinois Hospital shall participate
12 in the annual workshop described in subsection (e) of Section
13 6.14h of the Hospital Licensing Act. The Health Facilities and
14 Services Review Board shall publish a database on its website
15 of the point of contact for the University of Illinois Hospital
16 for supplier diversity, along with a list of certifications the
17 University of Illinois Hospital recognizes from the
18 information submitted in each annual report. The Health
19 Facilities and Services Review Board shall publish each annual
20 report on its website and shall maintain each annual report for
21 at least 5 years.

22 Section 15. The Hospital Licensing Act is amended by adding
23 Section 6.14h as follows:

24 (210 ILCS 85/6.14h new)

1 Sec. 6.14h. Supplier diversity goals.

2 (a) The public policy of this State is to collaboratively
3 work with hospitals that serve Illinois residents to improve
4 their supplier diversity in a non-antagonistic manner.

5 (b) The Health Facilities and Services Review Board shall
6 require all participating hospitals under the Health
7 Facilities and Services Review Board's authority to submit an
8 annual report by April 15, 2017 and every April 15 thereafter,
9 in a searchable Adobe PDF format, on all procurement goals and
10 actual spending for female-owned, minority-owned,
11 veteran-owned, and small business enterprises in the previous
12 calendar year. These goals shall be expressed as a percentage
13 of the total work performed by the participating hospital
14 submitting the report, and the actual spending for all
15 female-owned, minority-owned, veteran-owned, and small
16 business enterprises shall also be expressed as a percentage of
17 the total work performed by the entity submitting the report.

18 (c) Each participating hospital in its annual report shall
19 include the following information:

20 (1) an explanation of the plan for the next year to
21 increase participation;

22 (2) an explanation of the plan to increase the goals;

23 (3) the areas of procurement that the participating
24 hospital shall be actively seeking more participation in in
25 the next year;

26 (4) an outline of the plan to alert and encourage

1 potential vendors in that area to seek business from the
2 participating hospital;

3 (5) an explanation of the challenges faced in finding
4 quality vendors and offer any suggestions for what the
5 Health Facilities and Services Review Board could do to be
6 helpful to identify those vendors;

7 (6) a list of the certifications the participating
8 hospital recognizes;

9 (7) the point of contact for any potential vendor who
10 wishes to do business with the participating hospital and
11 explain the process for a vendor to enroll with the
12 participating hospital as a minority-owned, women-owned,
13 or veteran-owned company; and

14 (8) any particular success stories to encourage other
15 hospitals to emulate best practices.

16 (d) Each annual report shall include the rules,
17 regulations, and definitions used for the procurement goals in
18 the participating hospital's annual report.

19 (e) The Health Facilities and Services Review Board, the
20 University of Illinois Hospital, and all participating
21 hospitals shall hold an annual workshop open to the public in
22 2016 and every year thereafter on the state of supplier
23 diversity to collaboratively seek solutions to structural
24 impediments to achieving stated goals, including testimony
25 from each participating hospital as well as subject matter
26 experts and advocates. The Health Facilities and Services

1 Review Board shall publish a database on its website of the
2 point of contact for each participating hospital for supplier
3 diversity, along with a list of certifications each
4 participating hospital recognizes from the information
5 submitted in each annual report. The Health Facilities and
6 Services Review Board shall publish each annual report on its
7 website and shall maintain each annual report for at least 5
8 years.

9 (f) For the purposes of this Section, "participating
10 hospital" means a hospital that has more than 50 beds.

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