



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4521

by Rep. Jim Durkin

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 100/5-45

from Ch. 127, par. 1005-45

305 ILCS 5/5A-10

from Ch. 23, par. 5A-10

30 ILCS 805/8.40 new

Creates the Unbalanced Budget Response Act. Provides authority and procedures for the Governor to establish contingency reserves of previously appropriated funds, and to transfer balances between special funds in the State treasury and the General Revenue Fund. Describes the agencies and programs subject to this authority. Provides that designated agencies may adopt emergency rules to carry out the purposes of the Act. Defines terms. Provides that the Act is repealed on July 1, 2017. Amends the Illinois Administrative Procedure Act to make conforming changes. Amends the Illinois Public Aid Code. Adds actions taken under the Unbalanced Budget Response Act to a Section relating to applicability. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB099 19744 JWD 44423 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning finance.

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

4 Section 1. Short title. This Act may be cited as the
5 Unbalanced Budget Response Act.

6 Section 5. Legislative intent. The State is currently
7 confronted with an unprecedented fiscal crisis. Although the
8 Constitution of the State of Illinois requires that spending
9 not exceed available revenues, the State is currently spending
10 in excess of estimated revenues during fiscal year 2016, which
11 is significantly increasing the backlog of unpaid bills.
12 Without substantial corrective action taken by the General
13 Assembly, the fiscal year 2017 budget will also be unbalanced.
14 This Act is to be liberally construed and interpreted in a
15 manner that allows the State to address the fiscal crisis for
16 fiscal years 2016 and 2017.

17 Section 10. Definitions. As used in this Act, "agency"
18 includes all officers, boards, commissions, departments, and
19 agencies of the executive branch of the State government
20 created by the Constitution, statute, or Executive Order,
21 including, but not limited to, public institutions of higher
22 education (as defined in the Board of Higher Education Act).

1 "Agency" shall not include the State Board of Education, the
2 State Board of Elections, the Attorney General, the Secretary
3 of State, the Comptroller, or the Treasurer.

4 Section 15. Designation of contingency reserves. For the
5 purposes of balancing the State's budget, the Governor may
6 designate, by written notice to the Comptroller, a contingency
7 reserve from the amounts appropriated from general funds held
8 by the Treasurer for State's fiscal years 2016 and 2017 to any
9 agency; provided, however, that the Governor may not designate
10 amounts to be set aside as a contingency reserve from amounts
11 that (i) have been appropriated for payment of debt service,
12 (ii) have been set aside by the State retirement systems
13 governed by Articles 2, 14, 15, 16, or 18 of the Illinois
14 Pension Code to pay benefits and administrative costs and as
15 invested assets.

16 Section 20. Fund transfers. Notwithstanding any other
17 provision of law, for the State's fiscal years 2016 and 2017:

18 (a) at the direction of and upon notification from the
19 Governor, the Comptroller shall direct and the Treasurer shall
20 transfer an amount specified by the Governor from any fund held
21 by the Treasurer to any general fund held by the Treasurer;
22 provided, however, that no transfer may be made out of: (i) any
23 federal trust fund; (ii) any amount set aside for payment of
24 debt service; (iii) any amount set aside for the State

1 retirement systems governed by Articles 2, 14, 15, 16, or 18 of
2 the Illinois Pension Code; (iv) any fund designated for use
3 exclusively by the legislative branch or the judicial branch,
4 or any official or agency of the foregoing branches, or by the
5 State Board of Elections or the State Board of Education; (v)
6 any State fund designated for use exclusively by the Attorney
7 General, the Secretary of State, the Comptroller, or the
8 Treasurer without the written authorization from such
9 official; or (vi) the Road Fund; and

10 (b) the Governor, by written notice to the Comptroller, may
11 modify statutory transfers out of general funds held by the
12 Treasurer, and the Comptroller and the Treasurer shall give
13 effect to any such modification; provided, however, that no
14 modification may be made to statutory transfers out of a
15 general fund (i) for payment of debt service, (ii) which are
16 set aside for the State retirement systems governed by Articles
17 2, 14, 15, 16, or 18 of the Illinois Pension Code, (iii) to
18 special funds held by the Treasurer designated for use
19 exclusively by, the legislative branch, the judicial branch, or
20 any official or agency of the foregoing branches, (iv) special
21 funds held by the Treasurer designated for use exclusively by
22 the State Board of Elections or the State Board of Education,
23 or (v) to special funds held by the Treasurer designated for
24 use exclusively by the Attorney General, the Secretary of
25 State, the Comptroller, or the Treasurer without the written
26 authorization from such official.

1 No transfer made pursuant to this Section may reduce the
2 cumulative balance of all of the funds held by the Treasurer to
3 an amount less than the total debt service payable during the
4 12 months immediately following the date of the transfer on any
5 bonded indebtedness of the State and any certificates issued
6 under the Short Term Borrowing Act. When any of the funds from
7 which moneys have been transferred under this Section have
8 insufficient cash from which the State Comptroller may make
9 expenditures properly supported by appropriations from the
10 fund, then the State Treasurer and State Comptroller shall
11 transfer from the General Revenue Fund to the fund such amount
12 as is immediately necessary to satisfy outstanding expenditure
13 obligations on a timely basis, subject to the provisions of the
14 State Prompt Payment Act. If the Director of the Governor's
15 Office of Management and Budget determines that any transfer to
16 the general funds from any of the funds from which moneys have
17 been transferred under this Section either (i) jeopardizes
18 federal funding based on a written communication from a federal
19 official or (ii) violates an order of a court of competent
20 jurisdiction, then the Director may order the State Treasurer
21 and State Comptroller, in writing, to transfer from the General
22 Revenue Fund to that fund all or part of the amounts
23 transferred from that fund under this Section.

24 Section 25. Payment rate modifications. Notwithstanding
25 any other provision of law, for the State's fiscal years 2016

1 and 2017, the Governor may modify any rate for payments made by
2 an agency to providers of services.

3 Section 30. Limitations; notice.

4 (a) The sum of contingency reserves designated pursuant to
5 Section 15, transfers made pursuant to subsection (a) of
6 Section 20, modifications to transfers pursuant to subsection
7 (b) of Section 20, and savings to be realized by the State due
8 to payment rate modifications pursuant to Section 25, shall not
9 exceed for each fiscal year the amount by which total State
10 spending for that fiscal year is estimated to exceed available
11 revenues for that fiscal year, as determined by the Governor's
12 Office of Management and Budget.

13 (b) The Governor shall provide notice of each contingency
14 reserve designated pursuant to Section 15, transfer made
15 pursuant to subsection (a) of Section 20, modification to
16 transfers pursuant to subsection (b) of Section 20, and payment
17 rate modification pursuant to Section 25 within 10 business
18 days to the Clerk of the House of Representatives, the
19 Secretary of the Senate, the Commission on Government
20 Forecasting and Accountability, the State Comptroller, and the
21 State Treasurer. A copy of such notices, or a cumulative
22 summary of the actions taken, shall be posted on a public
23 website maintained by the State.

24 Section 40. Emergency rules. Notwithstanding any other

1 provision of law, the Department on Aging, the Department of
2 Children and Family Services, the Department of Healthcare and
3 Family Services, the Department of Human Services, and the
4 Department of Public Health may each adopt emergency rules
5 pursuant to subsection (v) of Section 5-45 of the Illinois
6 Administrative Procedure Act to limit, reduce, or adjust
7 services, payment rates, expenditures, transfers of funds, and
8 eligibility criteria, to the extent permitted by federal law,
9 as necessary to implement (i) the State's fiscal years 2016 and
10 2017 budgets, (ii) any contingency reserves designated by the
11 Governor pursuant to Section 15, (iii) any transfer of balances
12 or modification of statutory transfers pursuant to Section 20
13 affecting State funds designated for use by the agency, or (iv)
14 modifications made by the Governor pursuant to Section 25. The
15 effectiveness of any such emergency rule, and any such
16 adjustment, reduction, or limitation made pursuant thereto,
17 shall expire on July 1, 2017. Nothing in this Section shall
18 require rulemaking if the limitation, reduction, or adjustment
19 would otherwise be within the authority of the agency without
20 rulemaking.

21 Section 45. Repeal. This Act is repealed on July 1, 2017.

22 Section 105. The Illinois Administrative Procedure Act is
23 amended by changing Section 5-45 as follows:

1 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

2 Sec. 5-45. Emergency rulemaking.

3 (a) "Emergency" means the existence of any situation that
4 any agency finds reasonably constitutes a threat to the public
5 interest, safety, or welfare.

6 (b) If any agency finds that an emergency exists that
7 requires adoption of a rule upon fewer days than is required by
8 Section 5-40 and states in writing its reasons for that
9 finding, the agency may adopt an emergency rule without prior
10 notice or hearing upon filing a notice of emergency rulemaking
11 with the Secretary of State under Section 5-70. The notice
12 shall include the text of the emergency rule and shall be
13 published in the Illinois Register. Consent orders or other
14 court orders adopting settlements negotiated by an agency may
15 be adopted under this Section. Subject to applicable
16 constitutional or statutory provisions, an emergency rule
17 becomes effective immediately upon filing under Section 5-65 or
18 at a stated date less than 10 days thereafter. The agency's
19 finding and a statement of the specific reasons for the finding
20 shall be filed with the rule. The agency shall take reasonable
21 and appropriate measures to make emergency rules known to the
22 persons who may be affected by them.

23 (c) An emergency rule may be effective for a period of not
24 longer than 150 days, but the agency's authority to adopt an
25 identical rule under Section 5-40 is not precluded. No
26 emergency rule may be adopted more than once in any 24 month

1 period, except that this limitation on the number of emergency
2 rules that may be adopted in a 24 month period does not apply
3 to (i) emergency rules that make additions to and deletions
4 from the Drug Manual under Section 5-5.16 of the Illinois
5 Public Aid Code or the generic drug formulary under Section
6 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
7 emergency rules adopted by the Pollution Control Board before
8 July 1, 1997 to implement portions of the Livestock Management
9 Facilities Act, (iii) emergency rules adopted by the Illinois
10 Department of Public Health under subsections (a) through (i)
11 of Section 2 of the Department of Public Health Act when
12 necessary to protect the public's health, (iv) emergency rules
13 adopted pursuant to subsection (n) of this Section, (v)
14 emergency rules adopted pursuant to subsection (o) of this
15 Section, ~~or~~ (vi) emergency rules adopted pursuant to subsection
16 (c-5) of this Section, or (vii) emergency rules adopted
17 pursuant to subsection (v) of this Section. Two or more
18 emergency rules having substantially the same purpose and
19 effect shall be deemed to be a single rule for purposes of this
20 Section.

21 (c-5) To facilitate the maintenance of the program of group
22 health benefits provided to annuitants, survivors, and retired
23 employees under the State Employees Group Insurance Act of
24 1971, rules to alter the contributions to be paid by the State,
25 annuitants, survivors, retired employees, or any combination
26 of those entities, for that program of group health benefits,

1 shall be adopted as emergency rules. The adoption of those
2 rules shall be considered an emergency and necessary for the
3 public interest, safety, and welfare.

4 (d) In order to provide for the expeditious and timely
5 implementation of the State's fiscal year 1999 budget,
6 emergency rules to implement any provision of Public Act 90-587
7 or 90-588 or any other budget initiative for fiscal year 1999
8 may be adopted in accordance with this Section by the agency
9 charged with administering that provision or initiative,
10 except that the 24-month limitation on the adoption of
11 emergency rules and the provisions of Sections 5-115 and 5-125
12 do not apply to rules adopted under this subsection (d). The
13 adoption of emergency rules authorized by this subsection (d)
14 shall be deemed to be necessary for the public interest,
15 safety, and welfare.

16 (e) In order to provide for the expeditious and timely
17 implementation of the State's fiscal year 2000 budget,
18 emergency rules to implement any provision of Public Act 91-24
19 ~~this amendatory Act of the 91st General Assembly~~ or any other
20 budget initiative for fiscal year 2000 may be adopted in
21 accordance with this Section by the agency charged with
22 administering that provision or initiative, except that the
23 24-month limitation on the adoption of emergency rules and the
24 provisions of Sections 5-115 and 5-125 do not apply to rules
25 adopted under this subsection (e). The adoption of emergency
26 rules authorized by this subsection (e) shall be deemed to be

1 necessary for the public interest, safety, and welfare.

2 (f) In order to provide for the expeditious and timely
3 implementation of the State's fiscal year 2001 budget,
4 emergency rules to implement any provision of Public Act 91-712
5 ~~this amendatory Act of the 91st General Assembly~~ or any other
6 budget initiative for fiscal year 2001 may be adopted in
7 accordance with this Section by the agency charged with
8 administering that provision or initiative, except that the
9 24-month limitation on the adoption of emergency rules and the
10 provisions of Sections 5-115 and 5-125 do not apply to rules
11 adopted under this subsection (f). The adoption of emergency
12 rules authorized by this subsection (f) shall be deemed to be
13 necessary for the public interest, safety, and welfare.

14 (g) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 2002 budget,
16 emergency rules to implement any provision of Public Act 92-10
17 ~~this amendatory Act of the 92nd General Assembly~~ or any other
18 budget initiative for fiscal year 2002 may be adopted in
19 accordance with this Section by the agency charged with
20 administering that provision or initiative, except that the
21 24-month limitation on the adoption of emergency rules and the
22 provisions of Sections 5-115 and 5-125 do not apply to rules
23 adopted under this subsection (g). The adoption of emergency
24 rules authorized by this subsection (g) shall be deemed to be
25 necessary for the public interest, safety, and welfare.

26 (h) In order to provide for the expeditious and timely

1 implementation of the State's fiscal year 2003 budget,
2 emergency rules to implement any provision of Public Act 92-597
3 ~~this amendatory Act of the 92nd General Assembly~~ or any other
4 budget initiative for fiscal year 2003 may be adopted in
5 accordance with this Section by the agency charged with
6 administering that provision or initiative, except that the
7 24-month limitation on the adoption of emergency rules and the
8 provisions of Sections 5-115 and 5-125 do not apply to rules
9 adopted under this subsection (h). The adoption of emergency
10 rules authorized by this subsection (h) shall be deemed to be
11 necessary for the public interest, safety, and welfare.

12 (i) In order to provide for the expeditious and timely
13 implementation of the State's fiscal year 2004 budget,
14 emergency rules to implement any provision of Public Act 93-20
15 ~~this amendatory Act of the 93rd General Assembly~~ or any other
16 budget initiative for fiscal year 2004 may be adopted in
17 accordance with this Section by the agency charged with
18 administering that provision or initiative, except that the
19 24-month limitation on the adoption of emergency rules and the
20 provisions of Sections 5-115 and 5-125 do not apply to rules
21 adopted under this subsection (i). The adoption of emergency
22 rules authorized by this subsection (i) shall be deemed to be
23 necessary for the public interest, safety, and welfare.

24 (j) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2005 budget as provided under the Fiscal Year 2005 Budget

1 Implementation (Human Services) Act, emergency rules to
2 implement any provision of the Fiscal Year 2005 Budget
3 Implementation (Human Services) Act may be adopted in
4 accordance with this Section by the agency charged with
5 administering that provision, except that the 24-month
6 limitation on the adoption of emergency rules and the
7 provisions of Sections 5-115 and 5-125 do not apply to rules
8 adopted under this subsection (j). The Department of Public Aid
9 may also adopt rules under this subsection (j) necessary to
10 administer the Illinois Public Aid Code and the Children's
11 Health Insurance Program Act. The adoption of emergency rules
12 authorized by this subsection (j) shall be deemed to be
13 necessary for the public interest, safety, and welfare.

14 (k) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2006 budget, emergency rules to implement any provision of
17 Public Act 94-48 ~~this amendatory Act of the 94th General~~
18 ~~Assembly~~ or any other budget initiative for fiscal year 2006
19 may be adopted in accordance with this Section by the agency
20 charged with administering that provision or initiative,
21 except that the 24-month limitation on the adoption of
22 emergency rules and the provisions of Sections 5-115 and 5-125
23 do not apply to rules adopted under this subsection (k). The
24 Department of Healthcare and Family Services may also adopt
25 rules under this subsection (k) necessary to administer the
26 Illinois Public Aid Code, the Senior Citizens and Persons with

1 Disabilities Property Tax Relief Act, the Senior Citizens and
2 Disabled Persons Prescription Drug Discount Program Act (now
3 the Illinois Prescription Drug Discount Program Act), and the
4 Children's Health Insurance Program Act. The adoption of
5 emergency rules authorized by this subsection (k) shall be
6 deemed to be necessary for the public interest, safety, and
7 welfare.

8 (l) In order to provide for the expeditious and timely
9 implementation of the provisions of the State's fiscal year
10 2007 budget, the Department of Healthcare and Family Services
11 may adopt emergency rules during fiscal year 2007, including
12 rules effective July 1, 2007, in accordance with this
13 subsection to the extent necessary to administer the
14 Department's responsibilities with respect to amendments to
15 the State plans and Illinois waivers approved by the federal
16 Centers for Medicare and Medicaid Services necessitated by the
17 requirements of Title XIX and Title XXI of the federal Social
18 Security Act. The adoption of emergency rules authorized by
19 this subsection (l) shall be deemed to be necessary for the
20 public interest, safety, and welfare.

21 (m) In order to provide for the expeditious and timely
22 implementation of the provisions of the State's fiscal year
23 2008 budget, the Department of Healthcare and Family Services
24 may adopt emergency rules during fiscal year 2008, including
25 rules effective July 1, 2008, in accordance with this
26 subsection to the extent necessary to administer the

1 Department's responsibilities with respect to amendments to
2 the State plans and Illinois waivers approved by the federal
3 Centers for Medicare and Medicaid Services necessitated by the
4 requirements of Title XIX and Title XXI of the federal Social
5 Security Act. The adoption of emergency rules authorized by
6 this subsection (m) shall be deemed to be necessary for the
7 public interest, safety, and welfare.

8 (n) In order to provide for the expeditious and timely
9 implementation of the provisions of the State's fiscal year
10 2010 budget, emergency rules to implement any provision of
11 Public Act 96-45 ~~this amendatory Act of the 96th General~~
12 ~~Assembly~~ or any other budget initiative authorized by the 96th
13 General Assembly for fiscal year 2010 may be adopted in
14 accordance with this Section by the agency charged with
15 administering that provision or initiative. The adoption of
16 emergency rules authorized by this subsection (n) shall be
17 deemed to be necessary for the public interest, safety, and
18 welfare. The rulemaking authority granted in this subsection
19 (n) shall apply only to rules promulgated during Fiscal Year
20 2010.

21 (o) In order to provide for the expeditious and timely
22 implementation of the provisions of the State's fiscal year
23 2011 budget, emergency rules to implement any provision of
24 Public Act 96-958 ~~this amendatory Act of the 96th General~~
25 ~~Assembly~~ or any other budget initiative authorized by the 96th
26 General Assembly for fiscal year 2011 may be adopted in

1 accordance with this Section by the agency charged with
2 administering that provision or initiative. The adoption of
3 emergency rules authorized by this subsection (o) is deemed to
4 be necessary for the public interest, safety, and welfare. The
5 rulemaking authority granted in this subsection (o) applies
6 only to rules promulgated on or after the effective date of
7 Public Act 96-958 ~~this amendatory Act of the 96th General~~
8 ~~Assembly~~ through June 30, 2011.

9 (p) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 97-689,
11 emergency rules to implement any provision of Public Act 97-689
12 may be adopted in accordance with this subsection (p) by the
13 agency charged with administering that provision or
14 initiative. The 150-day limitation of the effective period of
15 emergency rules does not apply to rules adopted under this
16 subsection (p), and the effective period may continue through
17 June 30, 2013. The 24-month limitation on the adoption of
18 emergency rules does not apply to rules adopted under this
19 subsection (p). The adoption of emergency rules authorized by
20 this subsection (p) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (q) In order to provide for the expeditious and timely
23 implementation of the provisions of Articles 7, 8, 9, 11, and
24 12 of Public Act 98-104 ~~this amendatory Act of the 98th General~~
25 ~~Assembly~~, emergency rules to implement any provision of
26 Articles 7, 8, 9, 11, and 12 of Public Act 98-104 ~~this~~

1 ~~amendatory Act of the 98th General Assembly~~ may be adopted in
2 accordance with this subsection (q) by the agency charged with
3 administering that provision or initiative. The 24-month
4 limitation on the adoption of emergency rules does not apply to
5 rules adopted under this subsection (q). The adoption of
6 emergency rules authorized by this subsection (q) is deemed to
7 be necessary for the public interest, safety, and welfare.

8 (r) In order to provide for the expeditious and timely
9 implementation of the provisions of Public Act 98-651 ~~this~~
10 ~~amendatory Act of the 98th General Assembly~~, emergency rules to
11 implement Public Act 98-651 ~~this amendatory Act of the 98th~~
12 ~~General Assembly~~ may be adopted in accordance with this
13 subsection (r) by the Department of Healthcare and Family
14 Services. The 24-month limitation on the adoption of emergency
15 rules does not apply to rules adopted under this subsection
16 (r). The adoption of emergency rules authorized by this
17 subsection (r) is deemed to be necessary for the public
18 interest, safety, and welfare.

19 (s) In order to provide for the expeditious and timely
20 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
21 the Illinois Public Aid Code, emergency rules to implement any
22 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
23 Public Aid Code may be adopted in accordance with this
24 subsection (s) by the Department of Healthcare and Family
25 Services. The rulemaking authority granted in this subsection
26 (s) shall apply only to those rules adopted prior to July 1,

1 2015. Notwithstanding any other provision of this Section, any
2 emergency rule adopted under this subsection (s) shall only
3 apply to payments made for State fiscal year 2015. The adoption
4 of emergency rules authorized by this subsection (s) is deemed
5 to be necessary for the public interest, safety, and welfare.

6 (t) In order to provide for the expeditious and timely
7 implementation of the provisions of Article II of Public Act
8 99-6 ~~this amendatory Act of the 99th General Assembly,~~
9 emergency rules to implement the changes made by Article II of
10 Public Act 99-6 ~~this amendatory Act of the 99th General~~
11 ~~Assembly~~ to the Emergency Telephone System Act may be adopted
12 in accordance with this subsection (t) by the Department of
13 State Police. The rulemaking authority granted in this
14 subsection (t) shall apply only to those rules adopted prior to
15 July 1, 2016. The 24-month limitation on the adoption of
16 emergency rules does not apply to rules adopted under this
17 subsection (t). The adoption of emergency rules authorized by
18 this subsection (t) is deemed to be necessary for the public
19 interest, safety, and welfare.

20 (u) ~~(t)~~ In order to provide for the expeditious and timely
21 implementation of the provisions of the Burn Victims Relief
22 Act, emergency rules to implement any provision of the Act may
23 be adopted in accordance with this subsection (u) ~~(t)~~ by the
24 Department of Insurance. The rulemaking authority granted in
25 this subsection (u) ~~(t)~~ shall apply only to those rules adopted
26 prior to December 31, 2015. The adoption of emergency rules

1 authorized by this subsection (u) ~~(t)~~ is deemed to be necessary
2 for the public interest, safety, and welfare.

3 (v) In order to provide for the expeditious and timely
4 implementation of the provisions of the State's budget for
5 fiscal years 2016 and 2017, emergency rules to implement any
6 provision of this amendatory Act of the 99th General Assembly
7 may be adopted in accordance with this Section by each agency
8 named in Section 40 of the Unbalanced Budget Response Act. The
9 adoption of emergency rules authorized by this subsection (v)
10 shall be deemed to be necessary for the public interest,
11 safety, and welfare. The rulemaking authority granted in this
12 subsection (v) shall apply only to rules adopted prior to July
13 1, 2017. Notwithstanding any other provision of this Section,
14 any emergency rule adopted pursuant to this subsection (v)
15 shall expire on July 1, 2017.

16 (Source: P.A. 98-104, eff. 7-22-13; 98-463, eff. 8-16-13;
17 98-651, eff. 6-16-14; 99-2, eff. 3-26-15; 99-6, eff. 1-1-16;
18 99-143, eff. 7-27-15; 99-455, eff. 1-1-16; revised 10-15-15.)

19 Section 110. The Illinois Public Aid Code is amended by
20 changing Section 5A-10 as follows:

21 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

22 Sec. 5A-10. Applicability.

23 (a) The assessment imposed by subsection (a) of Section
24 5A-2 shall cease to be imposed and the Department's obligation

1 to make payments shall immediately cease, and any moneys
2 remaining in the Fund shall be refunded to hospital providers
3 in proportion to the amounts paid by them, if:

4 (1) The payments to hospitals required under this
5 Article are not eligible for federal matching funds under
6 Title XIX or XXI of the Social Security Act;

7 (2) For State fiscal years 2009 through 2018, the
8 Department of Healthcare and Family Services adopts any
9 administrative rule change to reduce payment rates or
10 alters any payment methodology that reduces any payment
11 rates made to operating hospitals under the approved Title
12 XIX or Title XXI State plan in effect January 1, 2008
13 except for:

14 (A) any changes for hospitals described in
15 subsection (b) of Section 5A-3;

16 (B) any rates for payments made under this Article
17 V-A;

18 (C) any changes proposed in State plan amendment
19 transmittal numbers 08-01, 08-02, 08-04, 08-06, and
20 08-07;

21 (D) in relation to any admissions on or after
22 January 1, 2011, a modification in the methodology for
23 calculating outlier payments to hospitals for
24 exceptionally costly stays, for hospitals reimbursed
25 under the diagnosis-related grouping methodology in
26 effect on July 1, 2011; provided that the Department

1 shall be limited to one such modification during the
2 36-month period after the effective date of this
3 amendatory Act of the 96th General Assembly;

4 (E) any changes affecting hospitals authorized by
5 Public Act 97-689;

6 (F) any changes authorized by Section 14-12 of this
7 Code, or for any changes authorized under Section 5A-15
8 of this Code; ~~or~~

9 (G) any changes authorized under Section 5-5b.1;
10 or -

11 (H) any changes authorized under the Unbalanced
12 Budget Response Act.

13 (b) The assessment imposed by Section 5A-2 shall not take
14 effect or shall cease to be imposed, and the Department's
15 obligation to make payments shall immediately cease, if the
16 assessment is determined to be an impermissible tax under Title
17 XIX of the Social Security Act. Moneys in the Hospital Provider
18 Fund derived from assessments imposed prior thereto shall be
19 disbursed in accordance with Section 5A-8 to the extent federal
20 financial participation is not reduced due to the
21 impermissibility of the assessments, and any remaining moneys
22 shall be refunded to hospital providers in proportion to the
23 amounts paid by them.

24 (c) The assessments imposed by subsection (b-5) of Section
25 5A-2 shall not take effect or shall cease to be imposed, the
26 Department's obligation to make payments shall immediately

1 cease, and any moneys remaining in the Fund shall be refunded
2 to hospital providers in proportion to the amounts paid by
3 them, if the payments to hospitals required under Section
4 5A-12.4 are not eligible for federal matching funds under Title
5 XIX of the Social Security Act.

6 (d) The assessments imposed by Section 5A-2 shall not take
7 effect or shall cease to be imposed, the Department's
8 obligation to make payments shall immediately cease, and any
9 moneys remaining in the Fund shall be refunded to hospital
10 providers in proportion to the amounts paid by them, if:

11 (1) for State fiscal years 2013 through 2018, the
12 Department reduces any payment rates to hospitals as in
13 effect on May 1, 2012, or alters any payment methodology as
14 in effect on May 1, 2012, that has the effect of reducing
15 payment rates to hospitals, except for any changes
16 affecting hospitals authorized in Public Act 97-689 and any
17 changes authorized by Section 14-12 of this Code, ~~and~~
18 except for any changes authorized under Section 5A-15, ~~and~~
19 except for any changes authorized under Section 5-5b.1, and
20 except for any changes authorized under the Unbalanced
21 Budget Response Act;

22 (2) for State fiscal years 2013 through 2018, the
23 Department reduces any supplemental payments made to
24 hospitals below the amounts paid for services provided in
25 State fiscal year 2011 as implemented by administrative
26 rules adopted and in effect on or prior to June 30, 2011,

1 except for any changes affecting hospitals authorized in
2 Public Act 97-689 and any changes authorized by Section
3 14-12 of this Code, ~~and~~ except for any changes authorized
4 under Section 5A-15, ~~and~~ except for any changes authorized
5 under Section 5-5b.1, and except for any changes authorized
6 under the Unbalanced Budget Response Act; or

7 (3) for State fiscal years 2015 through 2018, the
8 Department reduces the overall effective rate of
9 reimbursement to hospitals below the level authorized
10 under Section 14-12 of this Code, except for any changes
11 under Section 14-12 or Section 5A-15 of this Code, ~~and~~
12 except for any changes authorized under Section 5-5b.1, and
13 except for any changes authorized under the Unbalanced
14 Budget Response Act.

15 (Source: P.A. 98-463, eff. 8-16-13; 98-651, eff. 6-16-14; 99-2,
16 eff. 3-26-15.)

17 Section 115. The State Mandates Act is amended by adding
18 Section 8.40 as follows:

19 (30 ILCS 805/8.40 new)

20 Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8
21 of this Act, no reimbursement by the State is required for the
22 implementation of any mandate created by this amendatory Act of
23 the 99th General Assembly.

24 Section 999. Effective date. This Act takes effect upon

1 becoming law.