



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4964

Introduced 2/5/2016, by Rep. Litesa E. Wallace

SYNOPSIS AS INTRODUCED:

20 ILCS 3960/8.5

Amends the Illinois Health Facilities Planning Act. Requires the State Board to publish legal notice for change of ownership of a health care facility, discontinuation of a health care facility, or discontinuation of a category of service on 5 consecutive days (rather than one day or 3 consecutive days) in a newspaper of general circulation in the area or community to be affected. Provides that upon a finding that an application to close a health care facility is complete, the State Board shall hold a hearing (rather than merely afford an opportunity to request a hearing). Provides that upon a finding that an application to discontinue a category of service is complete, the State Board shall hold a public hearing before an exemption is issued. Makes conforming changes. Effective immediately.

LRB099 19300 RJF 43692 b

1 AN ACT concerning State government.

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 8.5 as follows:

6 (20 ILCS 3960/8.5)

7 (Section scheduled to be repealed on December 31, 2019)

8 Sec. 8.5. Certificate of exemption for change of ownership
9 of a health care facility; discontinuation of a health care
10 facility or category of service; public notice and public
11 hearing.

12 (a) Upon a finding that an application for a change of
13 ownership is complete, the State Board shall publish a legal
14 notice on 5 consecutive days ~~one day~~ in a newspaper of general
15 circulation in the area or community to be affected and afford
16 the public an opportunity to request a hearing. If the
17 application is for a facility located in a Metropolitan
18 Statistical Area, an additional legal notice shall be published
19 in a newspaper of limited circulation, if one exists, in the
20 area in which the facility is located. If the newspaper of
21 limited circulation is published on a daily basis, the
22 additional legal notice shall be published on 5 consecutive
23 days ~~one day~~. The applicant shall pay the cost incurred by the

1 Board in publishing the change of ownership notice in
2 newspapers as required under this subsection. The legal notice
3 shall also be posted on the Health Facilities and Services
4 Review Board's web site and sent to the State Representative
5 and State Senator of the district in which the health care
6 facility is located. An application for change of ownership of
7 a hospital shall not be deemed complete without a signed
8 certification that for a period of 2 years after the change of
9 ownership transaction is effective, the hospital will not adopt
10 a charity care policy that is more restrictive than the policy
11 in effect during the year prior to the transaction. An
12 application for a change of ownership need not contain signed
13 transaction documents so long as it includes the following key
14 terms of the transaction: names and background of the parties;
15 structure of the transaction; the person who will be the
16 licensed or certified entity after the transaction; the
17 ownership or membership interests in such licensed or certified
18 entity both prior to and after the transaction; fair market
19 value of assets to be transferred; and the purchase price or
20 other form of consideration to be provided for those assets.
21 The issuance of the certificate of exemption shall be
22 contingent upon the applicant submitting a statement to the
23 Board within 90 days after the closing date of the transaction,
24 or such longer period as provided by the Board, certifying that
25 the change of ownership has been completed in accordance with
26 the key terms contained in the application. If such key terms

1 of the transaction change, a new application shall be required.

2 Where a change of ownership is among related persons, and
3 there are no other changes being proposed at the health care
4 facility that would otherwise require a permit or exemption
5 under this Act, the applicant shall submit an application
6 consisting of a standard notice in a form set forth by the
7 Board briefly explaining the reasons for the proposed change of
8 ownership. Once such an application is submitted to the Board
9 and reviewed by the Board staff, the Board Chair shall take
10 action on an application for an exemption for a change of
11 ownership among related persons within 45 days after the
12 application has been deemed complete, provided the application
13 meets the applicable standards under this Section. If the Board
14 Chair has a conflict of interest or for other good cause, the
15 Chair may request review by the Board. Notwithstanding any
16 other provision of this Act, for purposes of this Section, a
17 change of ownership among related persons means a transaction
18 where the parties to the transaction are under common control
19 or ownership before and after the transaction is completed.

20 Nothing in this Act shall be construed as authorizing the
21 Board to impose any conditions, obligations, or limitations,
22 other than those required by this Section, with respect to the
23 issuance of an exemption for a change of ownership, including,
24 but not limited to, the time period before which a subsequent
25 change of ownership of the health care facility could be
26 sought, or the commitment to continue to offer for a specified

1 time period any services currently offered by the health care
2 facility.

3 (a-3) Upon a finding that an application to close a health
4 care facility is complete, the State Board shall publish a
5 legal notice on 5 ~~3~~ consecutive days in a newspaper of general
6 circulation in the area or community to be affected and shall
7 hold a public ~~afford the public an opportunity to request a~~
8 hearing. If the application is for a facility located in a
9 Metropolitan Statistical Area, an additional legal notice
10 shall be published in a newspaper of limited circulation, if
11 one exists, in the area in which the facility is located. If
12 the newspaper of limited circulation is published on a daily
13 basis, the additional legal notice shall be published on 5 ~~3~~
14 consecutive days. The legal notice shall also be posted on the
15 Health Facilities and Services Review Board's web site and sent
16 to the State Representative and State Senator of the district
17 in which the health care facility is located.

18 (a-5) Upon a finding that an application to discontinue a
19 category of service is complete and provides the requested
20 information, as specified by the State Board, the State Board
21 shall publish a legal notice on 5 consecutive days in a
22 newspaper of general circulation in the area or community to be
23 affected by the discontinuation of service, and a public
24 hearing shall be held before an exemption shall be issued. If
25 the application is for discontinuation of service at a facility
26 located in a Metropolitan Statistical Area, an additional legal

1 notice shall be published in a newspaper of limited
2 circulation, if one exists, in the area in which the facility
3 is located. If the newspaper of limited circulation is
4 published on a daily basis, the additional legal notice shall
5 be published on 5 consecutive days. The legal notice shall also
6 be posted on the Health Facilities and Services Review Board's
7 web site. No later than 30 days after the issuance of the
8 exemption, the health care facility must give written notice of
9 the discontinuation of the category of service to the State
10 Senator and State Representative serving the legislative
11 district in which the health care facility is located.

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

20 (c) For the purposes of this Section "newspaper of limited
21 circulation" means a newspaper intended to serve a particular
22 or defined population of a specific geographic area within a
23 Metropolitan Statistical Area such as a municipality, town,
24 village, township, or community area, but does not include
25 publications of professional and trade associations.

26 (Source: P.A. 98-1086, eff. 8-26-14; 99-154, eff. 7-28-15.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.