



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2789

Introduced 2/17/2016, by Sen. Christine Radogno

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 Provides that the Act is repealed on July 1, 2017.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 20686 JWD 45311 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 Section 15. Designation of contingency reserves. For the
2 purposes of balancing the State's budget, the Governor may
3 designate, by written notice to the Comptroller, a contingency
4 reserve from the amounts appropriated from funds held by the
5 Treasurer for the State's fiscal years 2016 and 2017 to any
6 agency, including without limitation amounts appropriated
7 pursuant to a statutory continuing appropriation; provided,
8 however, that the Governor may not designate amounts to be set
9 aside as a contingency reserve from amounts that have been
10 appropriated for (i) payment of debt service, (ii) to the State
11 Board of Education for general State aid to the common schools
12 pursuant to Section 18-8.05 of the School Code, or (iii) to the
13 State Board of Education for grants or aid for early childhood
14 education.

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

17 (a) at the direction of and upon notification from the
18 Governor, the Comptroller shall direct and the Treasurer shall
19 transfer an amount specified by the Governor from any fund held
20 by the Treasurer to any general fund held by the Treasurer;
21 provided, however, that no transfer may be made out of: (i) any
22 federal trust fund; (ii) any amount set aside for payment of
23 debt service; (iii) amounts held in investments or cash by the
24 State retirement systems governed by Articles 2, 14, 15, 16, or

1 18 of the Illinois Pension Code; or (iv) the Road Fund; and

2 (b) the Governor, by written notice to the Comptroller, may
3 modify statutory transfers out of any fund held by the
4 Treasurer, and the Comptroller and the Treasurer shall give
5 effect to any such modification; provided, however, that no
6 modification may be made to statutory transfers out of a
7 general fund (i) for payment of debt service, or (ii) to the
8 Road Fund.

9 No transfer made pursuant to this Section may reduce the
10 cumulative balance of all of the funds held by the Treasurer to
11 an amount less than the total debt service payable during the
12 12 months immediately following the date of the transfer on any
13 bonded indebtedness of the State and any certificates issued
14 under the Short Term Borrowing Act. If the Director of the
15 Governor's Office of Management and Budget determines that any
16 transfer to the general funds from any of the funds from which
17 moneys have been transferred under this Section either (i)
18 jeopardizes federal funding based on a written communication
19 from a federal official or (ii) violates an order of a court of
20 competent jurisdiction, then the Director may order the
21 Treasurer and Comptroller, in writing, to transfer from the
22 General 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, savings to be realized by the State due to
8 payment rate modifications pursuant to Section 25, and the
9 value of payments delayed pursuant to Section 35 shall not
10 exceed for each fiscal year the amount by which total State
11 spending for that fiscal year is estimated to exceed available
12 revenues for that fiscal year, as determined by the Governor's
13 Office of Management and Budget.

14 (b) The Governor shall provide notice of each contingency
15 reserve designated pursuant to Section 15, transfer made
16 pursuant to subsection (a) of Section 20, modification to
17 transfers pursuant to subsection (b) of Section 20, payment
18 rate modification pursuant to Section 25, and direction to
19 delay payments pursuant to Section 35 within 10 business days
20 after the action is taken to the Clerk of the House of
21 Representatives, the Secretary of the Senate, the Commission on
22 Government Forecasting and Accountability, the Comptroller,
23 and the Treasurer. A copy of such notices, or a cumulative
24 summary of the actions taken, shall be posted on a public
25 website maintained by the Governor's Office of Management and

1 Budget.

2 Section 35. Delay in payments under continuing
3 appropriations. Notwithstanding any other law, payments under
4 any statutory continuing appropriation for the State's fiscal
5 years 2016 and 2017 may be delayed upon written direction of
6 the Governor to the Comptroller, provided however that the
7 Governor may not direct any delay in the payment of debt
8 service. Notwithstanding any provision of the State Finance Act
9 or other law to the contrary, any payment delayed under this
10 Section may be paid out of the next fiscal year's
11 appropriation.

12 Section 40. Emergency rules. Notwithstanding any other
13 provision of law, the Department on Aging, the Department of
14 Children and Family Services, the Department of Healthcare and
15 Family Services, the Department of Human Services, and the
16 Department of Public Health may each adopt emergency rules
17 pursuant to subsection (v) of Section 5-45 of the Illinois
18 Administrative Procedure Act to limit, reduce, or adjust
19 services, payment rates, expenditures, transfers of funds, and
20 eligibility criteria, to the extent permitted by federal law,
21 as necessary to implement (i) the State's fiscal years 2016 and
22 2017 budgets, (ii) any contingency reserves designated by the
23 Governor pursuant to Section 15, (iii) any transfer of balances
24 or modification of statutory transfers pursuant to Section 20

1 affecting State funds designated for use by the agency, or (iv)
2 modifications made by the Governor pursuant to Section 25. The
3 effectiveness of any such emergency rule, and any such
4 adjustment, reduction, or limitation made pursuant thereto,
5 shall expire on July 1, 2017. Nothing in this Section shall
6 require rulemaking if the limitation, reduction, or adjustment
7 would otherwise be within the authority of the agency without
8 rulemaking.

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

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

12 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

13 Sec. 5-45. Emergency rulemaking.

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

17 (b) If any agency finds that an emergency exists that
18 requires adoption of a rule upon fewer days than is required by
19 Section 5-40 and states in writing its reasons for that
20 finding, the agency may adopt an emergency rule without prior
21 notice or hearing upon filing a notice of emergency rulemaking
22 with the Secretary of State under Section 5-70. The notice
23 shall include the text of the emergency rule and shall be

1 published in the Illinois Register. Consent orders or other
2 court orders adopting settlements negotiated by an agency may
3 be adopted under this Section. Subject to applicable
4 constitutional or statutory provisions, an emergency rule
5 becomes effective immediately upon filing under Section 5-65 or
6 at a stated date less than 10 days thereafter. The agency's
7 finding and a statement of the specific reasons for the finding
8 shall be filed with the rule. The agency shall take reasonable
9 and appropriate measures to make emergency rules known to the
10 persons who may be affected by them.

11 (c) An emergency rule may be effective for a period of not
12 longer than 150 days, but the agency's authority to adopt an
13 identical rule under Section 5-40 is not precluded. No
14 emergency rule may be adopted more than once in any 24 month
15 period, except that this limitation on the number of emergency
16 rules that may be adopted in a 24 month period does not apply
17 to (i) emergency rules that make additions to and deletions
18 from the Drug Manual under Section 5-5.16 of the Illinois
19 Public Aid Code or the generic drug formulary under Section
20 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
21 emergency rules adopted by the Pollution Control Board before
22 July 1, 1997 to implement portions of the Livestock Management
23 Facilities Act, (iii) emergency rules adopted by the Illinois
24 Department of Public Health under subsections (a) through (i)
25 of Section 2 of the Department of Public Health Act when
26 necessary to protect the public's health, (iv) emergency rules

1 adopted pursuant to subsection (n) of this Section, (v)
2 emergency rules adopted pursuant to subsection (o) of this
3 Section, ~~or~~ (vi) emergency rules adopted pursuant to subsection
4 (c-5) of this Section, or (vii) emergency rules adopted
5 pursuant to subsection (v) of this Section. Two or more
6 emergency rules having substantially the same purpose and
7 effect shall be deemed to be a single rule for purposes of this
8 Section.

9 (c-5) To facilitate the maintenance of the program of group
10 health benefits provided to annuitants, survivors, and retired
11 employees under the State Employees Group Insurance Act of
12 1971, rules to alter the contributions to be paid by the State,
13 annuitants, survivors, retired employees, or any combination
14 of those entities, for that program of group health benefits,
15 shall be adopted as emergency rules. The adoption of those
16 rules shall be considered an emergency and necessary for the
17 public interest, safety, and welfare.

18 (d) In order to provide for the expeditious and timely
19 implementation of the State's fiscal year 1999 budget,
20 emergency rules to implement any provision of Public Act 90-587
21 or 90-588 or any other budget initiative for fiscal year 1999
22 may be adopted in accordance with this Section by the agency
23 charged with administering that provision or initiative,
24 except that the 24-month limitation on the adoption of
25 emergency rules and the provisions of Sections 5-115 and 5-125
26 do not apply to rules adopted under this subsection (d). The

1 adoption of emergency rules authorized by this subsection (d)
2 shall be deemed to be necessary for the public interest,
3 safety, and welfare.

4 (e) In order to provide for the expeditious and timely
5 implementation of the State's fiscal year 2000 budget,
6 emergency rules to implement any provision of Public Act 91-24
7 ~~this amendatory Act of the 91st General Assembly~~ or any other
8 budget initiative for fiscal year 2000 may be adopted in
9 accordance with this Section by the agency charged with
10 administering that provision or initiative, except that the
11 24-month limitation on the adoption of emergency rules and the
12 provisions of Sections 5-115 and 5-125 do not apply to rules
13 adopted under this subsection (e). The adoption of emergency
14 rules authorized by this subsection (e) shall be deemed to be
15 necessary for the public interest, safety, and welfare.

16 (f) In order to provide for the expeditious and timely
17 implementation of the State's fiscal year 2001 budget,
18 emergency rules to implement any provision of Public Act 91-712
19 ~~this amendatory Act of the 91st General Assembly~~ or any other
20 budget initiative for fiscal year 2001 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 (f). The adoption of emergency
26 rules authorized by this subsection (f) shall be deemed to be

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

2 (g) In order to provide for the expeditious and timely
3 implementation of the State's fiscal year 2002 budget,
4 emergency rules to implement any provision of Public Act 92-10
5 ~~this amendatory Act of the 92nd General Assembly~~ or any other
6 budget initiative for fiscal year 2002 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 (g). The adoption of emergency
12 rules authorized by this subsection (g) shall be deemed to be
13 necessary for the public interest, safety, and welfare.

14 (h) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 2003 budget,
16 emergency rules to implement any provision of Public Act 92-597
17 ~~this amendatory Act of the 92nd General Assembly~~ or any other
18 budget initiative for fiscal year 2003 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 (h). The adoption of emergency
24 rules authorized by this subsection (h) shall be deemed to be
25 necessary for the public interest, safety, and welfare.

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

1 implementation of the State's fiscal year 2004 budget,
2 emergency rules to implement any provision of Public Act 93-20
3 ~~this amendatory Act of the 93rd General Assembly~~ or any other
4 budget initiative for fiscal year 2004 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 (i). The adoption of emergency
10 rules authorized by this subsection (i) shall be deemed to be
11 necessary for the public interest, safety, and welfare.

12 (j) In order to provide for the expeditious and timely
13 implementation of the provisions of the State's fiscal year
14 2005 budget as provided under the Fiscal Year 2005 Budget
15 Implementation (Human Services) Act, emergency rules to
16 implement any provision of the Fiscal Year 2005 Budget
17 Implementation (Human Services) Act may be adopted in
18 accordance with this Section by the agency charged with
19 administering that provision, except that the 24-month
20 limitation on the adoption of emergency rules and the
21 provisions of Sections 5-115 and 5-125 do not apply to rules
22 adopted under this subsection (j). The Department of Public Aid
23 may also adopt rules under this subsection (j) necessary to
24 administer the Illinois Public Aid Code and the Children's
25 Health Insurance Program Act. The adoption of emergency rules
26 authorized by this subsection (j) shall be deemed to be

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

2 (k) In order to provide for the expeditious and timely
3 implementation of the provisions of the State's fiscal year
4 2006 budget, emergency rules to implement any provision of
5 Public Act 94-48 ~~this amendatory Act of the 94th General~~
6 ~~Assembly~~ or any other budget initiative for fiscal year 2006
7 may be adopted in accordance with this Section by the agency
8 charged with administering that provision or initiative,
9 except that the 24-month limitation on the adoption of
10 emergency rules and the provisions of Sections 5-115 and 5-125
11 do not apply to rules adopted under this subsection (k). The
12 Department of Healthcare and Family Services may also adopt
13 rules under this subsection (k) necessary to administer the
14 Illinois Public Aid Code, the Senior Citizens and Persons with
15 Disabilities Property Tax Relief Act, the Senior Citizens and
16 Disabled Persons Prescription Drug Discount Program Act (now
17 the Illinois Prescription Drug Discount Program Act), and the
18 Children's Health Insurance Program Act. The adoption of
19 emergency rules authorized by this subsection (k) shall be
20 deemed to be necessary for the public interest, safety, and
21 welfare.

22 (l) In order to provide for the expeditious and timely
23 implementation of the provisions of the State's fiscal year
24 2007 budget, the Department of Healthcare and Family Services
25 may adopt emergency rules during fiscal year 2007, including
26 rules effective July 1, 2007, in accordance with this

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

9 (m) In order to provide for the expeditious and timely
10 implementation of the provisions of the State's fiscal year
11 2008 budget, the Department of Healthcare and Family Services
12 may adopt emergency rules during fiscal year 2008, including
13 rules effective July 1, 2008, in accordance with this
14 subsection to the extent necessary to administer the
15 Department's responsibilities with respect to amendments to
16 the State plans and Illinois waivers approved by the federal
17 Centers for Medicare and Medicaid Services necessitated by the
18 requirements of Title XIX and Title XXI of the federal Social
19 Security Act. The adoption of emergency rules authorized by
20 this subsection (m) shall be deemed to be necessary for the
21 public interest, safety, and welfare.

22 (n) In order to provide for the expeditious and timely
23 implementation of the provisions of the State's fiscal year
24 2010 budget, emergency rules to implement any provision of
25 Public Act 96-45 ~~this amendatory Act of the 96th General~~
26 ~~Assembly~~ or any other budget initiative authorized by the 96th

1 General Assembly for fiscal year 2010 may be adopted in
2 accordance with this Section by the agency charged with
3 administering that provision or initiative. The adoption of
4 emergency rules authorized by this subsection (n) shall be
5 deemed to be necessary for the public interest, safety, and
6 welfare. The rulemaking authority granted in this subsection
7 (n) shall apply only to rules promulgated during Fiscal Year
8 2010.

9 (o) In order to provide for the expeditious and timely
10 implementation of the provisions of the State's fiscal year
11 2011 budget, emergency rules to implement any provision of
12 Public Act 96-958 ~~this amendatory Act of the 96th General~~
13 ~~Assembly~~ or any other budget initiative authorized by the 96th
14 General Assembly for fiscal year 2011 may be adopted in
15 accordance with this Section by the agency charged with
16 administering that provision or initiative. The adoption of
17 emergency rules authorized by this subsection (o) is deemed to
18 be necessary for the public interest, safety, and welfare. The
19 rulemaking authority granted in this subsection (o) applies
20 only to rules promulgated on or after the effective date of
21 Public Act 96-958 ~~this amendatory Act of the 96th General~~
22 ~~Assembly~~ through June 30, 2011.

23 (p) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 97-689,
25 emergency rules to implement any provision of Public Act 97-689
26 may be adopted in accordance with this subsection (p) by the

1 agency charged with administering that provision or
2 initiative. The 150-day limitation of the effective period of
3 emergency rules does not apply to rules adopted under this
4 subsection (p), and the effective period may continue through
5 June 30, 2013. The 24-month limitation on the adoption of
6 emergency rules does not apply to rules adopted under this
7 subsection (p). The adoption of emergency rules authorized by
8 this subsection (p) is deemed to be necessary for the public
9 interest, safety, and welfare.

10 (q) In order to provide for the expeditious and timely
11 implementation of the provisions of Articles 7, 8, 9, 11, and
12 12 of Public Act 98-104 ~~this amendatory Act of the 98th General~~
13 ~~Assembly~~, emergency rules to implement any provision of
14 Articles 7, 8, 9, 11, and 12 of Public Act 98-104 ~~this~~
15 ~~amendatory Act of the 98th General Assembly~~ may be adopted in
16 accordance with this subsection (q) by the agency charged with
17 administering that provision or initiative. The 24-month
18 limitation on the adoption of emergency rules does not apply to
19 rules adopted under this subsection (q). The adoption of
20 emergency rules authorized by this subsection (q) is deemed to
21 be necessary for the public interest, safety, and welfare.

22 (r) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 98-651 ~~this~~
24 ~~amendatory Act of the 98th General Assembly~~, emergency rules to
25 implement Public Act 98-651 ~~this amendatory Act of the 98th~~
26 ~~General Assembly~~ may be adopted in accordance with this

1 subsection (r) by the Department of Healthcare and Family
2 Services. The 24-month limitation on the adoption of emergency
3 rules does not apply to rules adopted under this subsection
4 (r). The adoption of emergency rules authorized by this
5 subsection (r) is deemed to be necessary for the public
6 interest, safety, and welfare.

7 (s) In order to provide for the expeditious and timely
8 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
9 the Illinois Public Aid Code, emergency rules to implement any
10 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
11 Public Aid Code may be adopted in accordance with this
12 subsection (s) by the Department of Healthcare and Family
13 Services. The rulemaking authority granted in this subsection
14 (s) shall apply only to those rules adopted prior to July 1,
15 2015. Notwithstanding any other provision of this Section, any
16 emergency rule adopted under this subsection (s) shall only
17 apply to payments made for State fiscal year 2015. The adoption
18 of emergency rules authorized by this subsection (s) is deemed
19 to be necessary for the public interest, safety, and welfare.

20 (t) In order to provide for the expeditious and timely
21 implementation of the provisions of Article II of Public Act
22 99-6 ~~this amendatory Act of the 99th General Assembly,~~
23 emergency rules to implement the changes made by Article II of
24 Public Act 99-6 ~~this amendatory Act of the 99th General~~
25 ~~Assembly~~ to the Emergency Telephone System Act may be adopted
26 in accordance with this subsection (t) by the Department of

1 State Police. The rulemaking authority granted in this
2 subsection (t) shall apply only to those rules adopted prior to
3 July 1, 2016. The 24-month limitation on the adoption of
4 emergency rules does not apply to rules adopted under this
5 subsection (t). The adoption of emergency rules authorized by
6 this subsection (t) is deemed to be necessary for the public
7 interest, safety, and welfare.

8 (u) ~~(t)~~ In order to provide for the expeditious and timely
9 implementation of the provisions of the Burn Victims Relief
10 Act, emergency rules to implement any provision of the Act may
11 be adopted in accordance with this subsection (u) ~~(t)~~ by the
12 Department of Insurance. The rulemaking authority granted in
13 this subsection (u) ~~(t)~~ shall apply only to those rules adopted
14 prior to December 31, 2015. The adoption of emergency rules
15 authorized by this subsection (u) ~~(t)~~ is deemed to be necessary
16 for the public interest, safety, and welfare.

17 (v) In order to provide for the expeditious and timely
18 implementation of the provisions of the State's budget for
19 fiscal years 2016 and 2017, emergency rules to implement any
20 provision of this amendatory Act of the 99th General Assembly
21 may be adopted in accordance with this Section by each agency
22 identified in Section 40 of the Unbalanced Budget Response Act.
23 The adoption of emergency rules authorized by this subsection
24 (v) shall be deemed to be necessary for the public interest,
25 safety, and welfare. The rulemaking authority granted in this
26 subsection (v) shall apply only to rules adopted prior to July

1 1, 2017. Notwithstanding any other provision of this Section,
2 any emergency rule adopted pursuant to this subsection (v)
3 shall expire on July 1, 2017.

4 (Source: P.A. 98-104, eff. 7-22-13; 98-463, eff. 8-16-13;
5 98-651, eff. 6-16-14; 99-2, eff. 3-26-15; 99-6, eff. 1-1-16;
6 99-143, eff. 7-27-15; 99-455, eff. 1-1-16; revised 10-15-15.)

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

9 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

10 Sec. 5A-10. Applicability.

11 (a) The assessment imposed by subsection (a) of Section
12 5A-2 shall cease to be imposed and the Department's obligation
13 to make payments shall immediately cease, and any moneys
14 remaining in the Fund shall be refunded to hospital providers
15 in proportion to the amounts paid by them, if:

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

19 (2) For State fiscal years 2009 through 2018, the
20 Department of Healthcare and Family Services adopts any
21 administrative rule change to reduce payment rates or
22 alters any payment methodology that reduces any payment
23 rates made to operating hospitals under the approved Title
24 XIX or Title XXI State plan in effect January 1, 2008

1 except for:

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

4 (B) any rates for payments made under this Article
5 V-A;

6 (C) any changes proposed in State plan amendment
7 transmittal numbers 08-01, 08-02, 08-04, 08-06, and
8 08-07;

9 (D) in relation to any admissions on or after
10 January 1, 2011, a modification in the methodology for
11 calculating outlier payments to hospitals for
12 exceptionally costly stays, for hospitals reimbursed
13 under the diagnosis-related grouping methodology in
14 effect on July 1, 2011; provided that the Department
15 shall be limited to one such modification during the
16 36-month period after the effective date of this
17 amendatory Act of the 96th General Assembly;

18 (E) any changes affecting hospitals authorized by
19 Public Act 97-689;

20 (F) any changes authorized by Section 14-12 of this
21 Code, or for any changes authorized under Section 5A-15
22 of this Code; ~~or~~

23 (G) any changes authorized under Section 5-5b.1;
24 or -

25 (H) any changes authorized under the Unbalanced
26 Budget Response Act.

1 (b) The assessment imposed by Section 5A-2 shall not take
2 effect or shall cease to be imposed, and the Department's
3 obligation to make payments shall immediately cease, if the
4 assessment is determined to be an impermissible tax under Title
5 XIX of the Social Security Act. Moneys in the Hospital Provider
6 Fund derived from assessments imposed prior thereto shall be
7 disbursed in accordance with Section 5A-8 to the extent federal
8 financial participation is not reduced due to the
9 impermissibility of the assessments, and any remaining moneys
10 shall be refunded to hospital providers in proportion to the
11 amounts paid by them.

12 (c) The assessments imposed by subsection (b-5) of Section
13 5A-2 shall not take effect or shall cease to be imposed, the
14 Department's obligation to make payments shall immediately
15 cease, and any moneys remaining in the Fund shall be refunded
16 to hospital providers in proportion to the amounts paid by
17 them, if the payments to hospitals required under Section
18 5A-12.4 are not eligible for federal matching funds under Title
19 XIX of the Social Security Act.

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

25 (1) for State fiscal years 2013 through 2018, the
26 Department reduces any payment rates to hospitals as in

1 effect on May 1, 2012, or alters any payment methodology as
2 in effect on May 1, 2012, that has the effect of reducing
3 payment rates to hospitals, except for any changes
4 affecting hospitals authorized in Public Act 97-689 and any
5 changes authorized by Section 14-12 of this Code, ~~and~~
6 except for any changes authorized under Section 5A-15, ~~and~~
7 except for any changes authorized under Section 5-5b.1, and
8 except for any changes authorized under the Unbalanced
9 Budget Response Act;

10 (2) for State fiscal years 2013 through 2018, the
11 Department reduces any supplemental payments made to
12 hospitals below the amounts paid for services provided in
13 State fiscal year 2011 as implemented by administrative
14 rules adopted and in effect on or prior to June 30, 2011,
15 except for any changes affecting hospitals authorized in
16 Public Act 97-689 and any changes authorized by Section
17 14-12 of this Code, ~~and~~ except for any changes authorized
18 under Section 5A-15, ~~and~~ except for any changes authorized
19 under Section 5-5b.1, and except for any changes authorized
20 under the Unbalanced Budget Response Act; or

21 (3) for State fiscal years 2015 through 2018, the
22 Department reduces the overall effective rate of
23 reimbursement to hospitals below the level authorized
24 under Section 14-12 of this Code, except for any changes
25 under Section 14-12 or Section 5A-15 of this Code, ~~and~~
26 except for any changes authorized under Section 5-5b.1, and

1 except for any changes authorized under the Unbalanced
2 Budget Response Act.

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

5 Section 115. The State Mandates Act is amended by adding
6 Section 8.40 as follows:

7 (30 ILCS 805/8.40 new)

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

12 Section 999. Effective date. This Act takes effect upon
13 becoming law.