

1 AN ACT concerning hospitals.

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

4 Section 5. The Hospital District Law is amended by
5 changing Sections 3 and 15 and by adding Section 15.3 as
6 follows:

7 (70 ILCS 910/3) (from Ch. 23, par. 1253)

8 Sec. 3. (a) "Hospital" means any hospital for in-patient
9 and out-patient medical or surgical care of persons in need
10 thereof.

11 (b) "Public Hospital" means a hospital owned by a
12 Hospital District or other public agency which is used or is
13 intended for use by the public including paupers.

14 (c) "Facilities" means and includes real estate and any
15 and all forms of tangible and intangible personal property
16 and services used or useful as an aid, or constituting an
17 advantage or convenience to the safe and efficient operation
18 or maintenance of a public hospital. "Facilities" shall also
19 include, but not be limited to, any clinics, dispensaries,
20 physician offices, surgery centers, diagnostic facilities,
21 and congregate housing units, assisted living units,
22 sheltered care facilities, and ambulance facilities.

23 (d) "Municipality" means any city, village or
24 incorporated town of the State of Illinois.

25 (e) "Hospital District" means a municipal corporation
26 created and established under Section 4 of this Act.
27 "District" and "Hospital District" are synonymous.

28 (f) "Board of Directors" and "Board" mean the board of
29 directors of an established District or a District proposed
30 to be established.

31 (g) "Public Agency" means any municipality, county,

1 township, tuberculosis sanitarium district, or political
2 subdivision that maintains a public hospital.
3 (Source: P.A. 89-104, eff. 7-7-95.)

4 (70 ILCS 910/15) (from Ch. 23, par. 1265)

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

12 1. To establish and maintain a hospital and hospital
13 facilities within or outside its corporate limits, and to
14 construct, acquire, develop, expand, extend and improve any
15 such hospital or hospital facility. If a Hospital District
16 utilizes its authority to levy a tax pursuant to Section 20
17 of this Act for the purpose of establishing and maintaining
18 hospitals or hospital facilities, such District shall be
19 prohibited from establishing and maintaining hospitals or
20 hospital facilities located outside of its district unless so
21 authorized by referendum. To approve the provision of any
22 service and to approve any contract or other arrangement not
23 prohibited by a hospital licensed under the Hospital
24 Licensing Act, incorporated under the General Not-For-Profit
25 Corporation Act, and exempt from taxation under paragraph (3)
26 of subsection (c) of Section 501 of the Internal Revenue
27 Code.

28 2. To acquire land in fee simple, rights in land and
29 easements upon, over or across land and leasehold interests
30 in land and tangible and intangible personal property used or
31 useful for the location, establishment, maintenance,
32 development, expansion, extension or improvement of any such
33 hospital or hospital facility. Such acquisition may be by

1 dedication, purchase, gift, agreement, lease, use or adverse
2 possession or by condemnation.

3 3. To operate, maintain and manage such hospital and
4 hospital facility, and to make and enter into contracts for
5 the use, operation or management of and to provide rules and
6 regulations for the operation, management or use of such
7 hospital or hospital facility.

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

20 4. To fix, charge and collect reasonable fees and
21 compensation for the use or occupancy of such hospital or any
22 part thereof, or any hospital facility, and for nursing care,
23 medicine, attendance, or other services furnished by such
24 hospital or hospital facilities, according to the rules and
25 regulations prescribed by the board from time to time.

26 5. To borrow money and to issue general obligation
27 bonds, revenue bonds, notes, certificates, or other evidences
28 of indebtedness for the purpose of accomplishing any of its
29 corporate purposes, subject to compliance with any conditions
30 or limitations set forth in this Act or the Health Facilities
31 Planning Act or otherwise provided by the constitution of the
32 State of Illinois.

33 6. To employ or enter into contracts for the employment
34 of any person, firm, or corporation, and for professional

1 services, necessary or desirable for the accomplishment of
2 the corporate objects of the District or the proper
3 administration, management, protection or control of its
4 property.

5 7. To maintain such hospital for the benefit of the
6 inhabitants of the area comprising the District who are sick,
7 injured, or maimed regardless of race, creed, religion, sex,
8 national origin or color, and to adopt such reasonable rules
9 and regulations as may be necessary to render the use of the
10 hospital of the greatest benefit to the greatest number; to
11 exclude from the use of the hospital all persons who wilfully
12 disregard any of the rules and regulations so established; to
13 extend the privileges and use of the hospital to persons
14 residing outside the area of the District upon such terms and
15 conditions as the board of directors prescribes by its rules
16 and regulations.

17 8. To police its property and to exercise police powers
18 in respect thereto or in respect to the enforcement of any
19 rule or regulation provided by the ordinances of the District
20 and to employ and commission police officers and other
21 qualified persons to enforce the same.

22 The use of any such hospital or hospital facility of a
23 District shall be subject to the reasonable regulation and
24 control of the District and upon such reasonable terms and
25 conditions as shall be established by its board of directors.

26 A regulatory ordinance of a District adopted under any
27 provision of this Section may provide for a suspension or
28 revocation of any rights or privileges within the control of
29 the District for a violation of any such regulatory
30 ordinance.

31 Nothing in this Section or in other provisions of this
32 Act shall be construed to authorize the District or board to
33 establish or enforce any regulation or rule in respect to
34 hospitalization or in the operation or maintenance of such

1 hospital or any hospital facilities within its jurisdiction
2 which is in conflict with any federal or state law or
3 regulation applicable to the same subject matter.

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

28 If the board of directors of a Hospital District does not
29 provide for a program or plan pursuant to which such District
30 pays a portion of the premium or charge for any group
31 insurance program or pension or retirement plan or system,
32 the board may provide for the withholding and deducting from
33 the compensation of such employees as consent thereto the
34 premium or charge for any group life, health, accident,

1 hospital and medical insurance or for any pension or
2 retirement plan or system.

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

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

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

24 Before making a sale by virtue of the ordinance, the
25 board of directors shall cause notice of the proposal to sell
26 to be published once each week for 3 successive weeks in a
27 newspaper published, or, if none is published, having a
28 general circulation, in the district, the first publication
29 to be not less than 30 days before the day provided in the
30 notice for the public sale or opening of bids for the real
31 estate.

32 The notice of the proposal to sell shall include the same
33 information included in the ordinance directing the sale and
34 shall advertise for bids therefor. A sale of property by

1 public auction shall be held at the property to be sold at a
2 time and date determined by the board of directors. The
3 board of directors may accept the high bid or any other bid
4 determined to be in the best interests of the district by a
5 vote of 2/3rds of the board then holding office, but by a
6 majority vote of those holding office, they may reject any
7 and all bids.

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

11 11. To establish and administer a program of loans for
12 postsecondary students pursuing degrees in accredited public
13 health-related educational programs at public institutions of
14 higher education. If a student is awarded a loan, the
15 individual shall agree to accept employment within the
16 hospital district upon graduation from the public institution
17 of higher education. For the purposes of this Act, "public
18 institutions of higher education" means the University of
19 Illinois; Southern Illinois University; Chicago State
20 University; Eastern Illinois University; Governors State
21 University; Illinois State University; Northeastern Illinois
22 University; Northern Illinois University; Western Illinois
23 University; the public community colleges of the State; and
24 any other public colleges, universities or community colleges
25 now or hereafter established or authorized by the General
26 Assembly. The district's board of directors shall by
27 resolution provide for eligibility requirements, award
28 criteria, terms of financing, duration of employment accepted
29 within the district and such other aspects of the loan
30 program as its establishment and administration may
31 necessitate.

32 12. To establish and maintain congregate housing units;
33 to acquire land in fee simple and leasehold interests in land
34 for the location, establishment, maintenance, and development

1 of those housing units; to borrow funds and give debt
2 instruments, real estate mortgages, and security interests in
3 personal property, contract rights, and general intangibles;
4 and to enter into any contract required for participation in
5 any federal or State programs.

6 (Source: P.A. 89-4, eff. 1-1-96; 89-104, eff. 7-7-95; 89-626,
7 eff. 8-9-96.)

8 (70 ILCS 910/15.3 new)

9 Sec. 15.3. Disposition of facilities.

10 (a) Notwithstanding any other provisions of this Act,
11 the board of directors of a Hospital District, by public or
12 private offer, may provide for the transfer, sale, lease, or
13 other disposition of a public hospital and its facilities, in
14 whole or in part, as provided in this Section.

15 (b) The board of directors, by resolution, may authorize
16 a Hospital District to enter into contracts and agreements
17 for the transfer, sale, lease, or other disposition, in whole
18 or in part, at one time or from time to time of the public
19 hospital and its facilities to a public or private
20 corporation or other entity, hospital, health care facility,
21 unit of local government, or institution of higher education,
22 provided, unless the board of directors in the resolution
23 expressly finds and determines otherwise, that the transfer,
24 sale, lease, or other disposition does not adversely affect
25 access to the hospital by inhabitants of the Hospital
26 District. At least 10 days before the adoption of a
27 resolution under this subsection, the board of directors
28 shall make the proposed resolution conveniently available for
29 public inspection and shall hold at least one public hearing
30 on the proposed resolution. At least 10 days before the time
31 of the public hearing, notice of the hearing shall be
32 published in one or more newspapers having general
33 circulation in the Hospital District. The notice shall state

1 the date, time and place of the public hearing and the place
2 where copies of the proposed resolution will be available for
3 examination.

4 (c) After entering into and giving effect to the
5 contracts and agreements with respect to any transfer, sale,
6 lease, or other disposition under subsection (b), the
7 Hospital District may continue to exist and to own, operate,
8 and maintain facilities, whether or not a public hospital of
9 the Hospital District continues to exist after the transfer,
10 sale, lease, or other disposition. In addition, the Hospital
11 District may continue to exist and to exercise powers,
12 functions, and authority under this Act as the board of
13 directors may find desirable or necessary, for up to 3 years,
14 to give effect to such transfer, sale, lease, or other
15 disposition and, as applicable, related to the facilities to
16 continue to be owned, operated, and maintained by the
17 Hospital District. The board of directors of the Hospital
18 District may continue the Hospital District for up to 3 years
19 to initiate the ownership, operations, and maintenance of
20 other facilities and thereafter to continue to own, operate,
21 and maintain the other facilities.

22 (d) If, before a transfer, sale, lease, or disposition
23 of the public hospital under subsection (b), a labor
24 organization has been recognized by the Hospital District as
25 the exclusive representative of the majority of employees in
26 a bargaining unit for purposes of collective bargaining, and
27 if a transferee, purchaser, or lessor subject to the National
28 Labor Relations Act retains or hires a majority of the
29 employees in the bargaining unit, the purchaser or lessor
30 shall recognize the labor organization as the exclusive
31 representative of the majority of employees in that
32 bargaining unit for purposes of collective bargaining,
33 provided the labor organization makes a timely written
34 assertion of its representational capacity to the transferee,

1 purchaser or lessor.

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.