AN ACT concerning aging.

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

Section 1. Short title. This Act may be cited as the Older Adult Services Act.

Section 5. Purpose. The purpose of this Act is to promote a transformation of Illinois' comprehensive system of older adult services from funding a primarily facility-based service delivery system to primarily a home-based and community-based system, taking into account the continuing need for 24-hour skilled nursing care and congregate housing with services. Such restructuring shall encompass the provision of housing, health, financial, and supportive older adult services. It is envisioned that this restructuring will promote the development, availability, and accessibility of a comprehensive, affordable, and sustainable service delivery system that places a high priority on home-based and community-based services. Such restructuring will encompass all aspects of the delivery system regardless of the setting in which the service is provided.

Section 10. Definitions. In this Act:

"Advisory Committee" means the Older Adult Services Advisory Committee.

"Certified nursing home" means any nursing home licensed under the Nursing Home Care Act and certified under Title XIX of the Social Security Act to participate as a vendor in the medical assistance program under Article V of the Illinois Public Aid Code.

"Comprehensive case management" means the assessment of needs and preferences of an older adult at the direction of the older adult or the older adult's designated representative and

the arrangement, coordination, and monitoring of an optimum package of services to meet the needs of the older adult.

"Consumer-directed" means decisions made by an informed older adult from available services and care options, which may range from independently making all decisions and managing services directly to limited participation in decision-making, based upon the functional and cognitive level of the older adult.

"Coordinated point of entry" means an integrated access point where consumers receive information and assistance, assessment of needs, care planning, referral, assistance in completing applications, authorization of services where permitted, and follow-up to ensure that referrals and services are accessed.

"Department" means the Department on Aging, in collaboration with the departments of Public Health and Public Aid and other relevant agencies and in consultation with the Advisory Committee, except as otherwise provided.

"Departments" means the Department on Aging, the departments of Public Health and Public Aid, and other relevant agencies in collaboration with each other and in consultation with the Advisory Committee, except as otherwise provided.

"Family caregiver" means an adult family member or another individual who is an uncompensated provider of home-based or community-based care to an older adult.

"Health services" means activities that promote, maintain, improve, or restore mental or physical health or that are palliative in nature.

"Older adult" means a person age 60 or older and, if appropriate, the person's family caregiver.

"Person-centered" means a process that builds upon an older adult's strengths and capacities to engage in activities that promote community life and that reflect the older adult's preferences, choices, and abilities, to the extent practicable.

"Priority service area" means an area identified by the

Departments as being less-served with respect to the availability of and access to older adult services in Illinois. The Departments shall determine by rule the criteria and standards used to designate such areas.

"Priority service plan" means the plan developed pursuant to Section 25 of this Act.

"Provider" means any supplier of services under this Act.

"Residential setting" means the place where an older adult lives.

"Restructuring" means the transformation of Illinois' comprehensive system of older adult services from funding primarily a facility-based service delivery system to primarily a home-based and community-based system, taking into account the continuing need for 24-hour skilled nursing care and congregate housing with services.

"Services" means the range of housing, health, financial, and supportive services, other than acute health care services, that are delivered to an older adult with functional or cognitive limitations, or socialization needs, who requires assistance to perform activities of daily living, regardless of the residential setting in which the services are delivered.

"Supportive services" means non-medical assistance given over a period of time to an older adult that is needed to compensate for the older adult's functional or cognitive limitations, or socialization needs, or those services designed to restore, improve, or maintain the older adult's functional or cognitive abilities.

Section 15. Designation of lead agency; annual report.

(a) The Department on Aging shall be the lead agency for: the provision of services to older adults and their family caregivers; restructuring Illinois' service delivery system for older adults; and implementation of this Act, except where otherwise provided. The Department on Aging shall collaborate with the departments of Public Health and Public Aid and any other relevant agencies, and shall consult with the Advisory

Committee, in all aspects of these duties, except as otherwise provided in this Act.

(b) The Departments shall promulgate rules to implement this Act pursuant to the Illinois Administrative Procedure Act.

(c) On January 1, 2006, and each January 1 thereafter, the Department shall issue a report to the General Assembly on progress made in complying with this Act, impediments thereto, recommendations of the Advisory Committee, and any recommendations for legislative changes necessary to implement this Act. To the extent practicable, all reports required by this Act shall be consolidated into a single report.

Section 20. Priority service areas; service expansion.

(a) The requirements of this Section are subject to the availability of funding.

(b) The Department shall expand older adult services that promote independence and permit older adults to remain in their own homes and communities. Priority shall be given to both the expansion of services and the development of new services in priority service areas.

(c) Inventory of services. The Department shall develop and maintain an inventory and assessment of (i) the types and quantities of public older adult services and, to the extent possible, privately provided older adult services, including the unduplicated count, location, and characteristics of individuals served by each facility, program, or service and (ii) the resources supporting those services.

(d) Priority service areas. The Departments shall assess the current and projected need for older adult services throughout the State, analyze the results of the inventory, and identify priority service areas, which shall serve as the basis for a priority service plan to be filed with the Governor and the General Assembly no later than July 1, 2006, and every 5 years thereafter.

(e) Moneys appropriated by the General Assembly for the purpose of this Section, receipts from donations, grants, fees,

or taxes that may accrue from any public or private sources to the Department for the purpose of this Section, and savings attributable to the nursing home conversion program as calculated in subsection (h) shall be deposited into the Department on Aging State Projects Fund. Interest earned by those moneys in the Fund shall be credited to the Fund.

(f) Moneys described in subsection (e) from the Department on Aging State Projects Fund shall be used for older adult services, regardless of where the older adult receives the service, with priority given to both the expansion of services and the development of new services in priority service areas. Fundable services shall include:

(1) Housing, health services, and supportive services:

(A) adult day care;

(B) adult day care for persons with Alzheimer's disease and related disorders;

(C) activities of daily living;

(D) care-related supplies and equipment;

(E) case management;

(F) community reintegration;

(G) companion;

(H) congregate meals;

(I) counseling and education;

(J) elder abuse prevention and intervention;

(K) emergency response and monitoring;

(L) environmental modifications;

(M) family caregiver support;

(N) financial;

(O) home delivered meals;

(P) homemaker;

(Q) home health;

(R) hospice;

(S) laundry;

(T) long-term care ombudsman;

(U) medication reminders;

(V) money management;

(W) nutrition services;

(X) personal care;

(Y) respite care;

(Z) residential care;

(AA) senior benefits outreach;

(BB) senior centers;

(CC) services provided under the Assisted Living and Shared Housing Act, or sheltered care services that meet the requirements of the Assisted Living and Shared Housing Act, or services provided under Section 5-5.01a of the Illinois Public Aid Code (the Supportive Living Facilities Pilot Program);

(DD) telemedicine devices to monitor recipients in their own homes as an alternative to hospital care, nursing home care, or home visits;

(EE) training for direct family caregivers;

(FF) transition;

(GG) transportation;

(HH) wellness and fitness programs; and

(II) other programs designed to assist older adults in Illinois to remain independent and receive services in the most integrated residential setting possible for that person.

(2) Older Adult Services Demonstration Grants, pursuant to subsection (g) of this Section.

(g) Older Adult Services Demonstration Grants. The Department shall establish a program of demonstration grants to assist in the restructuring of the delivery system for older adult services and provide funding for innovative service delivery models and system change and integration initiatives. The Department shall prescribe, by rule, the grant application process. At a minimum, every application must include:

(1) The type of grant sought;

(2) A description of the project;

(3) The objective of the project;

(4) The likelihood of the project meeting identified

needs;

(5) The plan for financing, administration, and evaluation of the project;

(6) The timetable for implementation;

(7) The roles and capabilities of responsible individuals and organizations;

(8) Documentation of collaboration with other service providers, local community government leaders, and other stakeholders, other providers, and any other stakeholders in the community;

(9) Documentation of community support for the project, including support by other service providers, local community government leaders, and other stakeholders;

(10) The total budget for the project;

(11) The financial condition of the applicant; and

(12) Any other application requirements that may be established by the Department by rule.

Each project may include provisions for a designated staff person who is responsible for the development of the project and recruitment of providers.

Projects may include, but are not limited to: adult family foster care; family adult day care; assisted living in a supervised apartment; personal services in a subsidized housing project; evening and weekend home care coverage; small incentive grants to attract new providers; money following the person; cash and counseling; managed long-term care; and at least one respite care project that establishes a local coordinated network of volunteer and paid respite workers, coordinates assignment of respite workers to caregivers and older adults, ensures the health and safety of the older adult, provides training for caregivers, and ensures that support groups are available in the community.

A demonstration project funded in whole or in part by an Older Adult Services Demonstration Grant is exempt from the requirements of the Illinois Health Facilities Planning Act. To

the extent applicable, however, for the purpose of maintaining the statewide inventory authorized by the Illinois Health Facilities Planning Act, the Department shall send to the Health Facilities Planning Board a copy of each grant award made under this subsection (g).

The Department, in collaboration with the Departments of Public Health and Public Aid, shall evaluate the effectiveness of the projects receiving grants under this Section.

(h) No later than July 1 of each year, the Department of Public Health shall provide information to the Department of Public Aid to enable the Department of Public Aid to annually document and verify the savings attributable to the nursing home conversion program for the previous fiscal year to estimate an annual amount of such savings that may be appropriated to the Department on Aging State Projects Fund and notify the General Assembly, the Department on Aging, the Department of Human Services, and the Advisory Committee of the savings no later than October 1 of the same fiscal year.

Section 25. Older adult services restructuring. No later than January 1, 2005, the Department shall commence the process of restructuring the older adult services delivery system. Priority shall be given to both the expansion of services and the development of new services in priority service areas. Subject to the availability of funding, the restructuring shall include, but not be limited to, the following:

(1) Planning. The Department shall develop a plan to restructure the State's service delivery system for older adults. The plan shall include a schedule for the implementation of the initiatives outlined in this Act and all other initiatives identified by the participating agencies to fulfill the purposes of this Act. Financing for older adult services shall be based on the principle that "money follows the individual". The plan shall also identify potential impediments to delivery system restructuring and include any known regulatory or statutory barriers.

(2) Comprehensive case management. The Department shall implement a statewide system of holistic comprehensive case management. The system shall include the identification and implementation of a universal, comprehensive assessment tool to be used statewide to determine the level of functional, cognitive, socialization, and financial needs of older adults. This tool shall be supported by an electronic intake, assessment, and care planning system linked to a central location. "Comprehensive case management" includes services and coordination such as (i) comprehensive assessment of the older adult (including the physical, functional, cognitive, psycho-social, and social needs of the individual); (ii) development and implementation of a service plan with the older adult to mobilize the formal and family resources and services identified in the assessment to meet the needs of the older adult, including coordination of the resources and services with any other plans that exist for various formal services, such as hospital discharge plans, and with the information and assistance services; (iii) coordination and monitoring of formal and family service delivery, including coordination and monitoring to ensure that services specified in the plan are being provided; (iv) periodic reassessment and revision of the status of the older adult with the older adult or, if necessary, the older adult's designated representative; and (v) in accordance with the wishes of the older adult, advocacy on behalf of the older adult for needed services or resources.

(3) Coordinated point of entry. The Department shall implement and publicize a statewide coordinated point of entry using a uniform name, identity, logo, and toll-free number.

(4) Public web site. The Department shall develop a public web site that provides links to available services, resources, and reference materials concerning caregiving, diseases, and best practices for use by professionals, older adults, and family caregivers.

(5) Expansion of older adult services. The Department shall expand older adult services that promote independence and

permit older adults to remain in their own homes and communities.

(6) Consumer-directed home and community-based services. The Department shall expand the range of service options available to permit older adults to exercise maximum choice and control over their care.

(7) Comprehensive delivery system. The Department shall expand opportunities for older adults to receive services in systems that integrate acute and chronic care.

(8) Enhanced transition and follow-up services. The Department shall implement a program of transition from one residential setting to another and follow-up services, regardless of residential setting, pursuant to rules with respect to (i) resident eligibility, (ii) assessment of the resident's health, cognitive, social, and financial needs, (iii) development of transition plans, and (iv) the level of services that must be available before transitioning a resident from one setting to another.

(9) Family caregiver support. The Department shall develop strategies for public and private financing of services that supplement and support family caregivers.

(10) Quality standards and quality improvement. The Department shall establish a core set of uniform quality standards for all providers that focus on outcomes and take into consideration consumer choice and satisfaction, and the Department shall require each provider to implement a continuous quality improvement process to address consumer issues. The continuous quality improvement process must benchmark performance, be person-centered and data-driven, and focus on consumer satisfaction.

(11) Workforce. The Department shall develop strategies to attract and retain a qualified and stable worker pool, provide living wages and benefits, and create a work environment that is conducive to long-term employment and career development. Resources such as grants, education, and promotion of career opportunities may be used.

(12) Coordination of services. The Department shall identify methods to better coordinate service networks to maximize resources and minimize duplication of services and ease of application.

(13) Barriers to services. The Department shall identify barriers to the provision, availability, and accessibility of services and shall implement a plan to address those barriers. The plan shall: (i) identify barriers, including but not limited to, statutory and regulatory complexity, reimbursement issues, payment issues, and labor force issues; (ii) recommend changes to State or federal laws or administrative rules or regulations; (iii) recommend application for federal waivers to improve efficiency and reduce cost and paperwork; (iv) develop innovative service delivery models; and (v) recommend application for federal or private service grants.

(14) Reimbursement and funding. The Department shall investigate and evaluate costs and payments by defining costs to implement a uniform, audited provider cost reporting system to be considered by all Departments in establishing payments. To the extent possible, multiple cost reporting mandates shall not be imposed.

(15) Medicaid nursing home cost containment and Medicare utilization. The Department of Public Aid, in collaboration with the Department on Aging and the Department of Public Health and in consultation with the Advisory Committee, shall propose a plan to contain Medicaid nursing home costs and maximize Medicare utilization. The plan must not impair the ability of an older adult to choose among available services. The plan shall include, but not be limited to, (i) techniques to maximize the use of the most cost-effective services without sacrificing quality and (ii) methods to identify and serve older adults in need of minimal services to remain independent, but who are likely to develop a need for more extensive services in the absence of those minimal services.

(16) Bed reduction. The Department of Public Health shall implement a nursing home conversion program to reduce the

number of Medicaid-certified nursing home beds in areas with excess beds. The Department of Public Aid shall investigate changes to the Medicaid nursing facility reimbursement system in order to reduce beds. Such changes may include, but are not limited to, incentive payments that will enable facilities to adjust to the restructuring and expansion of services required by the Older Adult Services Act, including adjustments for the voluntary closure or layaway of nursing home beds certified under Title XIX of the federal Social Security Act. Any savings shall be reallocated to fund home-based or community-based older adult services pursuant to Section 20.

(17) Financing. The Department shall investigate and evaluate financing options for older adult services and shall make recommendations in the report required by Section 15 concerning the feasibility of these financing arrangements. These arrangements shall include, but are not limited to:

(A) private long-term care insurance coverage for older adult services;

(B) enhancement of federal long-term care financing initiatives;

(C) employer benefit programs such as medical savings accounts for long-term care;

(D) individual and family cost-sharing options;

(E) strategies to reduce reliance on government programs;

(F) fraudulent asset divestiture and financial planning prevention; and

(G) methods to supplement and support family and community caregiving.

(18) Older Adult Services Demonstration Grants. The Department shall implement a program of demonstration grants that will assist in the restructuring of the older adult services delivery system, and shall provide funding for innovative service delivery models and system change and integration initiatives pursuant to subsection (g) of Section 20.

(19) Bed need methodology update. For the purposes of determining areas with excess beds, the Departments shall provide information and assistance to the Health Facilities Planning Board to update the Bed Need Methodology for Long-Term Care to update the assumptions used to establish the methodology to make them consistent with modern older adult services.

Section 30. Nursing home conversion program.

(a) The Department of Public Health, in collaboration with the Department on Aging and the Department of Public Aid, shall establish a nursing home conversion program. Start-up grants, pursuant to subsections (l) and (m) of this Section, shall be made available to nursing homes as appropriations permit as an incentive to reduce certified beds, retrofit, and retool operations to meet new service delivery expectations and demands.

(b) Grant moneys shall be made available for capital and other costs related to: (1) the conversion of all or a part of a nursing home to an assisted living establishment or a special program or unit for persons with Alzheimer's disease or related disorders licensed under the Assisted Living and Shared Housing Act or a supportive living facility established under Section 5-5.01a of the Illinois Public Aid Code; (2) the conversion of multi-resident bedrooms in the facility into single-occupancy rooms; and (3) the development of any of the services identified in a priority service plan that can be provided by a nursing home within the confines of a nursing home or transportation services. Grantees shall be required to provide a minimum of a 20% match toward the total cost of the project.

(c) Nothing in this Act shall prohibit the co-location of services or the development of multifunctional centers under subsection (f) of Section 20, including a nursing home offering community-based services or a community provider establishing a residential facility.

(d) A certified nursing home with at least 50% of its

resident population having their care paid for by the Medicaid program is eligible to apply for a grant under this Section.

(e) Any nursing home receiving a grant under this Section shall reduce the number of certified nursing home beds by a number equal to or greater than the number of beds being converted for one or more of the permitted uses under item (1) or (2) of subsection (b). The nursing home shall retain the Certificate of Need for its nursing and sheltered care beds that were converted for 15 years. If the beds are reinstated by the provider or its successor in interest, the provider shall pay to the fund from which the grant was awarded, on an amortized basis, the amount of the grant. The Department shall establish, by rule, the bed reduction methodology for nursing homes that receive a grant pursuant to item (3) of subsection (b).

(f) Any nursing home receiving a grant under this Section shall agree that, for a minimum of 10 years after the date that the grant is awarded, a minimum of 50% of the nursing home's resident population shall have their care paid for by the Medicaid program. If the nursing home provider or its successor in interest ceases to comply with the requirement set forth in this subsection, the provider shall pay to the fund from which the grant was awarded, on an amortized basis, the amount of the grant.

(g) Before awarding grants, the Department of Public Health shall seek recommendations from the Department on Aging and the Department of Public Aid. The Department of Public Health shall attempt to balance the distribution of grants among geographic regions, and among small and large nursing homes. The Department of Public Health shall develop, by rule, the criteria for the award of grants based upon the following factors:

(1) the unique needs of older adults (including those with moderate and low incomes), caregivers, and providers in the geographic area of the State the grantee seeks to serve;

(2) whether the grantee proposes to provide services in a priority service area;

(3) the extent to which the conversion or transition will result in the reduction of certified nursing home beds in an area with excess beds;

(4) the compliance history of the nursing home; and

(5) any other relevant factors identified by the Department, including standards of need.

(h) A conversion funded in whole or in part by a grant under this Section must not:

(1) diminish or reduce the quality of services available to nursing home residents;

(2) force any nursing home resident to involuntarily accept home-based or community-based services instead of nursing home services;

(3) diminish or reduce the supply and distribution of nursing home services in any community below the level of need, as defined by the Department by rule; or

(4) cause undue hardship on any person who requires nursing home care.

(i) The Department shall prescribe, by rule, the grant application process. At a minimum, every application must include:

(1) the type of grant sought;

(2) a description of the project;

(3) the objective of the project;

(4) the likelihood of the project meeting identified needs;

(5) the plan for financing, administration, and evaluation of the project;

(6) the timetable for implementation;

(7) the roles and capabilities of responsible individuals and organizations;

(8) documentation of collaboration with other service providers, local community government leaders, and other stakeholders, other providers, and any other stakeholders

in the community;

(9) documentation of community support for the project, including support by other service providers, local community government leaders, and other stakeholders;

(10) the total budget for the project;

(11) the financial condition of the applicant; and

(12) any other application requirements that may be established by the Department by rule.

(j) A conversion project funded in whole or in part by a grant under this Section is exempt from the requirements of the Illinois Health Facilities Planning Act. The Department of Public Health, however, shall send to the Health Facilities Planning Board a copy of each grant award made under this Section.

(k) Applications for grants are public information, except that nursing home financial condition and any proprietary data shall be classified as nonpublic data.

(l) The Department of Public Health may award grants from the Long Term Care Civil Money Penalties Fund established under Section 1919(h)(2)(A)(ii) of the Social Security Act and 42 CFR 488.422(g) if the award meets federal requirements.

Section 35. Older Adult Services Advisory Committee.

(a) The Older Adult Services Advisory Committee is created to advise the directors of Aging, Public Aid, and Public Health on all matters related to this Act and the delivery of services to older adults in general.

(b) The Advisory Committee shall be comprised of the following:

(1) The Director of Aging or his or her designee, who shall serve as chair and shall be an ex officio and nonvoting member.

(2) The Director of Public Aid and the Director of Public Health or their designees, who shall serve as vice-chairs and shall be ex officio and nonvoting members.

(3) One representative each of the Governor's Office, the Department of Public Aid, the Department of Public Health, the Department of Veterans' Affairs, the Department of Human Services, the Department of Insurance, the Department of Commerce and Economic Opportunity, the Department on Aging, the Department on Aging's State Long Term Care Ombudsman, the Illinois Housing Finance Authority, and the Illinois Housing Development Authority, each of whom shall be selected by his or her respective director and shall be an ex officio and nonvoting member.

(4) Thirty-two members appointed by the Director of Aging in collaboration with the directors of Public Health and Public Aid, and selected from the recommendations of statewide associations and organizations, as follows:

(A) One member representing the Area Agencies on Aging;

(B) Four members representing nursing homes or licensed assisted living establishments;

(C) One member representing home health agencies;

(D) One member representing case management services;

(E) One member representing statewide senior center associations;

(F) One member representing Community Care Program homemaker services;

(G) One member representing Community Care Program adult day services;

(H) One member representing nutrition project directors;

(I) One member representing hospice programs;

(J) One member representing individuals with Alzheimer's disease and related dementias;

(K) Two members representing statewide trade or labor unions;

(L) One advanced practice nurse with experience in gerontological nursing;

(M) One physician specializing in gerontology;

(N) One member representing regional long-term care ombudsmen;

(O) One member representing township officials;

(P) One member representing municipalities;

(Q) One member representing county officials;

(R) One member representing the parish nurse movement;

(S) One member representing pharmacists;

(T) Two members representing statewide organizations engaging in advocacy or legal representation on behalf of the senior population;

(U) Two family caregivers;

(V) Two citizen members over the age of 60;

(W) One citizen with knowledge in the area of gerontology research or health care law;

(X) One representative of health care facilities licensed under the Hospital Licensing Act; and

(Y) One representative of primary care service providers.

(c) Voting members of the Advisory Committee shall serve for a term of 3 years or until a replacement is named. All members shall be appointed no later than January 1, 2005. Of the initial appointees, as determined by lot, 10 members shall serve a term of one year; 10 shall serve for a term of 2 years; and 12 shall serve for a term of 3 years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of that term. The Advisory Committee shall meet at least quarterly and may meet more frequently at the call of the Chair. A simple majority of those appointed shall constitute a quorum. The affirmative vote of a majority of those present and voting shall be necessary for Advisory Committee action. Members of the Advisory Committee shall receive no compensation for their services.

(d) The Advisory Committee shall have an Executive

Committee comprised of the Chair, the Vice Chairs, and up to 15 members of the Advisory Committee appointed by the Chair who have demonstrated expertise in developing, implementing, or coordinating the system restructuring initiatives defined in Section 25. The Executive Committee shall have responsibility to oversee and structure the operations of the Advisory Committee and to create and appoint necessary subcommittees and subcommittee members.

(e) The Advisory Committee shall study and make recommendations related to the implementation of this Act, including but not limited to system restructuring initiatives as defined in Section 25 or otherwise related to this Act.

Section 90. The Illinois Act on the Aging is amended by adding Section 4.12 as follows:

(20 ILCS 105/4.12 new)

Sec. 4.12. Older Adult Services Act. The Department shall implement the Older Adult Services Act.

Section 91. The Illinois Finance Authority Act is amended by changing Section 840-5 as follows:

(20 ILCS 3501/840-5)

Sec. 840-5. The Authority shall have the following powers:

(a) To fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to contract with any person, partnership, association or corporation or other body, public or private, in respect thereto; to coordinate its policies and procedures and cooperate with recognized health facility rate setting mechanisms which may now or hereafter be established.

(b) To establish rules and regulations for the use of a

project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to designate a participating health institution as its agent to establish rules and regulations for the use of a project or other health facilities owned by the Authority undertaken for that participating health institution.

(c) To establish or contract with others to carry out on its behalf a health facility project cost estimating service and to make this service available on all projects to provide expert cost estimates and guidance to the participating health institution and to the Authority. In order to implement this service and, through it, to contribute to cost containment, the Authority shall have the power to require such reasonable reports and documents from health facility projects as may be required for this service and for the development of cost reports and guidelines. The Authority may appoint a Technical Committee on Health Facility Project Costs and Cost Containment.

(d) To make mortgage or other secured or unsecured loans to or for the benefit of any participating health institution for the cost of a project in accordance with an agreement between the Authority and the participating health institution; provided that no such loan shall exceed the total cost of the project as determined by the participating health institution and approved by the Authority; provided further that such loans may be made to any entity affiliated with a participating health institution if the proceeds of such loan are made available to or applied for the benefit of such participating health institution.

(e) To make mortgage or other secured or unsecured loans to or for the benefit of a participating health institution in accordance with an agreement between the Authority and the participating health institution to refund outstanding obligations, loans, indebtedness or advances issued, made, given or incurred by such participating health institution for the cost of a project; including the function to issue bonds

and make loans to or for the benefit of a participating health institution to refinance indebtedness incurred by such participating health institution in projects undertaken and completed or for other health facilities acquired prior to or after the enactment of this Act when the Authority finds that such refinancing is in the public interest, and either alleviates a financial hardship of such participating health institution, or is in connection with other financing by the Authority for such participating health institution or may be expected to result in a lessened cost of patient care and a saving to third parties, including government, and to others who must pay for care, or any combination thereof; provided further that such loans may be made to any entity affiliated with a participating health institution if the proceeds of such loan are made available to or applied for the benefit of such participating health institution.

(f) To mortgage all or any portion of a project or other health facilities and the property on which any such project or other health facilities are located whether owned or thereafter acquired, and to assign or pledge mortgages, deeds of trust, indentures of mortgage or trust or similar instruments, notes, and other securities of participating health institutions to which or for the benefit of which the Authority has made loans or of entities affiliated with such institutions and the revenues therefrom, including payments or income from any thereof owned or held by the Authority, for the benefit of the holders of bonds issued to finance such project or health facilities or issued to refund or refinance outstanding obligations, loans, indebtedness or advances of participating health institutions as permitted by this Act.

(g) To lease to a participating health institution the project being financed or refinanced or other health facilities conveyed to the Authority in connection with such financing or refinancing, upon such terms and conditions as the Authority shall deem proper, and to charge and collect rents therefor and to terminate any such lease upon the failure of the lessee to

comply with any of the obligations thereof; and to include in any such lease, if desired, provisions that the lessee thereof shall have options to renew the lease for such period or periods and at such rent as shall be determined by the Authority or to purchase any or all of the health facilities or that upon payment of all of the indebtedness incurred by the Authority for the financing of such project or health facilities or for refunding outstanding obligations, loans, indebtedness or advances of a participating health institution, then the Authority may convey any or all of the project or such other health facilities to the lessee or lessees thereof with or without consideration.

(h) To make studies of needed health facilities that could not sustain a loan were it made under this Act and to recommend remedial action to the General Assembly; to do the same with regard to any laws or regulations that prevent health facilities from benefiting from this Act.

(i) To assist the Department of Commerce and Economic Opportunity to establish and implement a program to assist health facilities to identify and arrange financing for energy conservation projects in buildings and facilities owned or leased by health facilities.

(j) To assist the Department of Human Services in establishing a low interest loan program to help child care centers and family day care homes serving children of low income families under Section 22.4 of the Children and Family Services Act.

(k) To assist the Department of Public Health and nursing homes in undertaking nursing home conversion projects in accordance with the Older Adult Services Act.

(Source: P.A. 93-205, eff. 1-1-04.)

Section 92. The Illinois Health Facilities Planning Act is amended by changing Section 3 as follows:

(20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

(Section scheduled to be repealed on July 1, 2008)

Sec. 3. Definitions. As used in this Act:

"Health care facilities" means and includes the following facilities and organizations:

1. An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;

2. An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;

3. Skilled and intermediate long term care facilities licensed under the Nursing Home Care Act;

3. Skilled and intermediate long term care facilities licensed under the Nursing Home Care Act;

4. Hospitals, nursing homes, ambulatory surgical treatment centers, or kidney disease treatment centers maintained by the State or any department or agency thereof;

5. Kidney disease treatment centers, including a free-standing hemodialysis unit; and

6. An institution, place, building, or room used for the performance of outpatient surgical procedures that is leased, owned, or operated by or on behalf of an out-of-state facility.

No federally owned facility shall be subject to the provisions of this Act, nor facilities used solely for healing by prayer or spiritual means.

No facility licensed under the Supportive Residences Licensing Act or the Assisted Living and Shared Housing Act shall be subject to the provisions of this Act.

A facility designated as a supportive living facility that is in good standing with the demonstration project established under Section 5-5.01a of the Illinois Public Aid Code shall not be subject to the provisions of this Act.

This Act does not apply to facilities granted waivers under Section 3-102.2 of the Nursing Home Care Act. However, if a demonstration project under that Act applies for a certificate

of need to convert to a nursing facility, it shall meet the licensure and certificate of need requirements in effect as of the date of application.

This Act shall not apply to the closure of an entity or a portion of an entity licensed under the Nursing Home Care Act that elects to convert, in whole or in part, to an assisted living or shared housing establishment licensed under the Assisted Living and Shared Housing Act.

With the exception of those health care facilities specifically included in this Section, nothing in this Act shall be intended to include facilities operated as a part of the practice of a physician or other licensed health care professional, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional group. Further, this Act shall not apply to physicians or other licensed health care professional's practices where such practices are carried out in a portion of a health care facility under contract with such health care facility by a physician or by other licensed health care professionals, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional groups. This Act shall apply to construction or modification and to establishment by such health care facility of such contracted portion which is subject to facility licensing requirements, irrespective of the party responsible for such action or attendant financial obligation.

"Person" means any one or more natural persons, legal entities, governmental bodies other than federal, or any combination thereof.

"Consumer" means any person other than a person (a) whose major occupation currently involves or whose official capacity within the last 12 months has involved the providing, administering or financing of any type of health care facility, (b) who is engaged in health research or the teaching of

health, (c) who has a material financial interest in any activity which involves the providing, administering or financing of any type of health care facility, or (d) who is or ever has been a member of the immediate family of the person defined by (a), (b), or (c).

"State Board" means the Health Facilities Planning Board.

"Construction or modification" means the establishment, erection, building, alteration, reconstruction, modernization, improvement, extension, discontinuation, change of ownership, of or by a health care facility, or the purchase or acquisition by or through a health care facility of equipment or service for diagnostic or therapeutic purposes or for facility administration or operation, or any capital expenditure made by or on behalf of a health care facility which exceeds the capital expenditure minimum; however, any capital expenditure made by or on behalf of a health care facility for (i) the construction or modification of a facility licensed under the Assisted Living and Shared Housing Act or (ii) a conversion project undertaken in accordance with Section 30 of the Older Adult Services Act shall be excluded from any obligations under this Act.

"Establish" means the construction of a health care facility or the replacement of an existing facility on another site.

"Major medical equipment" means medical equipment which is used for the provision of medical and other health services and which costs in excess of the capital expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of Section 1861(s) of such Act. In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings,

specifications, and other activities essential to the acquisition of such equipment shall be included.

"Capital Expenditure" means an expenditure: (A) made by or on behalf of a health care facility (as such a facility is defined in this Act); and (B) which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and which exceeds the capital expenditure minimum.

For the purpose of this paragraph, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditures minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under this Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of this Act if a transfer of the equipment or facilities at fair market value would be subject to review.

"Capital expenditure minimum" means $6,000,000, which shall be annually adjusted to reflect the increase in construction costs due to inflation, for major medical equipment and for all other capital expenditures; provided, however, that when a capital expenditure is for the construction or modification of a health and fitness center, "capital expenditure minimum" means the capital expenditure minimum for all other capital expenditures in effect on March 1, 2000, which shall be annually adjusted to reflect the increase in construction costs due to inflation.

"Non-clinical service area" means an area (i) for the benefit of the patients, visitors, staff, or employees of a

health care facility and (ii) not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers.

"Areawide" means a major area of the State delineated on a geographic, demographic, and functional basis for health planning and for health service and having within it one or more local areas for health planning and health service. The term "region", as contrasted with the term "subregion", and the word "area" may be used synonymously with the term "areawide".

"Local" means a subarea of a delineated major area that on a geographic, demographic, and functional basis may be considered to be part of such major area. The term "subregion" may be used synonymously with the term "local".

"Areawide health planning organization" or "Comprehensive health planning organization" means the health systems agency designated by the Secretary, Department of Health and Human Services or any successor agency.

"Local health planning organization" means those local health planning organizations that are designated as such by the areawide health planning organization of the appropriate area.

"Physician" means a person licensed to practice in

accordance with the Medical Practice Act of 1987, as amended.

"Licensed health care professional" means a person licensed to practice a health profession under pertinent licensing statutes of the State of Illinois.

"Director" means the Director of the Illinois Department of Public Health.

"Agency" means the Illinois Department of Public Health.

"Comprehensive health planning" means health planning concerned with the total population and all health and associated problems that affect the well-being of people and that encompasses health services, health manpower, and health facilities; and the coordination among these and with those social, economic, and environmental factors that affect health.

"Alternative health care model" means a facility or program authorized under the Alternative Health Care Delivery Act.

"Out-of-state facility" means a person that is both (i) licensed as a hospital or as an ambulatory surgery center under the laws of another state or that qualifies as a hospital or an ambulatory surgery center under regulations adopted pursuant to the Social Security Act and (ii) not licensed under the Ambulatory Surgical Treatment Center Act, the Hospital Licensing Act, or the Nursing Home Care Act. Affiliates of out-of-state facilities shall be considered out-of-state facilities. Affiliates of Illinois licensed health care facilities 100% owned by an Illinois licensed health care facility, its parent, or Illinois physicians licensed to practice medicine in all its branches shall not be considered out-of-state facilities. Nothing in this definition shall be construed to include an office or any part of an office of a physician licensed to practice medicine in all its branches in Illinois that is not required to be licensed under the Ambulatory Surgical Treatment Center Act.

"Change of ownership of a health care facility" means a change in the person who has ownership or control of a health care facility's physical plant and capital assets. A change in

ownership is indicated by the following transactions: sale, transfer, acquisition, lease, change of sponsorship, or other means of transferring control.

"Related person" means any person that: (i) is at least 50% owned, directly or indirectly, by either the health care facility or a person owning, directly or indirectly, at least 50% of the health care facility; or (ii) owns, directly or indirectly, at least 50% of the health care facility.

(Source: P.A. 93-41, eff. 6-27-03.)

Section 96. The Illinois Public Aid Code is amended by adding Section 5-5d as follows:

(305 ILCS 5/5-5d new)

Sec. 5-5d. Enhanced transition and follow-up services. The Department of Public Aid shall apply for any necessary waivers pursuant to Section 1915(c) of the Social Security Act to facilitate the transition from one residential setting to another and follow-up services. Nothing in this Section shall be considered as limiting current similar programs by the Department of Human Services or the Department on Aging.

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