

AN ACT concerning hospitals.

**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 Hospital Basic Services Preservation Act.

Section 5. Definitions. As used in this Act:

"Basic services" means emergency room and obstetrical services provided within a hospital. "Basic services" is limited to the emergency and obstetric units and services provided by those units.

"Eligible expenses" means expenses for expanding obstetrical or emergency units, updating equipment, repairing essential equipment, and purchasing new equipment that will increase the quality of basic services provided. "Eligible expenses" does not include expenses related to cosmetic upgrades, staff expansion or salary, or structural expansion of any unit or department of a hospital.

"Essential community hospital provider" means a facility meeting criteria established by rule by the State Treasurer.

Section 7. Hospital Basic Services Review Board.

(a) The Hospital Basic Services Review Board is created for the purpose of reviewing and recommending to the State Treasurer essential community hospitals seeking collateralization of basic service loans for eligible expenses related to completing, attaining, or upgrading basic services.

(b) The Board shall consist of 5 members as follows: one member appointed by the Governor; one member appointed by the Speaker of the House of Representatives; one member appointed by the President of the Senate; one member appointed by the Minority Leader of the House of Representatives; and one member appointed by the Minority Leader of the Senate. The members of

the Board shall serve at the pleasure of their appointing authorities. Vacancies shall be filled in the same manner as the original appointment.

(c) The Department of Public Health shall provide staff assistance to the Board as is reasonably required in order for the Board to carry out its responsibilities.

Section 10. Hospital Basic Services Preservation Fund. There is created in the State treasury the Hospital Basic Services Preservation Fund. The Fund shall be administered by the State Treasurer to collateralize loans from financial institutions for capital projects necessary to maintain certain basic services required for the efficient and effective operation of essential community hospital providers who otherwise may not be able to meet financial institution credit standards for issuance of a standard commercial loan. The Fund shall consist of all public and private moneys donated or transferred to the Fund for the purpose of enabling essential community hospitals to continue to provide basic quality health care services that are subject to and meet standards of need under the Health Facilities Planning Act. All public funds deposited into the Fund shall be subject to appropriation by the General Assembly.

Section 15. Basic services loans.

(a) Essential community hospitals seeking collateralization of loans under this Act must apply to the Illinois Health Facilities Planning Board on a form prescribed by the Illinois Health Facilities Planning Board by rule. The Illinois Health Facilities Planning Board shall review the application and, if it approves the applicant's plan, shall forward the application and its approval to the Hospital Basic Services Review Board.

(b) Upon receipt of the applicant's application and approval from the Illinois Health Facilities Planning Board, the Hospital Basic Services Review Board shall request from the

applicant and the applicant shall submit to the Hospital Basic Services Review Board all of the following information:

(1) A copy of the hospital's last audited financial statement.

(2) The percentage of the hospital's patients each year who are Medicaid patients.

(3) The percentage of the hospital's patients each year who are Medicare patients.

(4) The percentage of the hospital's patients each year who are uninsured.

(5) The percentage of services provided by the hospital each year for which the hospital expected payment but for which no payment was received.

(6) Any other information required by the Hospital Basic Services Review Board by rule.

The Hospital Basic Services Review Board shall review the applicant's original application, the approval of the Illinois Health Facilities Planning Board, and the information provided by the applicant to the Hospital Basic Services Review Board under this Section and make a recommendation to the State Treasurer to accept or deny the application.

(c) If the Hospital Basic Services Review Board recommends that the application be accepted, the State Treasurer may collateralize the applicant's basic service loan for eligible expenses related to completing, attaining, or upgrading basic services, including, but not limited to, delivery, installation, staff training, and other eligible expenses as defined by the State Treasurer by rule. The total cost for any one project to be undertaken by the applicants shall not exceed \$10,000,000 and the amount of each basic services loan collateralized under this Act shall not exceed \$5,000,000. Expenditures related to basic service loans shall not exceed the amount available in the Fund necessary to collateralize the loans. The terms of any basic services loan collateralized under this Act must be approved by the State Treasurer in accordance with standards established by the State Treasurer by

rule.

Section 20. Responsibility of hospitals. Each hospital that receives a loan collateralized under this Act shall take the necessary measures, as defined by the State Treasurer by rule, to account for all moneys and to ensure that they are spent on the basic services for which the loan was approved. Any hospital receiving a loan collateralized under this Act is not eligible for collateralization of another basic services loan under this Act within 10 years after the deposit of funds awarded under the first collateralized loan.

Section 25. Rules. The State Treasurer shall promulgate rules necessary for the administration of this Act.

Section 90. The State Finance Act is amended by adding Section 5.640 and by changing Section 8h as follows:

(30 ILCS 105/5.640 new)

Sec. 5.640. The Hospital Basic Services Preservation Fund.

(30 ILCS 105/8h)

Sec. 8h. Transfers to General Revenue Fund.

(a) Except as provided in subsection (b), notwithstanding any other State law to the contrary, the Governor may, through June 30, 2007, from time to time direct the State Treasurer and Comptroller to transfer a specified sum from any fund held by the State Treasurer to the General Revenue Fund in order to help defray the State's operating costs for the fiscal year. The total transfer under this Section from any fund in any fiscal year shall not exceed the lesser of (i) 8% of the revenues to be deposited into the fund during that fiscal year or (ii) an amount that leaves a remaining fund balance of 25% of the July 1 fund balance of that fiscal year. In fiscal year 2005 only, prior to calculating the July 1, 2004 final balances, the Governor may calculate and direct the State

Treasurer with the Comptroller to transfer additional amounts determined by applying the formula authorized in Public Act 93-839 to the funds balances on July 1, 2003. No transfer may be made from a fund under this Section that would have the effect of reducing the available balance in the fund to an amount less than the amount remaining unexpended and unreserved from the total appropriation from that fund estimated to be expended for that fiscal year. This Section does not apply to any funds that are restricted by federal law to a specific use, to any funds in the Motor Fuel Tax Fund, the Hospital Provider Fund, the Medicaid Provider Relief Fund, ~~or~~ the Reviewing Court Alternative Dispute Resolution Fund, or the Hospital Basic Services Preservation Fund, or to any funds to which subsection (f) of Section 20-40 of the Nursing and Advanced Practice Nursing Act applies. Notwithstanding any other provision of this Section, for fiscal year 2004, the total transfer under this Section from the Road Fund or the State Construction Account Fund shall not exceed the lesser of (i) 5% of the revenues to be deposited into the fund during that fiscal year or (ii) 25% of the beginning balance in the fund. For fiscal year 2005 through fiscal year 2007, no amounts may be transferred under this Section from the Road Fund, the State Construction Account Fund, the Criminal Justice Information Systems Trust Fund, the Wireless Service Emergency Fund, or the Mandatory Arbitration Fund.

In determining the available balance in a fund, the Governor may include receipts, transfers into the fund, and other resources anticipated to be available in the fund in that fiscal year.

The State Treasurer and Comptroller shall transfer the amounts designated under this Section as soon as may be practicable after receiving the direction to transfer from the Governor.

(b) This Section does not apply to any fund established under the Community Senior Services and Resources Act.

(Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,

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eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;
93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.
1-15-05.)