

AN ACT concerning regulation.

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

Section 5. The Alternative Health Care Delivery Act is amended by changing Sections 25 and 30 as follows:

(210 ILCS 3/25)

Sec. 25. Department responsibilities. The Department shall have the responsibilities set forth in this Section.

(a) The Department shall adopt rules for each alternative health care model authorized under this Act that shall include but not be limited to the following:

(1) Further definition of the alternative health care models.

(2) The definition and scope of the demonstration program, including the implementation date and period of operation, not to exceed 5 years.

(3) License application information required by the Department.

(4) The care of patients in the alternative health care models.

(5) Rights afforded to patients of the alternative health care models.

(6) Physical plant requirements.

(7) License application and renewal fees, which may cover the cost of administering the demonstration program.

(8) Information that may be necessary for the Board and the Department to monitor and evaluate the alternative health care model demonstration program.

(9) Administrative fines that may be assessed by the Department for violations of this Act or the rules adopted under this Act.

(b) The Department shall issue, renew, deny, suspend, or revoke licenses for alternative health care models.

(c) The Department shall perform licensure inspections of alternative health care models as deemed necessary by the Department to ensure compliance with this Act or rules.

(d) The Department shall deposit application fees, renewal fees, and fines into the Regulatory Evaluation and Basic Enforcement Fund.

(e) The Department shall assist the Board in performing the Board's responsibilities under this Act.

(f) (Blank). ~~The Department shall conduct a study to determine the feasibility, the potential risks and benefits to patients, and the potential effect on the health care delivery system of authorizing recovery care of nonsurgical patients in postsurgical recovery center demonstration models. The Department shall report the findings of the study to the General Assembly no later than November 1, 1998. The Director shall appoint an advisory committee with representation from~~

~~the Illinois Hospital and Health Systems Association, the Illinois State Medical Society, and the Illinois Freestanding Surgery Center Association, a physician who is board certified in internal medicine, a consumer, and other representatives deemed appropriate by the Director. The advisory committee shall advise the Department as it carries out the study.~~

(g) (Blank). ~~Before November 1, 1998 the Department shall initiate a process to request public comments on how postsurgical recovery centers admitting nonsurgical patients should be regulated.~~

(Source: P.A. 90-600, eff. 6-25-98; 90-655, eff. 7-30-98.)

(210 ILCS 3/30)

Sec. 30. Demonstration program requirements. The requirements set forth in this Section shall apply to demonstration programs.

(a) There shall be no more than:

(i) 3 subacute care hospital alternative health care models in the City of Chicago (one of which shall be located on a designated site and shall have been licensed as a hospital under the Illinois Hospital Licensing Act within the 10 years immediately before the application for a license);

(ii) 2 subacute care hospital alternative health care models in the demonstration program for each of the following areas:

(1) Cook County outside the City of Chicago.

(2) DuPage, Kane, Lake, McHenry, and Will Counties.

(3) Municipalities with a population greater than 50,000 not located in the areas described in item (i) of subsection (a) and paragraphs (1) and (2) of item (ii) of subsection (a); and

(iii) 4 subacute care hospital alternative health care models in the demonstration program for rural areas.

In selecting among applicants for these licenses in rural areas, the Health Facilities Planning Board and the Department shall give preference to hospitals that may be unable for economic reasons to provide continued service to the community in which they are located unless the hospital were to receive an alternative health care model license.

(a-5) There shall be no more than the a total number of 12 postsurgical recovery care centers with a certificate of need for beds as of January 1, 2008. ~~center alternative health care models in the demonstration program, located as follows:~~

~~(1) Two in the City of Chicago.~~

~~(2) Two in Cook County outside the City of Chicago. At least one of these shall be owned or operated by a hospital devoted exclusively to caring for children.~~

~~(3) Two in Kane, Lake, and McHenry Counties.~~

~~(4) Four in municipalities with a population of 50,000 or more not located in the areas described in paragraphs~~

~~(1), (2), and (3), 3 of which shall be owned or operated by hospitals, at least 2 of which shall be located in counties with a population of less than 175,000, according to the most recent decennial census for which data are available, and one of which shall be owned or operated by an ambulatory surgical treatment center.~~

~~(5) Two in rural areas, both of which shall be owned or operated by hospitals.~~

~~There shall be no postsurgical recovery care center alternative health care models located in counties with populations greater than 600,000 but less than 1,000,000. A proposed postsurgical recovery care center must be owned or operated by a hospital if it is to be located within, or will primarily serve the residents of, a health service area in which more than 60% of the gross patient revenue of the hospitals within that health service area are derived from Medicaid and Medicare, according to the most recently available calendar year data from the Illinois Health Care Cost Containment Council. Nothing in this paragraph shall preclude a hospital and an ambulatory surgical treatment center from forming a joint venture or developing a collaborative agreement to own or operate a postsurgical recovery care center.~~

(a-10) There shall be no more than a total of 8 children's respite care center alternative health care models in the demonstration program, which shall be located as follows:

(1) One in the City of Chicago.

(2) One in Cook County outside the City of Chicago.

(3) A total of 2 in the area comprised of DuPage, Kane, Lake, McHenry, and Will counties.

(4) A total of 2 in municipalities with a population of 50,000 or more and not located in the areas described in paragraphs (1), (2), or (3).

(5) A total of 2 in rural areas, as defined by the Health Facilities Planning Board.

No more than one children's respite care model owned and operated by a licensed skilled pediatric facility shall be located in each of the areas designated in this subsection (a-10).

(a-15) There shall be an authorized community-based residential rehabilitation center alternative health care model in the demonstration program. The community-based residential rehabilitation center shall be located in the area of Illinois south of Interstate Highway 70.

(a-20) There shall be an authorized Alzheimer's disease management center alternative health care model in the demonstration program. The Alzheimer's disease management center shall be located in Will County, owned by a not-for-profit entity, and endorsed by a resolution approved by the county board before the effective date of this amendatory Act of the 91st General Assembly.

(a-25) There shall be no more than 10 birth center alternative health care models in the demonstration program,

located as follows:

(1) Four in the area comprising Cook, DuPage, Kane, Lake, McHenry, and Will counties, one of which shall be owned or operated by a hospital and one of which shall be owned or operated by a federally qualified health center.

(2) Three in municipalities with a population of 50,000 or more not located in the area described in paragraph (1) of this subsection, one of which shall be owned or operated by a hospital and one of which shall be owned or operated by a federally qualified health center.

(3) Three in rural areas, one of which shall be owned or operated by a hospital and one of which shall be owned or operated by a federally qualified health center.

The first 3 birth centers authorized to operate by the Department shall be located in or predominantly serve the residents of a health professional shortage area as determined by the United States Department of Health and Human Services. There shall be no more than 2 birth centers authorized to operate in any single health planning area for obstetric services as determined under the Illinois Health Facilities Planning Act. If a birth center is located outside of a health professional shortage area, (i) the birth center shall be located in a health planning area with a demonstrated need for obstetrical service beds, as determined by the Illinois Health Facilities Planning Board or (ii) there must be a reduction in the existing number of obstetrical service beds in the planning

area so that the establishment of the birth center does not result in an increase in the total number of obstetrical service beds in the health planning area.

(b) Alternative health care models, other than a model authorized under subsection (a-20), shall obtain a certificate of need from the Illinois Health Facilities Planning Board under the Illinois Health Facilities Planning Act before receiving a license by the Department. If, after obtaining its initial certificate of need, an alternative health care delivery model that is a community based residential rehabilitation center seeks to increase the bed capacity of that center, it must obtain a certificate of need from the Illinois Health Facilities Planning Board before increasing the bed capacity. Alternative health care models in medically underserved areas shall receive priority in obtaining a certificate of need.

(c) An alternative health care model license shall be issued for a period of one year and shall be annually renewed if the facility or program is in substantial compliance with the Department's rules adopted under this Act. A licensed alternative health care model that continues to be in substantial compliance after the conclusion of the demonstration program shall be eligible for annual renewals unless and until a different licensure program for that type of health care model is established by legislation, except that a postsurgical recovery care center meeting the following

requirements may apply within 3 years after the effective date of this amendatory Act of the 96th General Assembly for a Certificate of Need permit to operate as a hospital:

(1) The postsurgical recovery care center shall apply to the Illinois Health Facilities Planning Board for a Certificate of Need permit to discontinue the postsurgical recovery care center and to establish a hospital.

(2) If the postsurgical recovery care center obtains a Certificate of Need permit to operate as a hospital, it shall apply for licensure as a hospital under the Hospital Licensing Act and shall meet all statutory and regulatory requirements of a hospital.

(3) After obtaining licensure as a hospital, any license as an ambulatory surgical treatment center and any license as a post-surgical recovery care center shall be null and void.

(4) The former postsurgical recovery care center that receives a hospital license must seek and use its best efforts to maintain certification under Titles XVIII and XIX of the federal Social Security Act.

The Department may issue a provisional license to any alternative health care model that does not substantially comply with the provisions of this Act and the rules adopted under this Act if (i) the Department finds that the alternative health care model has undertaken changes and corrections which upon completion will render the alternative health care model

in substantial compliance with this Act and rules and (ii) the health and safety of the patients of the alternative health care model will be protected during the period for which the provisional license is issued. The Department shall advise the licensee of the conditions under which the provisional license is issued, including the manner in which the alternative health care model fails to comply with the provisions of this Act and rules, and the time within which the changes and corrections necessary for the alternative health care model to substantially comply with this Act and rules shall be completed.

(d) Alternative health care models shall seek certification under Titles XVIII and XIX of the federal Social Security Act. In addition, alternative health care models shall provide charitable care consistent with that provided by comparable health care providers in the geographic area.

(d-5) The Department of Healthcare and Family Services (formerly Illinois Department of Public Aid), in cooperation with the Illinois Department of Public Health, shall develop and implement a reimbursement methodology for all facilities participating in the demonstration program. The Department of Healthcare and Family Services shall keep a record of services provided under the demonstration program to recipients of medical assistance under the Illinois Public Aid Code and shall submit an annual report of that information to the Illinois Department of Public Health.

(e) Alternative health care models shall, to the extent possible, link and integrate their services with nearby health care facilities.

(f) Each alternative health care model shall implement a quality assurance program with measurable benefits and at reasonable cost.

(Source: P.A. 95-331, eff. 8-21-07; 95-445, eff. 1-1-08.)

(210 ILCS 3/35.1 rep.)

Section 10. The Alternative Health Care Delivery Act is amended by repealing Section 35.1.

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