



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/09/04, by Dan Reitz

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.620 new

Creates the Nursing Facility Conversion Funding Act and amends the State Finance Act. Creates the Nursing Facility Conversion Cash Fund as a special fund in the State treasury, to be used by the Department of Public Health to make grants to nursing facilities for capital or one-time expenditures to convert all or a portion of such facilities to licensed assisted living establishments or other alternatives to nursing facility care. Provides for a refund of a grant to the State if the grantee or its successor in interest ceases to operate an assisted living establishment or other alternative to nursing facility care within 10 years after beginning operation.

LRB093 15235 DRJ 46205 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning health.

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

4 Section 1. Short title. This Act may be cited as the
5 Nursing Facility Conversion Funding Act.

6 Section 5. Nursing Facility Conversion Cash Fund. The
7 Nursing Facility Conversion Cash Fund is created as a special
8 fund in the State treasury. Moneys in the Fund shall consist of
9 moneys appropriated by the General Assembly to the Department
10 of Public Health for the purpose of making grants under this
11 Act and the receipts from donations or grants to the Department
12 of Public Health for the purpose of enabling the Department to
13 make grants under this Act. The Department of Public Health
14 shall use moneys in the fund to make grants to nursing
15 facilities for capital or one-time expenditures to convert all
16 or a portion of such facilities to assisted living
17 establishments licensed under the Assisted Living and Shared
18 Housing Act or to other alternatives to nursing facility care.
19 Interest earned by the fund shall be credited to the fund.

20 Section 10. Grants.

21 (a) The Department of Public Health shall make grants from
22 the Nursing Facility Conversion Cash Fund available to nursing
23 facilities for capital or one-time expenditures to convert all
24 or a portion of such facilities to assisted living
25 establishments licensed under the Assisted Living and Shared
26 Housing Act or to other alternatives to nursing facility care.
27 A grant may cover a facility's costs incurred in making such a
28 conversion, including, but not limited to, startup and training
29 expenses and operating losses for the first year.

30 (b) A nursing facility may not use a grant to expand the
31 facility's resident capacity beyond the structural parameters

1 of the building existing at the time the grant is made, except
2 that a facility may use a grant for additional kitchen space
3 when required to accommodate related supportive services, such
4 as dining rooms, kitchen and recreation areas, or other
5 community-use areas.

6 Section 15. Eligibility for grants. A nursing facility that
7 is enrolled in the medical assistance program under Article V
8 of the Illinois Public Aid Code as a provider of long-term care
9 services and that has been enrolled as such a provider for at
10 least 3 years may apply for a grant under this Act. A facility
11 shall apply in the form and manner prescribed by the Department
12 of Public Health in rules.

13 Section 20. Criteria for grant awards.

14 (a) In determining whether to award a grant to an applicant
15 under this Act, the Department of Public Health shall consider
16 whether the applicant has demonstrated the following:

17 (1) The conversion will offer efficient and economical
18 care to persons requiring long-term care in the area served
19 by the applicant.

20 (2) Assisted living services or other alternatives to
21 nursing facility care are unlikely to be available in the
22 area served by the applicant for persons who are eligible
23 for medical assistance under Article V of the Illinois
24 Public Aid Code.

25 (3) The reduction in the availability of nursing
26 facility services as a result of the conversion is not
27 expected to cause undue hardship on persons who require
28 nursing facility care.

29 (4) The conversion will result in a lower reimbursement
30 rate under the medical assistance program.

31 The Department may also consider other factors as it
32 determines by rule, including whether an applicant's facility
33 is located in an underserved area.

34 (b) In its rules implementing this Section, the Department

1 shall specify priorities for awarding grants.

2 Section 25. Refund of grant. If a recipient of a grant
3 under this Act, or a recipient's successor in interest, ceases
4 to operate an assisted living establishment or other
5 alternative to nursing facility care within 10 years after
6 beginning operation of the establishment or other alternative,
7 then the recipient or the successor in interest must refund to
8 the Nursing Facility Conversion Cash Fund the amount of the
9 grant, on an amortized basis.

10 Section 30. Rules. The Department of Public Health shall
11 adopt rules necessary to implement this Act.

12 Section 90. The State Finance Act is amended by adding
13 Section 5.620 as follows:

14 (30 ILCS 105/5.620 new)

15 Sec. 5.620. The Nursing Facility Conversion Cash Fund.