

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 1. Short title. This Act may be cited as the  
5 Hospital Basic Services Preservation Act.

6 Section 5. Definitions. As used in this Act:

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

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

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

20 Section 10. Hospital Basic Services Preservation Fund.  
21 There is created in the State treasury the Hospital Basic  
22 Services Preservation Fund. The Fund shall be administered by  
23 the State Treasurer to collateralize loans from financial  
24 institutions for capital projects necessary to maintain  
25 certain basic services required for the efficient and effective  
26 operation of essential community hospital providers who  
27 otherwise may not be able to meet financial institution credit  
28 standards for issuance of a standard commercial loan. The Fund  
29 shall consist of all public and private moneys donated or  
30 transferred to the Fund for the purpose of enabling essential  
31 community hospitals to continue to provide basic quality health

1 care services that are subject to and meet standards of need  
2 under the Health Facilities Planning Act. All public funds  
3 deposited into the Fund shall be subject to appropriation by  
4 the General Assembly.

5 Section 15. Basic services loans. The State Treasurer may  
6 collateralize basic service loans for essential community  
7 hospitals for eligible expenses related to completing,  
8 attaining, or upgrading basic services, including, but not  
9 limited to, delivery, installation, staff training, and other  
10 eligible expenses as defined by the State Treasurer by rule.  
11 Applicants for collateralization of loans under this Act must  
12 show proof of approval by the Illinois Health Facilities  
13 Planning Board for any project to be collateralized under this  
14 Act. The total cost for any one project to be undertaken by the  
15 applicants shall not exceed \$10,000,000 and the amount of each  
16 basic services loan collateralized under this Act shall not  
17 exceed \$5,000,000. Expenditures related to basic service loans  
18 shall not exceed the amount available in the Fund necessary to  
19 collateralize the loans. The terms of any basic services loan  
20 collateralized under this Act must be approved by the State  
21 Treasurer in accordance with standards established by the  
22 Treasurer by rule. Loans extended by a financial institution  
23 and collateralized under this Act may be in the form of  
24 collateralized loans or in the form of subordinated debt.

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

1           Section 25. Rules. The State Treasurer shall promulgate  
2 rules necessary for the administration of this Act, including  
3 rules concerning the criteria, standards, and procedures for  
4 loans collateralized under this Act.

5           Section 90. The State Finance Act is amended by adding  
6 Section 5.640 as follows:

7           (30 ILCS 105/5.640 new)

8           Sec. 5.640. The Hospital Basic Services Preservation Fund.