97TH GENERAL ASSEMBLY
State of Illinois
2011 and 2012
HB1474

Introduced 2/14/2011, by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.756 new
210 ILCS 85/5 from Ch. 111 1/2, par. 146
210 ILCS 85/6 from Ch. 111 1/2, par. 147
210 ILCS 85/14.5 new
30 ILCS 105/5.786 new

Amends the State Finance Act and the Hospital Licensing Act. Creates the Hospital Licensure Fund, a special fund created in the State treasury. Establishes a $30 license fee per bed for hospitals applying for a license, provided that a lesser amount may be established by administrative rule of the Department of Public Health, if the Department, in consultation with the Department of Healthcare and Family Services, determines that $30 per bed would exceed the limitations on health care-related taxes imposed by federal law that, if violated, would result in reductions to the amount of federal financial participation received by the State for Medicaid expenditures. Further provides that the Department shall deposit all fees and fines collected in relation to the licensure of hospitals into the Hospital Licensure Fund for the purpose of providing programs, information, or assistance designed to improve patient safety and quality in hospitals. Effective immediately.

LRB097 06730 RPM 46818 b

FISCAL NOTE ACT
MAY APPLY
AN ACT concerning regulation.

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

Section 5. The State Finance Act is amended by adding Section 5.786 as follows:

(30 ILCS 105/5.786 new)

Sec. 5.786. The Hospital Licensure Fund.

Section 10. The Hospital Licensing Act is amended by changing Sections 5 and 6 and by adding Section 14.5 as follows:

(210 ILCS 85/5) (from Ch. 111 1/2, par. 146)

Sec. 5. (a) An application for a permit to establish a hospital shall be made to the Department upon forms provided by it. This application shall contain such information as the Department reasonably requires, which shall include affirmative evidence on which the Director may make the findings required under Section 6a of this Act.

(b) An application for a license to open, conduct, operate, and maintain a hospital shall be made to the Department upon forms provided by it, accompanied by a license fee of $30 per bed, provided that a lesser amount may be established by
administrative rule of the Department, if the Department, in consultation with the Department of Healthcare and Family Services, determines that $30 per bed would exceed the limitations on health care-related taxes imposed by 42 U.S.C. 1396b(w) that, if violated, would result in reductions to the amount of federal financial participation received by the State for Medicaid expenditures, and shall contain such information as the Department reasonably requires, which may include affirmative evidence of ability to comply with the provisions of this Act and the standards, rules, and regulations, promulgated by virtue thereof.

(c) All applications required under this Section shall be signed by the applicant and shall be verified. Applications on behalf of a corporation or association or a governmental unit or agency shall be made and verified by any two officers thereof.

(Source: Laws 1965, p. 2350.)

(210 ILCS 85/6) (from Ch. 111 1/2, par. 147)

Sec. 6. (a) Upon receipt of an application for a permit to establish a hospital the Director shall issue a permit if he finds (1) that the applicant is fit, willing, and able to provide a proper standard of hospital service for the community with particular regard to the qualification, background, and character of the applicant, (2) that the financial resources available to the applicant demonstrate an ability to construct,
maintain, and operate a hospital in accordance with the standards, rules, and regulations adopted pursuant to this Act, and (3) that safeguards are provided which assure hospital operation and maintenance consistent with the public interest having particular regard to safe, adequate, and efficient hospital facilities and services.

The Director may request the cooperation of county and multiple-county health departments, municipal boards of health, and other governmental and non-governmental agencies in obtaining information and in conducting investigations relating to such applications.

A permit to establish a hospital shall be valid only for the premises and person named in the application for such permit and shall not be transferable or assignable.

In the event the Director issues a permit to establish a hospital the applicant shall thereafter submit plans and specifications to the Department in accordance with Section 8 of this Act.

(b) Upon receipt of an application for license to open, conduct, operate, and maintain a hospital, the Director shall issue a license if he finds the applicant and the hospital facilities comply with standards, rules, and regulations promulgated under this Act. A license, unless sooner suspended or revoked, shall be renewable annually upon approval by the Department and payment of a license fee as established pursuant to Section 5 of this Act. Each license shall be issued only for
the premises and persons named in the application and shall not be transferable or assignable. Licenses shall be posted in a conspicuous place on the licensed premises. The Department may, either before or after the issuance of a license, request the cooperation of the State Fire Marshal, county and multiple county health departments, or municipal boards of health to make investigations to determine if the applicant or licensee is complying with the minimum standards prescribed by the Department. The report and recommendations of any such agency shall be in writing and shall state with particularity its findings with respect to compliance or noncompliance with such minimum standards, rules, and regulations.

The Director may issue a provisional license to any hospital which does not substantially comply with the provisions of this Act and the standards, rules, and regulations promulgated by virtue thereof provided that he finds that such hospital has undertaken changes and corrections which upon completion will render the hospital in substantial compliance with the provisions of this Act, and the standards, rules, and regulations adopted hereunder, and provided that the health and safety of the patients of the hospital will be protected during the period for which such provisional license is issued. The Director shall advise the licensee of the conditions under which such provisional license is issued, including the manner in which the hospital facilities fail to comply with the provisions of the Act, standards, rules, and
regulations, and the time within which the changes and
corrections necessary for such hospital facilities to
substantially comply with this Act, and the standards, rules,
and regulations of the Department relating thereto shall be
completed.
(Source: P.A. 80-56.)

(210 ILCS 85/14.5 new)

Sec. 14.5. Hospital Licensure Fund. The Department shall
deposit all fees and fines collected in relation to the
licensure of hospitals into the Hospital Licensure Fund, a
special fund created in the State treasury, for the purpose of
providing programs, information, or assistance designed to
improve patient safety and quality in hospitals.

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