Introduced 1/9/2013, by Rep. André M. Thapedi

SYNOPSIS AS INTRODUCED:

Amends the Nursing Home Care Act. Provides that an owner or operator of a facility shall purchase and maintain not less than $500,000 in liability insurance for each facility. Provides that no person may establish, own, or operate a facility in the State unless and until the person provides proof of liability insurance coverage to the Department of Public Health. Provides that the Department shall issue a license if the applicant and the facilities meet specified requirements. Provides that each application for a license for a facility shall be accompanied by a license fee of $20 for each bed in the facility, with a minimum fee per facility of $200 (instead of an annual fee of $1,990). Provides that an application for a license to operate a facility also shall include affirmative evidence of the ability to comply with the liability insurance requirement. Effective immediately.

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 Nursing Home Care Act is amended by changing Section 3-103 and by adding Sections 3-103.5 and 3-216 as follows:

(210 ILCS 45/3-103) (from Ch. 111 1/2, par. 4153-103)
Sec. 3-103. The procedure for obtaining a valid license shall be as follows:

(1) Application to operate a facility shall be made to the Department on forms furnished by the Department and shall contain such information as the Department reasonably requires, which may include affirmative evidence of the ability to comply with such reasonable standards and rules as are lawfully prescribed under this Article.

(2) All license applications shall be accompanied with an application fee. Each application for a license for a facility shall be accompanied by a license fee of $20 for each bed in the facility, with a minimum fee per facility of $200, which shall be paid to the Department. No governmental entity or agency shall be required to pay the fee or fees set forth in this subsection. The fee for an
annual license shall be $1,990. Facilities that pay a fee or assessment pursuant to Article V-C of the Illinois Public Aid Code shall be exempt from the license fee imposed under this item (2). The fee for a 2-year license shall be double the fee for the annual license. The fees collected shall be deposited with the State Treasurer into the Long Term Care Monitor/Receiver Fund, which has been created as a special fund in the State treasury. This special fund is to be used by the Department for expenses related to the appointment of monitors and receivers as contained in Sections 3-501 through 3-517 of this Act, for the enforcement of this Act, for expenses related to surveyor development, and for implementation of the Abuse Prevention Review Team Act. All federal moneys received as a result of expenditures from the Fund shall be deposited into the Fund. The Department may reduce or waive a penalty pursuant to Section 3-308 only if that action will not threaten the ability of the Department to meet the expenses required to be met by the Long Term Care Monitor/Receiver Fund. The application shall be under oath and the submission of false or misleading information shall be a Class A misdemeanor. The application shall contain the following information:

(a) The name and address of the applicant if an individual, and if a firm, partnership, or association, of every member thereof, and in the case
of a corporation, the name and address thereof and of its officers and its registered agent, and in the case of a unit of local government, the name and address of its chief executive officer;

(b) The name and location of the facility for which a license is sought;

(c) The name of the person or persons under whose management or supervision the facility will be conducted;

(d) The number and type of residents for which maintenance, personal care, or nursing is to be provided; and

(e) Such information relating to the number, experience, and training of the employees of the facility, any management agreements for the operation of the facility, and of the moral character of the applicant and employees as the Department may deem necessary.

(3) Each initial application shall be accompanied by a financial statement setting forth the financial condition of the applicant and by a statement from the unit of local government having zoning jurisdiction over the facility's location stating that the location of the facility is not in violation of a zoning ordinance. An initial application for a new facility shall be accompanied by a permit as required by the "Illinois Health Facilities Planning Act".
After the application is approved, the applicant shall advise the Department every 6 months of any changes in the information originally provided in the application.

(4) Other information necessary to determine the identity and qualifications of an applicant to operate a facility in accordance with this Act shall be included in the application as required by the Department in regulations.

(5) An application for a license to operate a facility also shall include affirmative evidence of the ability to comply with the requirement of Section 3-216 of this Act.

(Source: P.A. 96-758, eff. 8-25-09; 96-1372, eff. 7-29-10; 96-1504, eff. 1-27-11; 96-1530, eff. 2-16-11; 97-489, eff. 1-1-12.)

(210 ILCS 45/3-103.5 new)

Sec. 3-103.5. License and license renewal requirements.

(a) Upon receipt of an application for license and the license fee, the Department shall issue a license if the applicant and the facilities meet the requirements established under this Article and where determined by the Department to be applicable. A license, unless suspended or revoked, shall be renewable annually upon payment by the licensee of a facility of a renewal fee of $20 for each bed in the facility, with a minimum fee per facility of $200, which shall be paid to the Department, and upon filing by the licensee and approval by the
Department of an annual report upon such uniform dates and
containing such information in such form as the Department
prescribes by rule. For the renewal of a license to operate a
facility, the annual report must show compliance with the
requirement of Section 3-216 of this Act. No applicant shall
receive a license nor shall any licensee's license be renewed
unless the applicant or licensee shows compliance with the
requirements established under Section 3-216 of this Act. Each
license shall be issued only for the premises and person or
persons or other legal entity or entities named in the
application and shall not be transferrable or assignable except
with the written approval of the Department. Licenses shall be
posted in a conspicuous place on the licenses premises.

(b) A user fee shall be applicable and shall be paid to the
Department as set out in subsection (a). This user fee shall be
assessed for the purpose of the required reviewing and
inspections of the proposal of any facility in which there are
additions, renovations, modernizations, expansion,
alterations, conversions, modifications, or replacement of the
entire facility involved in such proposal. The user fee
includes the reviewing of architectural plans in all steps
required. There shall be a minimum user fee of $50 and a
maximum user fee of $5,000.

(c) No governmental entity or agency shall be required to
pay the fee or fees set forth in this Section.
(210 ILCS 45/3-216 new)

Sec. 3-216. Liability insurance requirement.

(a) An owner or operator of a facility shall purchase and maintain not less than $500,000 in liability insurance for each facility. The liability insurance shall cover each resident per occurrence of negligence.

(b) The liability coverage amount described in this Section shall include coverage for indemnity of the insured only. The cost of defending the insured shall not be covered.

(c) No person may establish, own, or operate a facility in the State unless and until the person provides proof of liability insurance coverage as described under this Section to the Department.

(d) The Department shall suspend or revoke the license or certificate of any facility whose owner or operator violates the provisions of this Section.

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