



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4213

Introduced 1/14/2026, by Rep. Justin Slaughter

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5A-7

from Ch. 23, par. 5A-7

Amends the Hospital Provider Funding Article of the Illinois Public Aid Code. In provisions concerning outstanding hospital assessments that are paid under a repayment plan or after the end of a tax deferral plan, provides that the period of repayment shall not exceed 72 (rather than 36) months.

LRB104 16334 KTG 29721 b

1 AN ACT concerning public aid.

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

4 Section 5. The Illinois Public Aid Code is amended by
5 changing Section 5A-7 as follows:

6 (305 ILCS 5/5A-7) (from Ch. 23, par. 5A-7)

7 Sec. 5A-7. Administration; enforcement provisions.

8 (a) The Illinois Department shall establish and maintain a
9 listing of all hospital providers appearing in the licensing
10 records of the Illinois Department of Public Health, which
11 shall show each provider's name and principal place of
12 business and the name and address of each hospital operated,
13 conducted, or maintained by the provider in this State. The
14 listing shall also include the monthly assessment amounts owed
15 for each hospital and any unpaid assessment liability greater
16 than 90 days delinquent. The Illinois Department shall
17 administer and enforce this Article and collect the
18 assessments and penalty assessments imposed under this Article
19 using procedures employed in its administration of this Code
20 generally. The Illinois Department, its Director, and every
21 hospital provider subject to assessment under this Article
22 shall have the following powers, duties, and rights:

23 (1) The Illinois Department may initiate either

1 administrative or judicial proceedings, or both, to
2 enforce provisions of this Article. Administrative
3 enforcement proceedings initiated hereunder shall be
4 governed by the Illinois Department's administrative
5 rules. Judicial enforcement proceedings initiated
6 hereunder shall be governed by the rules of procedure
7 applicable in the courts of this State.

8 (2) (Blank).

9 (3) Any unpaid assessment under this Article shall
10 become a lien upon the assets of the hospital upon which it
11 was assessed. If any hospital provider, outside the usual
12 course of its business, sells or transfers the major part
13 of any one or more of (A) the real property and
14 improvements, (B) the machinery and equipment, or (C) the
15 furniture or fixtures, of any hospital that is subject to
16 the provisions of this Article, the seller or transferor
17 shall pay the Illinois Department the amount of any
18 assessment, assessment penalty, and interest (if any) due
19 from it under this Article up to the date of the sale or
20 transfer. The Illinois Department may, in its discretion,
21 foreclose on such a lien, but shall do so in a manner that
22 is consistent with Section 5e of the Retailers' Occupation
23 Tax Act. If the seller or transferor fails to pay any
24 assessment, assessment penalty, and interest (if any) due,
25 the purchaser or transferee of such asset shall be liable
26 for the amount of the assessment, penalties, and interest

1 (if any) up to the amount of the reasonable value of the
2 property acquired by the purchaser or transferee. The
3 purchaser or transferee shall continue to be liable until
4 the purchaser or transferee pays the full amount of the
5 assessment, penalties, and interest (if any) up to the
6 amount of the reasonable value of the property acquired by
7 the purchaser or transferee or until the purchaser or
8 transferee receives from the Illinois Department a
9 certificate showing that such assessment, penalty, and
10 interest have been paid or a certificate from the Illinois
11 Department showing that no assessment, penalty, or
12 interest is due from the seller or transferor under this
13 Article.

14 (4) Payments under this Article are not subject to the
15 Illinois Prompt Payment Act. Credits or refunds shall not
16 bear interest.

17 (b) In addition to any other remedy provided for and
18 without sending a notice of assessment liability, the Illinois
19 Department shall collect an unpaid assessment by withholding,
20 as payment of the assessment, reimbursements or other amounts
21 otherwise payable by the Illinois Department to the hospital
22 provider, including, but not limited to, payment amounts
23 otherwise payable from a managed care organization performing
24 duties under contract with the Illinois Department.

25 (1) The requirements of this subsection may be waived
26 in instances when a disaster proclamation has been

1 declared by the Governor. In such circumstances, a
2 hospital must demonstrate temporary financial distress and
3 establish an agreement with the Illinois Department
4 specifying when repayment in full of all taxes owed will
5 occur.

6 (2) The requirements of this subsection may be waived
7 by the Illinois Department in instances when a hospital
8 has entered into and remains in compliance with a
9 repayment plan or a tax deferral plan. A repayment plan or
10 tax deferral plan must be entered into no later than 30
11 days after notice of an unpaid assessment payment. No
12 repayment plan may exceed a period of 72 ~~36~~ months. No tax
13 deferral plan may exceed a period of 6 months, and
14 repayment after the end of a tax deferral plan shall not
15 exceed 72 ~~36~~ months. Failure to remain in compliance with
16 a repayment plan or tax deferral plan shall cause
17 immediate termination of such plan unless there is prior
18 written consent from the Illinois Department for a period
19 of non-compliance.

20 (3) Beginning September 1, 2025, the Illinois
21 Department shall immediately collect all overdue unpaid
22 assessments and penalties through the collection methods
23 authorized under this Section, unless a repayment plan or
24 tax deferral plan has already been agreed to by September
25 1, 2025.

26 (4) For any unpaid assessments and penalties that are

1 overdue as of the effective date of House Bill 2771 of the
2 104th General Assembly, upon receipt of payment the
3 Department may, at its discretion, transfer funds from the
4 Hospital Provider Fund to the Healthcare Provider Relief
5 Fund, provided that, at the time of each transfer, there
6 are no outstanding assessment-related payments owed to
7 hospitals that cannot be paid from resources remaining in
8 the Hospital Provider Fund after the transfer.

9 (c) To provide for the expeditious and timely
10 implementation of the changes made to this Section by this
11 amendatory Act of the 104th General Assembly, the Department
12 may adopt emergency rules as authorized by Section 5-45 of the
13 Illinois Administrative Procedure Act. The adoption of
14 emergency rules is deemed to be necessary for the public
15 interest, safety, and welfare.

16 (Source: P.A. 104-2, eff. 6-16-25; 104-7, eff. 6-16-25.)