



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1998

Introduced 2/6/2025, by Sen. Graciela Guzmán

SYNOPSIS AS INTRODUCED:

740 ILCS 10/7.2a

Amends the Illinois Antitrust Act. Requires the Attorney General to consent to covered transactions of health care facilities before a covered transaction may take effect.

LRB104 09783 JRC 19849 b

1 AN ACT concerning civil law.

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

4 Section 5. The Illinois Antitrust Act is amended by
5 changing Section 7.2a as follows:

6 (740 ILCS 10/7.2a)

7 (Section scheduled to be repealed on January 1, 2027)

8 Sec. 7.2a. Notification to the Attorney General.

9 (a) As used in this Section:

10 "Acquisition" means an agreement, arrangement, or activity
11 the consummation of which results in a person acquiring
12 directly or indirectly the control of another person.
13 "Acquisition" includes the acquisition of voting securities
14 and noncorporate interests, such as assets, capital stock,
15 membership interests, or equity interests.

16 "Contracting affiliation" means the formation of a
17 relationship between 2 or more entities that permits the
18 entities to negotiate jointly with health carriers or
19 third-party administrators over rates for professional medical
20 services, or for one entity to negotiate on behalf of the other
21 entity with health carriers or third-party administrators over
22 rates for professional medical services. "Contracting
23 affiliation" does not include arrangements among entities

1 under common ownership.

2 "Covered transaction" means any merger, acquisition, or
3 contracting affiliation between 2 or more health care
4 facilities or provider organizations not previously under
5 common ownership or contracting affiliation.

6 "Health care facility" means the following facilities,
7 organizations, and related persons:

8 (1) An ambulatory surgical treatment center required
9 to be licensed under the Ambulatory Surgical Treatment
10 Center Act.

11 (2) An institution, place, building, or agency
12 required to be licensed under the Hospital Licensing Act.

13 (3) A hospital, ambulatory surgical treatment center,
14 or kidney disease treatment center maintained by the State
15 or any department or agency thereof.

16 (4) A kidney disease treatment center, including a
17 free-standing hemodialysis unit required to meet the
18 requirements of 42 CFR 494 in order to be certified for
19 participation in Medicare and Medicaid under Titles XVIII
20 and XIX of the federal Social Security Act of 1935.

21 (5) An institution, place, building, or room used for
22 the performance of outpatient surgical procedures that is
23 leased, owned, or operated by or on behalf of an
24 out-of-state facility.

25 (6) An institution, place, building, or room used for
26 provision of a health care category of service, as defined

1 under the Illinois Health Facilities Planning Act,
2 including, but not limited to, cardiac catheterization and
3 open heart surgery.

4 With the exception of those health care facilities
5 specifically included in this Section, nothing in this Section
6 shall be intended to include facilities operated as a part of
7 the practice of a physician or other licensed health care
8 professional, whether practicing in his or her individual
9 capacity or within the legal structure of any partnership,
10 medical or professional corporation, or unincorporated medical
11 or professional group. Further, this Section shall not apply
12 to physicians or other licensed health care professional's
13 practices where such practices are carried out in a portion of
14 a health care facility under contract with such health care
15 facility by a physician or by other licensed health care
16 professionals, whether practicing in his or her individual
17 capacity or within the legal structure of any partnership,
18 medical or professional corporation, or unincorporated medical
19 or professional groups, unless the entity constructs,
20 modifies, or establishes a health care facility as
21 specifically defined in this Section.

22 "Health care services revenue" means the total revenue
23 received for health care services in the previous 12 months.

24 "Health carriers" has the meaning given to that term in
25 Section 10 of the Health Carrier External Review Act.

26 "Hedge fund" means a pool of funds managed by investors

1 for the purpose of earning a return on those funds, regardless
2 of the strategies used to manage the funds. "Hedge fund"
3 includes, but is not limited to, a pool of funds managed or
4 controlled by private limited partnerships. "Hedge fund" does
5 not include:

6 (1) Natural persons or other entities that contribute,
7 or promise to contribute, funds to the hedge fund, but
8 otherwise do not participate in the management of the
9 hedge fund or the fund's assets, or in any change in
10 control of the hedge fund or the fund's assets.

11 (2) Entities that solely provide or manage debt
12 financing secured in whole or in part by the assets of a
13 health care facility, including, but not limited to, banks
14 and credit unions, commercial real estate lenders, bond
15 underwriters, and trustees.

16 "Illinois health care entity" means a health care facility
17 or provider organization that has an office in or is doing
18 business in this State.

19 "Merger" means the consolidation of 2 or more
20 organizations, including 2 or more organizations joining
21 through a common parent organization or 2 or more
22 organizations forming a new organization, but does not include
23 a corporate reorganization.

24 "Out-of-state health care entity" means a health care
25 facility or provider organization that is not headquartered in
26 this State and does not do business in this State.

1 "Private equity group" means an investor or group of
2 investors who primarily engage in the raising or returning of
3 capital and who invests, develops, or disposes of specified
4 assets. "Private equity group" does not include natural
5 persons or other entities that contribute or promise to
6 contribute funds to the private equity group, but otherwise do
7 not participate in the management of the private equity group
8 or the group's assets, or in any change in control of the
9 private equity group or the group's assets manner, including,
10 but not limited to, lease, transfer, exchange, option, receipt
11 of a conveyance, creation of a joint venture, or any other
12 manner of purchase, by a private equity group or hedge fund of
13 a material amount of the assets or operations, or a change of
14 control, of a health care facility in this State.

15 "Provider organization" means a corporation, partnership,
16 business trust, association, or organized group of persons,
17 whether incorporated or not, which is in the business of
18 health care delivery or management and that represents 20 or
19 more health care providers in contracting with health carriers
20 or third-party administrators for the payment of health care
21 services. "Provider organization" includes physician
22 organizations, physician-hospital organizations, independent
23 practice associations, provider networks, and accountable care
24 organizations.

25 "Third-party administrator" means an entity that
26 administers payments for health care services on behalf of a

1 client in exchange for an administrative fee.

2 (b) Health care facilities or provider organizations that
3 are party to a covered transaction shall provide notice of
4 such transaction to the Attorney General no later than 30 days
5 prior to the transaction closing or effective date of the
6 transaction.

7 Covered transactions between an Illinois health care
8 entity and an out-of-state health care entity must provide
9 notice under this subsection where the out-of-state entity
10 generates \$10,000,000 or more in annual revenue from patients
11 residing in this State.

12 (c) The written notice provided by the parties under
13 subsection (b) shall be provided as follows:

14 (1) For any health care facility or provider
15 organization that is a party to a covered transaction and
16 files a premerger notification with the Federal Trade
17 Commission or the United States Department of Justice, in
18 compliance with the Hart-Scott-Rodino Antitrust
19 Improvements Act of 1976, 15 U.S.C. 18a, the notice
20 requirement is satisfied by providing a copy of such
21 filing to the Attorney General at the same time as it is
22 provided to the federal government.

23 (2) For any health care facility that is a party to a
24 covered transaction that is not described in paragraph
25 (1), the notice requirement is satisfied when the
26 healthcare facility files an application for a change of

1 ownership with the Health Facilities and Services Review
2 Board, in compliance with the Illinois Health Facilities
3 Planning Act. The Health Facilities and Services Review
4 Board shall provide a copy of such filing to the Attorney
5 General at the same time as it is provided to the
6 applicable State legislators under subsection (a) of
7 Section 8.5 of the Illinois Health Facilities Planning
8 Act.

9 (3) For any health care facility or provider
10 organization that is a party to a covered transaction that
11 is not described in paragraph (1) or (2), written notice
12 provided by the parties must include:

13 (A) the names of the parties and their current
14 business address;

15 (B) identification of all locations where health
16 care services are currently provided by each party;

17 (C) a brief description of the nature and purpose
18 of the proposed transaction; and

19 (D) the anticipated effective date of the proposed
20 transaction.

21 Nothing in this subsection prohibits the parties to a
22 covered transaction from voluntarily providing additional
23 information to the Attorney General.

24 (d) The Attorney General may make any requests for
25 additional information from the parties that is relevant to
26 its investigation of the covered transaction within 30 days of

1 the date notice is received under subsections (b) and (c). If
2 the Attorney General requests additional information, the
3 covered transaction may not proceed until 30 days after the
4 parties have substantially complied with the request. Any
5 subsequent request for additional information by the Attorney
6 General shall not further delay the covered transaction from
7 proceeding. Nothing in this Section precludes the Attorney
8 General from conducting an investigation or enforcing State or
9 federal antitrust laws at a later date.

10 (d-1) The Attorney General must provide written consent to
11 a covered transaction before it may take effect if a private
12 equity group or hedge fund provides any financing to the
13 covered transaction.

14 (e) Any health care facility or provider organization that
15 fails to comply with any provision of this Section is subject
16 to a civil penalty of not more than \$500 per day for each day
17 during which the health care facility or provider organization
18 is in violation of this Section.

19 Whenever the Attorney General has reason to believe that a
20 health care facility or provider organization has engaged in
21 or is engaging in a covered transaction without complying with
22 the provisions of this Section, the Attorney General may apply
23 for and obtain, in an action in the Circuit Court of Sangamon
24 or Cook County, a temporary restraining order or injunction,
25 or both, prohibiting the health care facility or provider
26 organization from continuing its noncompliance or doing any

1 act in furtherance thereof. The court may make such further
2 orders or judgments, at law or in equity, as may be necessary
3 to remedy such noncompliance.

4 Before bringing such an action or seeking to recover a
5 civil penalty, the Attorney General shall permit the health
6 care facility or provider organization to come into compliance
7 with this Section within 10 days of being notified of its
8 alleged noncompliance. The right to cure noncompliance does
9 not exist on or after the covered transaction's proposed or
10 actual closing date of the covered transaction, whichever is
11 sooner.

12 (f) This Section is repealed on January 1, 2027.

13 (Source: P.A. 103-526, eff. 1-1-24.)