



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB6243

by Rep. André M. Thapedi

#### SYNOPSIS AS INTRODUCED:

210 ILCS 45/3-103 from Ch. 111 1/2, par. 4153-103  
210 ILCS 45/3-103.5 new  
210 ILCS 45/3-216 new

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.

LRB097 23276 RPM 72179 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Nursing Home Care Act is amended by changing  
5 Section 3-103 and by adding Sections 3-103.5 and 3-216 as  
6 follows:

7 (210 ILCS 45/3-103) (from Ch. 111 1/2, par. 4153-103)

8 Sec. 3-103. The procedure for obtaining a valid license  
9 shall be as follows:

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

17 (2) All license applications shall be accompanied with  
18 an application fee. Each application for a license for a  
19 facility shall be accompanied by a license fee of \$20 for  
20 each bed in the facility, with a minimum fee per facility  
21 of \$200, which shall be paid to the Department. No  
22 governmental entity or agency shall be required to pay the  
23 fee or fees set forth in this subsection. ~~The fee for an~~

1 ~~annual license shall be \$1,990.~~ Facilities that pay a fee  
2 or assessment pursuant to Article V-C of the Illinois  
3 Public Aid Code shall be exempt from the license fee  
4 imposed under this item (2). The fee for a 2-year license  
5 shall be double the fee for the annual license. The fees  
6 collected shall be deposited with the State Treasurer into  
7 the Long Term Care Monitor/Receiver Fund, which has been  
8 created as a special fund in the State treasury. This  
9 special fund is to be used by the Department for expenses  
10 related to the appointment of monitors and receivers as  
11 contained in Sections 3-501 through 3-517 of this Act, for  
12 the enforcement of this Act, for expenses related to  
13 surveyor development, and for implementation of the Abuse  
14 Prevention Review Team Act. All federal moneys received as  
15 a result of expenditures from the Fund shall be deposited  
16 into the Fund. The Department may reduce or waive a penalty  
17 pursuant to Section 3-308 only if that action will not  
18 threaten the ability of the Department to meet the expenses  
19 required to be met by the Long Term Care Monitor/Receiver  
20 Fund. The application shall be under oath and the  
21 submission of false or misleading information shall be a  
22 Class A misdemeanor. The application shall contain the  
23 following information:

24 (a) The name and address of the applicant if an  
25 individual, and if a firm, partnership, or  
26 association, of every member thereof, and in the case

1 of a corporation, the name and address thereof and of  
2 its officers and its registered agent, and in the case  
3 of a unit of local government, the name and address of  
4 its chief executive officer;

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

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

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

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

19 (3) Each initial application shall be accompanied by a  
20 financial statement setting forth the financial condition  
21 of the applicant and by a statement from the unit of local  
22 government having zoning jurisdiction over the facility's  
23 location stating that the location of the facility is not  
24 in violation of a zoning ordinance. An initial application  
25 for a new facility shall be accompanied by a permit as  
26 required by the "Illinois Health Facilities Planning Act".

1 After the application is approved, the applicant shall  
2 advise the Department every 6 months of any changes in the  
3 information originally provided in the application.

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

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

12 (Source: P.A. 96-758, eff. 8-25-09; 96-1372, eff. 7-29-10;  
13 96-1504, eff. 1-27-11; 96-1530, eff. 2-16-11; 97-489, eff.  
14 1-1-12.)

15 (210 ILCS 45/3-103.5 new)

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

17 (a) Upon receipt of an application for license and the  
18 license fee, the Department shall issue a license if the  
19 applicant and the facilities meet the requirements established  
20 under this Article and where determined by the Department to be  
21 applicable. A license, unless suspended or revoked, shall be  
22 renewable annually upon payment by the licensee of a facility  
23 of a renewal fee of \$20 for each bed in the facility, with a  
24 minimum fee per facility of \$200, which shall be paid to the  
25 Department, and upon filing by the licensee and approval by the

1 Department of an annual report upon such uniform dates and  
2 containing such information in such form as the Department  
3 prescribes by rule. For the renewal of a license to operate a  
4 facility, the annual report must show compliance with the  
5 requirement of Section 3-216 of this Act. No applicant shall  
6 receive a license nor shall any licensee's license be renewed  
7 unless the applicant or licensee shows compliance with the  
8 requirements established under Section 3-216 of this Act. Each  
9 license shall be issued only for the premises and person or  
10 persons or other legal entity or entities named in the  
11 application and shall not be transferrable or assignable except  
12 with the written approval of the Department. Licenses shall be  
13 posted in a conspicuous place on the licenses premises.

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

24 (c) No governmental entity or agency shall be required to  
25 pay the fee or fees set forth in this Section.

1 (210 ILCS 45/3-216 new)

2 Sec. 3-216. Liability insurance requirement.

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

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

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

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

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