



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1322

by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.826 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	

Amends the State Finance Act and the Hospital Licensing Act. Creates the Hospital Licensure Fund as a special fund 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.

LRB098 07917 DRJ 38003 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 State Finance Act is amended by adding
5 Section 5.826 as follows:

6 (30 ILCS 105/5.826 new)

7 Sec. 5.826. The Hospital Licensure Fund.

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

11 (210 ILCS 85/5) (from Ch. 111 1/2, par. 146)

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

18 (b) An application for a license to open, conduct, operate,
19 and maintain a hospital shall be made to the Department upon
20 forms provided by it, accompanied by a license fee of \$30 per
21 bed, provided that a lesser amount may be established by

1 administrative rule of the Department, if the Department, in
2 consultation with the Department of Healthcare and Family
3 Services, determines that \$30 per bed would exceed the
4 limitations on health care-related taxes imposed by 42 U.S.C.
5 1396b(w) that, if violated, would result in reductions to the
6 amount of federal financial participation received by the State
7 for Medicaid expenditures, and shall contain such information
8 as the Department reasonably requires, which may include
9 affirmative evidence of ability to comply with the provisions
10 of this Act and the standards, rules, and regulations,
11 promulgated by virtue thereof.

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

17 (Source: Laws 1965, p. 2350.)

18 (210 ILCS 85/6) (from Ch. 111 1/2, par. 147)

19 Sec. 6. (a) Upon receipt of an application for a permit to
20 establish a hospital the Director shall issue a permit if he
21 finds (1) that the applicant is fit, willing, and able to
22 provide a proper standard of hospital service for the community
23 with particular regard to the qualification, background, and
24 character of the applicant, (2) that the financial resources
25 available to the applicant demonstrate an ability to construct,

1 maintain, and operate a hospital in accordance with the
2 standards, rules, and regulations adopted pursuant to this Act,
3 and (3) that safeguards are provided which assure hospital
4 operation and maintenance consistent with the public interest
5 having particular regard to safe, adequate, and efficient
6 hospital facilities and services.

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

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

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

19 (b) Upon receipt of an application for license to open,
20 conduct, operate, and maintain a hospital, the Director shall
21 issue a license if he finds the applicant and the hospital
22 facilities comply with standards, rules, and regulations
23 promulgated under this Act. A license, unless sooner suspended
24 or revoked, shall be renewable annually upon approval by the
25 Department and payment of a license fee as established pursuant
26 to Section 5 of this Act. Each license shall be issued only for

1 the premises and persons named in the application and shall not
2 be transferable or assignable. Licenses shall be posted in a
3 conspicuous place on the licensed premises. The Department may,
4 either before or after the issuance of a license, request the
5 cooperation of the State Fire Marshal, county and multiple
6 county health departments, or municipal boards of health to
7 make investigations to determine if the applicant or licensee
8 is complying with the minimum standards prescribed by the
9 Department. The report and recommendations of any such agency
10 shall be in writing and shall state with particularity its
11 findings with respect to compliance or noncompliance with such
12 minimum standards, rules, and regulations.

13 The Director may issue a provisional license to any
14 hospital which does not substantially comply with the
15 provisions of this Act and the standards, rules, and
16 regulations promulgated by virtue thereof provided that he
17 finds that such hospital has undertaken changes and corrections
18 which upon completion will render the hospital in substantial
19 compliance with the provisions of this Act, and the standards,
20 rules, and regulations adopted hereunder, and provided that the
21 health and safety of the patients of the hospital will be
22 protected during the period for which such provisional license
23 is issued. The Director shall advise the licensee of the
24 conditions under which such provisional license is issued,
25 including the manner in which the hospital facilities fail to
26 comply with the provisions of the Act, standards, rules, and

1 regulations, and the time within which the changes and
2 corrections necessary for such hospital facilities to
3 substantially comply with this Act, and the standards, rules,
4 and regulations of the Department relating thereto shall be
5 completed.

6 (Source: P.A. 80-56.)

7 (210 ILCS 85/14.5 new)

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

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