

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 Mental Health and Developmental
5 Disabilities Administrative Act is amended by changing Section
6 2 and by adding Sections 15.2a and 68a as follows:

7 (20 ILCS 1705/2) (from Ch. 91 1/2, par. 100-2)

8 Sec. 2. Definitions; administrative subdivisions.

9 (a) For the purposes of this Act, unless the context
10 otherwise requires:

11 "Asset management company" means any business primarily
12 engaged in managing and investing client funds in assets
13 including, but not limited to, securities, equities, stocks,
14 bonds, real estate, investment funds, mutual funds,
15 exchange-traded funds, hedge funds, private equity funds, and
16 venture capital.

17 "Department" means the Department of Human Services,
18 successor to the former Department of Mental Health and
19 Developmental Disabilities.

20 "Developmental disability" means "developmental
21 disability" as defined in Section 1-106 of the Mental Health
22 and Developmental Disabilities Code.

23 "Financially distressed" means any time at which a

1 provider, its subsidiaries, affiliates, parent companies, or
2 contractual service providers, where owned or managed, or
3 contained within a fund owned or managed by an asset
4 management company:

5 (1) fails to timely meet payroll obligations for a
6 period of more than 90 days;

7 (2) is initiating dissolution or has closed;

8 (3) is behind on rent payments for a period of more
9 than 90 days;

10 (4) has defaulted on a loan for a period of more than
11 90 days;

12 (5) is the subject of an order for relief under Title
13 11 of the United States Code on behalf of the provider, its
14 subsidiaries, affiliates, parent companies, or contractual
15 service providers or the commencement of any other
16 insolvency proceeding;

17 (6) has its ratio of total liabilities to earnings
18 before interest, taxes, depreciation, and amortization
19 (EBITDA) either:

20 (A) increase over 4 consecutive quarters to a
21 debt-to-EBITDA ratio greater than 4; or

22 (B) where its initial debt-to-EBITDA ratio was
23 greater than 4, experience an increase over 4
24 consecutive quarters over its initial debt-to-EBITDA
25 ratio.

26 "Intellectual disability" means the "intellectual

1 disability" as defined in Section 1-116 of the Mental Health
2 and Developmental Disabilities Code.

3 "Secretary" means the Secretary of Human Services.

4 (b) Unless the context otherwise requires:

5 (1) References in this Act to the programs or
6 facilities of the Department shall be construed to refer
7 only to those programs or facilities of the Department
8 that pertain to mental health or developmental
9 disabilities.

10 (2) References in this Act to the Department's service
11 providers or service recipients shall be construed to
12 refer only to providers or recipients of services that
13 pertain to the Department's mental health and
14 developmental disabilities functions.

15 (3) References in this Act to employees of the
16 Department shall be construed to refer only to employees
17 whose duties pertain to the Department's mental health and
18 developmental disabilities functions.

19 (c) The Secretary shall establish such subdivisions of the
20 Department as shall be desirable and shall assign to the
21 various subdivisions the responsibilities and duties placed
22 upon the Department by the Laws of the State of Illinois.

23 (d) There is established a coordinator of services to deaf
24 and hearing impaired persons with mental disabilities. In
25 hiring this coordinator, every consideration shall be given to
26 qualified deaf or hearing impaired individuals.

1 (e) Whenever the administrative director of the
2 subdivision for mental health services is not a
3 board-certified psychiatrist, the Secretary shall appoint a
4 Chief for Clinical Services who shall be a board-certified
5 psychiatrist with both clinical and administrative experience.
6 The Chief for Clinical Services shall be responsible for all
7 clinical and medical decisions for mental health services.

8 (Source: P.A. 102-972, eff. 1-1-23.)

9 (20 ILCS 1705/15.2a new)

10 Sec. 15.2a. Adult developmental training services;
11 disclosure, anti-looting, and consumer protections.

12 (a)(1) The Department shall adopt rules requiring
13 providers of adult developmental training services to
14 disclose, after the effective date of this amendatory Act of
15 the 104th General Assembly, upon application for initial
16 certification or renewal, and with any notice of a transaction
17 or agreement as described in paragraph (2), whether the
18 provider, its subsidiaries, affiliates, parent companies, or
19 contractual service providers are or will be owned, managed,
20 or contained within a fund owned or managed by an asset
21 management company. Providers that are owned or managed or
22 contained within a fund owned or managed by an asset
23 management company shall be required to disclose, on a
24 quarterly basis and on forms prescribed by the Department, the
25 name of the asset management company, the address of its

1 headquarters, relevant general partners, portfolio or fund
2 managers, or board members or directors administering,
3 managing, or overseeing the provider, and the name of the
4 fund, where applicable; the size of the asset management
5 company's assets under management; individuals and
6 institutions with interests in the provider, its subsidiaries,
7 affiliates, parent companies, contractual service providers,
8 and the fund containing the same; total liabilities held,
9 individually, by the provider, its subsidiaries, affiliates,
10 parent companies, and contractual service providers; the
11 quarterly EBITDA, individually, of the provider, its
12 subsidiaries, affiliates, parent companies, and contractual
13 service providers; fees and payments, and rates for the same,
14 collected by the asset management company, its subsidiaries,
15 affiliates, parent companies, partners, contractual service
16 providers for goods or services provided to the provider, its
17 subsidiaries, affiliates, parent companies, contractual
18 service providers, and the fund containing the same; the
19 number of full-time and part-time employees and contractors,
20 grouped by job classification, employed or under contract with
21 the provider, its subsidiaries, affiliates, parent companies,
22 contractual service providers and, where applicable, labor
23 organizations representing the same.

24 (2) The Department shall also adopt rules requiring
25 providers to provide the Department with written notice of
26 transactions, and copies of agreements, which would (i) sell,

1 transfer, lease, exchange, option, encumber, convey, or
2 otherwise dispose of a material amount of the assets of the
3 provider, its subsidiaries, affiliates, parent companies, or
4 contractual service providers, to one or more entities or (ii)
5 transfer control, responsibility, or governance of a material
6 amount of the assets or operations of the provider, its
7 subsidiaries, affiliates, parent companies, or contractual
8 service providers, to one or more entities. Written notice and
9 copies of agreements required under this paragraph shall be
10 provided not less than 90 days prior to entering into the
11 agreement or transaction.

12 (b)(1) A provider owned, managed, or contained within a
13 fund owned or managed by an asset management company, its
14 parent companies, or an asset management company which owns or
15 manages the provider, its subsidiaries, affiliated entities,
16 parent companies, contractual service providers, or a fund
17 containing the same, shall not engage in a transaction
18 involving the provider, its subsidiaries, affiliated entities,
19 parent companies, contractual service providers, or the fund
20 containing the same, if the transaction has a reasonable
21 likelihood of causing or materially contributing to the
22 financial distress of the provider, its subsidiaries,
23 affiliated entities, parent companies, or contractual service
24 providers, due to placing an excessively high level of debt on
25 the same.

26 (2) A provider owned, managed, or contained within a fund

1 owned or managed by an asset management company, its parent
2 companies, or an asset management company which owns or
3 manages the provider, its subsidiaries, affiliated entities,
4 parent companies, contractual service providers, or a fund
5 containing the same, shall not cause or otherwise take actions
6 that would result in the provider, its subsidiaries,
7 affiliated entities, parent companies, contractual service
8 providers, or the fund containing the same (i) issuing
9 debt-funded dividends, (ii) paying management fees or similar
10 fees or costs, (iii) issuing dividends at a time or in an
11 amount, or perform any other action or exceed any other
12 metric, where such actions have a reasonable likelihood of
13 causing the provider, its subsidiaries, affiliated entities,
14 parent companies, or contractual service providers to become
15 financially distressed.

16 (c) The Department shall adopt rules incorporating the
17 definition of "financially distressed" as provided under
18 Section 2, and its prohibitions against transactions with a
19 reasonable likelihood of causing or materially contributing to
20 financial distress, into its standards for certification for
21 adult developmental training service providers, where the
22 provider, its subsidiaries, affiliates, parent companies, or
23 contractual service providers are or will be owned, managed,
24 or contained within a fund owned or managed by an asset
25 management company. Engaging in transactions that are
26 prohibited under this Section shall constitute non-compliance,

1 on a continuing basis, with applicable certification standards
2 required by State contracts, grants, enrollment agreements, or
3 reimbursements for services provided by adult developmental
4 training providers.

5 (d) The Department shall publish disclosures, written
6 notices, and copies of agreements submitted in accordance with
7 this Section, upon receipt, on its website for public viewing.

8 (20 ILCS 1705/68a new)

9 Sec. 68a. Supported employment services; disclosure,
10 anti-looting, and consumer protections.

11 (a)(1) The Department shall adopt rules requiring
12 supported employment providers to disclose, after the
13 effective date of this amendatory Act of the 104th General
14 Assembly, upon application for enrollment or renewal, and with
15 any notice of a transaction or agreement as described in
16 paragraph (2), whether the provider, its subsidiaries,
17 affiliates, parent companies, or contractual service providers
18 are or will be owned, managed, or contained within a fund owned
19 or managed by an asset management company. Providers that are
20 owned or managed or contained within a fund owned or managed by
21 an asset management company shall be required to disclose, on
22 a quarterly basis and on forms prescribed by the Department,
23 the name of the asset management company, the address of its
24 headquarters, relevant general partners, portfolio or fund
25 managers, or board members or directors administering,

1 managing, or overseeing the provider, and the name of the
2 fund, where applicable; the size of the asset management
3 company's assets under management; individuals and
4 institutions with interests in the provider, its subsidiaries,
5 affiliates, parent companies, contractual service providers,
6 and the fund containing the same; total liabilities held,
7 individually, by the provider, its subsidiaries, affiliates,
8 parent companies, and contractual service providers; the
9 quarterly EBITDA, individually, of the provider, its
10 subsidiaries, affiliates, parent companies, and contractual
11 service providers; fees and payments, and rates for the same,
12 collected by the asset management company, its subsidiaries,
13 affiliates, parent companies, partners, contractual service
14 providers for goods or services provided to the provider, its
15 subsidiaries, affiliates, parent companies, contractual
16 service providers, and the fund containing the same; the
17 number of full-time and part-time employees and contractors,
18 grouped by job classification, employed or under contract with
19 the provider, its subsidiaries, affiliates, parent companies,
20 contractual service providers and, where applicable, labor
21 organizations representing the same.

22 (2) The Department shall also adopt rules requiring
23 providers to provide the Department with written notice of
24 transactions, and copies of agreements, which would (i) sell,
25 transfer, lease, exchange, option, encumber, convey, or
26 otherwise dispose of a material amount of the assets of the

1 provider, its subsidiaries, affiliates, parent companies, or
2 contractual service providers, to one or more entities or (ii)
3 transfer control, responsibility, or governance of a material
4 amount of the assets or operations of the provider, its
5 subsidiaries, affiliates, parent companies, or contractual
6 service providers, to one or more entities. Written notice and
7 copies of agreements required under this paragraph shall be
8 provided not less than 90 days prior to entering into the
9 agreement or transaction.

10 (b)(1) A provider owned, managed, or contained within a
11 fund owned or managed by an asset management company, its
12 parent companies, or an asset management company which owns or
13 manages the provider, its subsidiaries, affiliated entities,
14 parent companies, contractual service providers, or a fund
15 containing the same, shall not engage in a transaction
16 involving the provider, its subsidiaries, affiliated entities,
17 parent companies, contractual service providers, or the fund
18 containing the same, if the transaction has a reasonable
19 likelihood of causing or materially contributing to the
20 financial distress of the provider, its subsidiaries,
21 affiliated entities, parent companies, or contractual service
22 providers, due to placing an excessively high level of debt on
23 the same.

24 (2) A provider owned, managed, or contained within a fund
25 owned or managed by an asset management company, its parent
26 companies, or an asset management company which owns or

1 manages the provider, its subsidiaries, affiliated entities,
2 parent companies, contractual service providers, or a fund
3 containing the same, shall not cause or otherwise take actions
4 that would result in the provider, its subsidiaries,
5 affiliated entities, parent companies, contractual service
6 providers, or the fund containing the same (i) issuing
7 debt-funded dividends, (ii) paying management fees or similar
8 fees or costs, (iii) issuing dividends at a time or in an
9 amount, or perform any other action or exceed any other
10 metric, where such actions have a reasonable likelihood of
11 causing the provider, its subsidiaries, affiliated entities,
12 parent companies, or contractual service providers to become
13 financially distressed.

14 (c) The Department shall adopt rules incorporating the
15 definition of "financially distressed" as provided under
16 Section 2, and its prohibitions against transactions with a
17 reasonable likelihood of causing or materially contributing to
18 financial distress, into its standards for supported
19 employment providers, where the provider, its subsidiaries,
20 affiliates, parent companies, or contractual service providers
21 are or will be owned, managed, or contained within a fund owned
22 or managed by an asset management company. Engaging in
23 transactions that are prohibited under this Section shall
24 constitute non-compliance, on a continuing basis, with
25 applicable standards required by State contracts, grants,
26 enrollment agreements, or reimbursements for services provided

1 by supported employment providers.

2 (d) The Department shall publish disclosures, written
3 notices, and copies of agreements submitted in accordance with
4 this Section, upon receipt, on its website for public viewing.

5 Section 15. The Community Living Facilities Licensing Act
6 is amended by changing Section 3 and by adding Section 19 as
7 follows:

8 (210 ILCS 35/3) (from Ch. 111 1/2, par. 4183)

9 Sec. 3. Definitions. As used in this Act, unless the
10 context otherwise requires, the terms defined in this Section
11 have the meanings ascribed to them herein.

12 (1) "Adult" means a person 18 years of age or older.

13 (2) "Applicant" means any person, agency, association,
14 corporation, partnership, or organization making application
15 for a license.

16 (3) "Appropriate programming" means programming which
17 meets each resident's individual needs commensurate with his
18 functioning level.

19 (3-5) "Asset management company" means any business
20 primarily engaged in managing and investing client funds in
21 assets including, but not limited to, securities, equities,
22 stocks, bonds, real estate, investment funds, mutual funds,
23 exchange-traded funds, hedge funds, private equity funds, and
24 venture capital.

1 (4) "Community Living Facility" means a transitional
2 residential setting which provides guidance, supervision,
3 training and other assistance to ambulatory or mobile adults
4 with a mild or moderate developmental disability with the goal
5 of eventually moving these persons to more independent living
6 arrangements. Residents are required to participate in day
7 activities, such as vocational training, sheltered workshops
8 or regular employment. A Community Living Facility shall not
9 be a nursing or medical facility and shall house no more than
10 20 residents, excluding staff.

11 (5) "Department" means the Department of Public Health.

12 (6) "Director" means the Director of the Department of
13 Public Health.

14 (6-5) "Financially distressed" means any time at which a
15 facility, its subsidiaries, affiliates, parent companies, or
16 contractual service providers, where owned or managed, or
17 contained within a fund owned or managed by an asset
18 management company:

19 (1) fails to timely meet payroll obligations for a
20 period of more than 90 days;

21 (2) is initiating dissolution or has closed;

22 (3) is behind on rent payments for a period of more
23 than 90 days;

24 (4) has defaulted on a loan for a period of more than
25 90 days;

26 (5) is the subject of an order for relief under Title

1 11 of the United States Code on behalf of the facility, its
2 subsidiaries, affiliates, parent companies, or contractual
3 service providers or the commencement of any other
4 insolvency proceeding;

5 (6) has its ratio of total liabilities to earnings
6 before interest, taxes, depreciation, and amortization
7 (EBITDA) either:

8 (A) increase over 4 consecutive quarters to a
9 debt-to-EBITDA ratio greater than 4; or

10 (B) where its initial debt-to-EBITDA ratio was
11 greater than 4, experience an increase over 4
12 consecutive quarters over its initial debt-to-EBITDA
13 ratio.

14 (7) "Habilitation plan" means a written plan as defined in
15 the "Mental Health and Developmental Disabilities Code of
16 1979", as now or hereafter amended.

17 (8) "License" means any of the following types of licenses
18 issued to an applicant or licensee by the Department:

19 (a) "Probationary license" means a license issued to
20 an applicant or licensee which has not held a license
21 contiguous to its application.

22 (b) "Regular license" means a license issued to an
23 applicant or licensee which is in substantial compliance
24 with this Act and any rules and regulations promulgated
25 hereunder.

26 (9) "Licensee" means a person, agency, association,

1 corporation, partnership, or organization which has been
2 issued a license to operate a Community Living Facility.

3 (10) "Owner" means the individual, partnership,
4 corporation, association or other person who owns a Community
5 Living Facility. In the event a Community Living Facility is
6 operated by a person who leases the physical plant, which is
7 owned by another person, "owner" means the person who operates
8 the Community Living Facility, except that if the person who
9 owns the physical plant is an affiliate of the person who
10 operates the Community Living Facility and has significant
11 control over the day-to-day operations of the Community Living
12 Facility, the person who owns the physical plant shall incur
13 jointly and severally with the owner all liabilities imposed
14 on an owner under this Act.

15 (11) "Plan of correction" means a written plan submitted
16 to the Department for violation of this Act or of rules
17 promulgated hereunder which are cited by the Department. The
18 plan shall describe the steps that will be taken in order to
19 bring the Community Living Facility into compliance and the
20 time-frame for completion of each step.

21 (12) "Qualified surveyor" means any individual or any
22 governmental agency designated by the Department to survey
23 Community Living Facilities for compliance with this Act and
24 the rules and regulations promulgated under this Act.

25 (13) "Resident" means a person residing in a Community
26 Living Facility pursuant to this Act.

1 (14) "Support services" means those services provided to
2 residents in order to facilitate their integration into the
3 community and to improve their level of functioning,
4 independence and self-respect.

5 (Source: P.A. 88-380.)

6 (210 ILCS 35/19 new)

7 Sec. 19. Community Living Facilities; disclosure,
8 anti-looting, and consumer protections.

9 (a)(1) The Department shall adopt rules requiring
10 Community Living Facilities to disclose, after the effective
11 date of this amendatory Act of the 104th General Assembly,
12 upon application for initial licensure or renewal, and with
13 any notice of a transaction or agreement as described in
14 paragraph (2), whether the facility, its subsidiaries,
15 affiliates, parent companies, or contractual service providers
16 are or will be owned, managed, or contained within a fund owned
17 or managed by an asset management company. Facilities that are
18 owned or managed or contained within a fund owned or managed by
19 an asset management company shall be required to disclose, on
20 a quarterly basis and on forms prescribed by the Department,
21 the name of the asset management company, the address of its
22 headquarters, relevant general partners, portfolio or fund
23 managers, or board members or directors administering,
24 managing, or overseeing the provider, and the name of the
25 fund, where applicable; the size of the asset management

1 company's assets under management; individuals and
2 institutions with interests in the facility, its subsidiaries,
3 affiliates, parent companies, contractual service providers,
4 and the fund containing the same; total liabilities held,
5 individually, by the facility, its subsidiaries, affiliates,
6 parent companies, and contractual service providers; the
7 quarterly EBITDA, individually, of the facility, its
8 subsidiaries, affiliates, parent companies, and contractual
9 service providers; fees and payments, and rates for the same,
10 collected by the asset management company, its subsidiaries,
11 affiliates, parent companies, partners, contractual service
12 providers for goods or services provided to the facility, its
13 subsidiaries, affiliates, parent companies, contractual
14 service providers, and the fund containing the same; the
15 number of full-time and part-time employees and contractors,
16 grouped by job classification, employed or under contract with
17 the facility, its subsidiaries, affiliates, parent companies,
18 contractual service providers and, where applicable, labor
19 organizations representing the same.

20 (2) The Department shall also adopt rules requiring
21 facilities to provide the Department with written notice of
22 transactions, and copies of agreements, which would (i) sell,
23 transfer, lease, exchange, option, encumber, convey, or
24 otherwise dispose of a material amount of the assets of the
25 facility, its subsidiaries, affiliates, parent companies, or
26 contractual service providers, to one or more entities or (ii)

1 transfer control, responsibility, or governance of a material
2 amount of the assets or operations of the facility, its
3 subsidiaries, affiliates, parent companies, or contractual
4 service providers, to one or more entities. Written notice and
5 copies of agreements required under this paragraph shall be
6 provided not less than 90 days prior to entering into the
7 agreement or transaction.

8 (b)(1) A facility owned, managed, or contained within a
9 fund owned or managed by an asset management company, its
10 parent companies, or an asset management company which owns or
11 manages the facility, its subsidiaries, affiliated entities,
12 parent companies, contractual service providers, or a fund
13 containing the same, shall not engage in a transaction
14 involving the facility, its subsidiaries, affiliated entities,
15 parent companies, contractual service providers, or the fund
16 containing the same, if the transaction has a reasonable
17 likelihood of causing or materially contributing to the
18 financial distress of the facility, its subsidiaries,
19 affiliated entities, parent companies, or contractual service
20 providers, due to placing an excessively high level of debt on
21 the same.

22 (2) A facility owned, managed, or contained within a fund
23 owned or managed by an asset management company, its parent
24 companies, or an asset management company which owns or
25 manages the facility, its subsidiaries, affiliated entities,
26 parent companies, contractual service providers, or a fund

1 containing the same, shall not cause or otherwise take actions
2 that would result in the facility, its subsidiaries,
3 affiliated entities, parent companies, contractual service
4 providers, or the fund containing the same (i) issuing
5 debt-funded dividends, (ii) paying management fees or similar
6 fees or costs, (iii) issuing dividends at a time or in an
7 amount, or perform any other action or exceed any other
8 metric, where such actions have a reasonable likelihood of
9 causing the facility, its subsidiaries, affiliated entities,
10 parent companies, or contractual service providers to become
11 financially distressed.

12 (c) The Department shall adopt rules incorporating the
13 definition of "financially distressed" as provided under
14 paragraph (6-5) of Section 3, and its prohibitions against
15 transactions with a reasonable likelihood of causing or
16 materially contributing to financial distress, into its
17 standards for licensure for Community Living Facilities, where
18 the facility, its subsidiaries, affiliates, parent companies,
19 or contractual service providers are or will be owned,
20 managed, or contained within a fund owned or managed by an
21 asset management company. Engaging in transactions that are
22 prohibited under this Section shall constitute non-compliance,
23 on a continuing basis, with applicable licensure standards
24 required by State contracts, grants, enrollment agreements, or
25 reimbursements for services provided by Community Living
26 Facilities.

1 (d) The Department shall publish disclosures, written
2 notices, and copies of agreements submitted in accordance with
3 this Section, upon receipt, on its website for public viewing.

4 Section 20. The MC/DD Act is amended by adding Section
5 3-103a as follows:

6 (210 ILCS 46/3-103a new)

7 Sec. 3-103a. MC/DD facilities; disclosure, anti-looting,
8 and consumer protections.

9 (a) As used in this Section:

10 "Asset management company" means any business primarily
11 engaged in managing and investing client funds in assets
12 including, but not limited to, securities, equities, stocks,
13 bonds, real estate, investment funds, mutual funds,
14 exchange-traded funds, hedge funds, private equity funds, and
15 venture capital.

16 "Financially distressed" means any time at which an MC/DD
17 facility, its subsidiaries, affiliates, parent companies, or
18 contractual service providers, where owned or managed, or
19 contained within a fund owned or managed by an asset
20 management company:

21 (1) fails to timely meet payroll obligations for a
22 period of more than 90 days;

23 (2) is initiating dissolution or has closed;

24 (3) is behind on rent payments for a period of more

1 than 90 days;

2 (4) has defaulted on a loan for a period of more than
3 90 days;

4 (5) is the subject of an order for relief under Title
5 11 of the United States Code on behalf of the facility, its
6 subsidiaries, affiliates, parent companies, or contractual
7 service providers or the commencement of any other
8 insolvency proceeding;

9 (6) has its ratio of total liabilities to earnings
10 before interest, taxes, depreciation, and amortization
11 (EBITDA) either:

12 (A) increase over 4 consecutive quarters to a
13 debt-to-EBITDA ratio greater than 4; or

14 (B) where its initial debt-to-EBITDA ratio was
15 greater than 4, experience an increase over 4
16 consecutive quarters over its initial debt-to-EBITDA
17 ratio.

18 (b)(1) The Department shall adopt rules requiring MC/DD
19 facilities to disclose, after the effective date of this
20 amendatory Act of the 104th General Assembly, upon application
21 for initial licensure or renewal, and with any notice of a
22 transaction or agreement as described in paragraph (2),
23 whether the facility, its subsidiaries, affiliates, parent
24 companies, or contractual service providers are or will be
25 owned, managed, or contained within a fund owned or managed by
26 an asset management company. Facilities that are owned or

1 managed or contained within a fund owned or managed by an asset
2 management company shall be required to disclose, on a
3 quarterly basis and on forms prescribed by the Department, the
4 name of the asset management company, the address of its
5 headquarters, relevant general partners, portfolio or fund
6 managers, or board members or directors administering,
7 managing, or overseeing the facility, and the name of the
8 fund, where applicable; the size of the asset management
9 company's assets under management; individuals and
10 institutions with interests in the facility, its subsidiaries,
11 affiliates, parent companies, contractual service providers,
12 and the fund containing the same; total liabilities held,
13 individually, by the facility, its subsidiaries, affiliates,
14 parent companies, and contractual service providers; the
15 quarterly EBITDA, individually, of the facility, its
16 subsidiaries, affiliates, parent companies, and contractual
17 service providers; fees and payments, and rates for the same,
18 collected by the asset management company, its subsidiaries,
19 affiliates, parent companies, partners, contractual service
20 providers for goods or services provided to the facility, its
21 subsidiaries, affiliates, parent companies, contractual
22 service providers, and the fund containing the same; the
23 number of full-time and part-time employees and contractors,
24 grouped by job classification, employed or under contract with
25 the facility, its subsidiaries, affiliates, parent companies,
26 contractual service providers and, where applicable, labor

1 organizations representing the same.

2 (2) The Department shall also adopt rules requiring
3 facilities to provide the Department with written notice of
4 transactions, and copies of agreements, which would (i) sell,
5 transfer, lease, exchange, option, encumber, convey, or
6 otherwise dispose of a material amount of the assets of the
7 facility, its subsidiaries, affiliates, parent companies, or
8 contractual service providers, to one or more entities or (ii)
9 transfer control, responsibility, or governance of a material
10 amount of the assets or operations of the facility, its
11 subsidiaries, affiliates, parent companies, or contractual
12 service providers, to one or more entities. Written notice and
13 copies of agreements required under this paragraph shall be
14 provided not less than 90 days prior to entering into the
15 agreement or transaction.

16 (c)(1) A facility owned, managed, or contained within a
17 fund owned or managed by an asset management company, its
18 parent companies, or an asset management company which owns or
19 manages the facility, its subsidiaries, affiliated entities,
20 parent companies, contractual service providers, or a fund
21 containing the same, shall not engage in a transaction
22 involving the facility, its subsidiaries, affiliated entities,
23 parent companies, contractual service providers, or the fund
24 containing the same, if the transaction has a reasonable
25 likelihood of causing or materially contributing to the
26 financial distress of the facility, its subsidiaries,

1 affiliated entities, parent companies, or contractual service
2 providers, due to placing an excessively high level of debt on
3 the same.

4 (2) A facility owned, managed, or contained within a fund
5 owned or managed by an asset management company, its parent
6 companies, or an asset management company which owns or
7 manages the facility, its subsidiaries, affiliated entities,
8 parent companies, contractual service providers, or a fund
9 containing the same, shall not cause or otherwise take actions
10 that would result in the facility, its subsidiaries,
11 affiliated entities, parent companies, contractual service
12 providers, or the fund containing the same (i) issuing
13 debt-funded dividends, (ii) paying management fees or similar
14 fees or costs, (iii) issuing dividends at a time or in an
15 amount, or perform any other action or exceed any other
16 metric, where such actions have a reasonable likelihood of
17 causing the facility, its subsidiaries, affiliated entities,
18 parent companies, or contractual service providers to become
19 financially distressed.

20 (d) The Department shall adopt rules incorporating the
21 definition of "financially distressed" as provided under this
22 Section, and its prohibitions against transactions with a
23 reasonable likelihood of causing or materially contributing to
24 financial distress, into its standards for licensure for MC/DD
25 facilities, where the facility, its subsidiaries, affiliates,
26 parent companies, or contractual service providers are or will

1 be owned, managed, or contained within a fund owned or managed
2 by an asset management company. Engaging in transactions
3 prohibited by this Section shall constitute non-compliance, on
4 a continuing basis, with applicable licensure standards
5 required by State contracts, grants, enrollment agreements, or
6 reimbursements for services provided by MC/DD facilities.

7 (e) The Department shall publish disclosures, written
8 notices, and copies of agreements submitted in accordance with
9 this Section, upon receipt, on its website for public viewing.

10 Section 25. The ID/DD Community Care Act is amended by
11 adding Section 3-103a as follows:

12 (210 ILCS 47/3-103a new)

13 Sec. 3-103a. ID/DD; disclosure, anti-looting, and consumer
14 protections.

15 (a) As used in this Section:

16 "Asset management company" means any business primarily
17 engaged in managing and investing client funds in assets
18 including, but not limited to, securities, equities, stocks,
19 bonds, real estate, investment funds, mutual funds,
20 exchange-traded funds, hedge funds, private equity funds, and
21 venture capital.

22 "Financially distressed" means any time at which an ID/DD
23 facility, its subsidiaries, affiliates, parent companies, or
24 contractual service providers, where owned or managed, or

1 contained within a fund owned or managed by an asset
2 management company:

3 (1) fails to timely meet payroll obligations for a
4 period of more than 90 days;

5 (2) is initiating dissolution or has closed;

6 (3) is behind on rent payments for a period of more
7 than 90 days;

8 (4) has defaulted on a loan for a period of more than
9 90 days;

10 (5) is the subject of an order for relief under Title
11 11 of the United States Code on behalf of the facility, its
12 subsidiaries, affiliates, parent companies, or contractual
13 service providers or the commencement of any other
14 insolvency proceeding;

15 (6) has its ratio of total liabilities to earnings
16 before interest, taxes, depreciation, and amortization
17 (EBITDA) either:

18 (A) increase over 4 consecutive quarters to a
19 debt-to-EBITDA ratio greater than 4; or

20 (B) where its initial debt-to-EBITDA ratio was
21 greater than 4, experience an increase over 4
22 consecutive quarters over its initial debt-to-EBITDA
23 ratio.

24 (b)(1) The Department shall adopt rules requiring ID/DD
25 facilities to disclose, after the effective date of this
26 amendatory Act of the 104th General Assembly, upon application

1 for initial licensure or renewal, and with any notice of a
2 transaction or agreement as described in paragraph (2),
3 whether the facility, its subsidiaries, affiliates, parent
4 companies, or contractual service providers are or will be
5 owned, managed, or contained within a fund owned or managed by
6 an asset management company. Facilities that are owned or
7 managed or contained within a fund owned or managed by an asset
8 management company shall be required to disclose, on a
9 quarterly basis and on forms prescribed by the Department, the
10 name of the asset management company, the address of its
11 headquarters, relevant general partners, portfolio or fund
12 managers, or board members or directors administering,
13 managing, or overseeing the provider, and the name of the
14 fund, where applicable; individuals and institutions with
15 interests in the facility, its subsidiaries, affiliates,
16 parent companies, contractual service providers, and the fund
17 containing the same; total liabilities held, individually, by
18 the facility, its subsidiaries, affiliates, parent companies,
19 and contractual service providers; the quarterly EBITDA,
20 individually, of the facility, its subsidiaries, affiliates,
21 parent companies, and contractual service providers; fees and
22 payments, and rates for the same, collected by the asset
23 management company, its subsidiaries, affiliates, parent
24 companies, partners, contractual service providers for goods
25 or services provided to the facility, its subsidiaries,
26 affiliates, parent companies, contractual service providers,

1 and the fund containing the same; the number of full-time and
2 part-time employees and contractors, grouped by job
3 classification, employed or under contract with the facility,
4 its subsidiaries, affiliates, parent companies, contractual
5 service providers and, where applicable, labor organizations
6 representing the same.

7 (2) The Department shall also adopt rules requiring
8 facilities to provide the Department with written notice of
9 transactions, and copies of agreements, which would (i) sell,
10 transfer, lease, exchange, option, encumber, convey, or
11 otherwise dispose of a material amount of the assets of the
12 facility, its subsidiaries, affiliates, parent companies, or
13 contractual service providers, to one or more entities or (ii)
14 transfer control, responsibility, or governance of a material
15 amount of the assets or operations of the facility, its
16 subsidiaries, affiliates, parent companies, or contractual
17 service providers, to one or more entities. Written notice and
18 copies of agreements required under this paragraph shall be
19 provided not less than 90 days prior to entering into the
20 agreement or transaction.

21 (c)(1) A facility owned, managed, or contained within a
22 fund owned or managed by an asset management company, its
23 parent companies, or an asset management company which owns or
24 manages the facility, its subsidiaries, affiliated entities,
25 parent companies, contractual service providers, or a fund
26 containing the same, shall not engage in a transaction

1 involving the facility, its subsidiaries, affiliated entities,
2 parent companies, contractual service providers, or the fund
3 containing the same, if the transaction has a reasonable
4 likelihood of causing or materially contributing to the
5 financial distress of the facility, its subsidiaries,
6 affiliated entities, parent companies, or contractual service
7 providers, due to placing an excessively high level of debt on
8 the same.

9 (2) A facility owned, managed, or contained within a fund
10 owned or managed by an asset management company, its parent
11 companies, or an asset management company which owns or
12 manages the facility, its subsidiaries, affiliated entities,
13 parent companies, contractual service providers, or a fund
14 containing the same, shall not cause or otherwise take actions
15 that would result in the facility, its subsidiaries,
16 affiliated entities, parent companies, contractual service
17 providers, or the fund containing the same (i) issuing
18 debt-funded dividends, (ii) paying management fees or similar
19 fees or costs, (iii) issuing dividends at a time or in an
20 amount, or perform any other action or exceed any other
21 metric, where such actions have a reasonable likelihood of
22 causing the facility, its subsidiaries, affiliated entities,
23 parent companies, or contractual service providers to become
24 financially distressed.

25 (d) The Department shall adopt rules incorporating the
26 definition of "financially distressed" as provided in this

1 Section, and its prohibitions against transactions with a
2 reasonable likelihood of causing or materially contributing to
3 financial distress, into its standards for licensure for ID/DD
4 facilities, where the facility, its subsidiaries, affiliates,
5 parent companies, or contractual service providers are or will
6 be owned, managed, or contained within a fund owned or managed
7 by an asset management company. Engaging in transactions that
8 are prohibited under this Section shall constitute
9 non-compliance, on a continuing basis, with applicable
10 licensure standards required by State contracts, grants,
11 enrollment agreements, or reimbursements for services provided
12 by ID/DD facilities.

13 (e) The Department shall publish disclosures, written
14 notices, and copies of agreements submitted in accordance with
15 this Section, upon receipt, on its website for public viewing.

16 Section 30. The Community-Integrated Living Arrangements
17 Licensure and Certification Act is amended by changing Section
18 3 and by adding Section 9a as follows:

19 (210 ILCS 135/3) (from Ch. 91 1/2, par. 1703)

20 Sec. 3. As used in this Act, unless the context requires
21 otherwise:

22 (a) "Applicant" means a person, group of persons,
23 association, partnership, or corporation that applies for a
24 license as a community developmental services agency under

1 this Act.

2 (a-5) "Asset management company" means any business
3 primarily engaged in managing and investing client funds in
4 assets including, but not limited to, securities, equities,
5 stocks, bonds, real estate, investment funds, mutual funds,
6 exchange-traded funds, hedge funds, private equity funds, and
7 venture capital.

8 (b) "Community developmental services agency" or "agency"
9 means a public or private agency, association, partnership,
10 corporation, or organization which, pursuant to this Act,
11 certifies community-integrated living arrangements for persons
12 with a developmental disability.

13 (c) "Department" means the Department of Human Services
14 (as successor to the Department of Mental Health and
15 Developmental Disabilities).

16 (d) "Community-integrated living arrangement" means a
17 living arrangement certified by a community developmental
18 services agency under this Act where 8 or fewer recipients
19 with a developmental disability ~~who~~ reside under the
20 supervision of the agency. Examples of community-integrated
21 living arrangements include, but are not limited to, the
22 following:

23 (1) "Adult foster care", a living arrangement for
24 recipients in residences of families unrelated to them,
25 for the purpose of providing family care for the
26 recipients on a full-time basis;

1 (2) "Assisted residential care", an independent living
2 arrangement where recipients are intermittently supervised
3 by off-site staff;

4 (3) "Crisis residential care", a non-medical living
5 arrangement where recipients in need of non-medical,
6 crisis services are supervised by on-site staff 24 hours a
7 day;

8 (4) "Home individual programs", living arrangements
9 for 2 unrelated adults outside the family home;

10 (5) "Supported residential care", a living arrangement
11 where recipients are supervised by on-site staff and such
12 supervision is provided less than 24 hours a day;

13 (6) "Community residential alternatives", as defined
14 in the Community Residential Alternatives Licensing Act;
15 and

16 (7) "Special needs trust-supported residential care",
17 a living arrangement where recipients are supervised by
18 on-site staff and that supervision is provided 24 hours
19 per day or less, as dictated by the needs of the
20 recipients, and determined by service providers. As used
21 in this item (7), "special needs trust" means a trust for
22 the benefit of a beneficiary with a disability as
23 described in Section 1213 of the Illinois Trust Code.

24 (d-5) "Financially distressed" means any time at which an
25 agency, its subsidiaries, affiliates, parent companies, or
26 contractual service providers, where owned or managed, or

1 contained within a fund owned or managed by an asset
2 management company:

3 (1) fails to timely meet payroll obligations for a
4 period of more than 90 days;

5 (2) is initiating dissolution or has closed;

6 (3) is behind on rent payments for a period of more
7 than 90 days;

8 (4) has defaulted on a loan for a period of more than
9 90 days;

10 (5) is the subject of an order for relief under Title
11 11 of the United States Code on behalf of the agency, its
12 subsidiaries, affiliates, parent companies, or contractual
13 service providers or the commencement of any other
14 insolvency proceeding;

15 (6) has its ratio of total liabilities to earnings
16 before interest, taxes, depreciation, and amortization
17 (EBITDA) either:

18 (A) increase over 4 consecutive quarters to a
19 debt-to-EBITDA ratio greater than 4; or

20 (B) where its initial debt-to-EBITDA ratio was
21 greater than 4, experience an increase over 4
22 consecutive quarters over its initial debt-to-EBITDA
23 ratio.

24 (e) "Recipient" means a person who has received, is
25 receiving, or is in need of treatment or habilitation as those
26 terms are defined in the Mental Health and Developmental

1 Disabilities Code.

2 (f) "Unrelated" means that persons residing together in
3 programs or placements certified by a community developmental
4 services agency under this Act do not have any of the following
5 relationships by blood, marriage, or adoption: parent, son,
6 daughter, brother, sister, grandparent, uncle, aunt, nephew,
7 niece, great grandparent, great uncle, great aunt,
8 stepbrother, stepsister, stepson, stepdaughter, stepparent, or
9 first cousin.

10 (Source: P.A. 104-270, eff. 8-15-25; revised 12-12-25.)

11 (210 ILCS 135/9a new)

12 Sec. 9a. CILAs; disclosure, anti-looting, and consumer
13 protections.

14 (a) (1) The Department shall adopt rules requiring agencies
15 to disclose, after the effective date of this amendatory Act
16 of the 104th General Assembly, upon application for initial
17 licensure or renewal, and with any notice of a transaction or
18 agreement as described in paragraph (2), whether the agency,
19 its subsidiaries, affiliates, parent companies, or contractual
20 service providers are or will be owned, managed, or contained
21 within a fund owned or managed by an asset management company.
22 Agencies that are owned or managed or contained within a fund
23 owned or managed by an asset management company shall be
24 required to disclose, on a quarterly basis and on forms
25 prescribed by the Department, the name of the asset management

1 company, the address of its headquarters, relevant general
2 partners, portfolio or fund managers, or board members or
3 directors administering, managing, or overseeing the agency,
4 and the name of the fund, where applicable; the size of the
5 asset management company's assets under management;
6 individuals and institutions with interests in the agency, its
7 subsidiaries, affiliates, parent companies, contractual
8 service providers, and the fund containing the same; total
9 liabilities held, individually, by the agency, its
10 subsidiaries, affiliates, parent companies, and contractual
11 service providers; the quarterly EBITDA, individually, of the
12 agency, its subsidiaries, affiliates, parent companies, and
13 contractual service providers; fees and payments, and rates
14 for the same, collected by the asset management company, its
15 subsidiaries, affiliates, parent companies, partners,
16 contractual service providers for goods or services provided
17 to the agency, its subsidiaries, affiliates, parent companies,
18 contractual service providers, and the fund containing the
19 same; the number of full-time and part-time employees and
20 contractors, grouped by job classification, employed or under
21 contract with the agency, its subsidiaries, affiliates, parent
22 companies, contractual service providers and, where
23 applicable, labor organizations representing the same.

24 (2) The Department shall also adopt rules requiring
25 agencies to provide the Department with written notice of
26 transactions, and copies of agreements, which would (i) sell,

1 transfer, lease, exchange, option, encumber, convey, or
2 otherwise dispose of a material amount of the assets of the
3 agency, its subsidiaries, affiliates, parent companies, or
4 contractual service providers, to one or more entities or (ii)
5 transfer control, responsibility, or governance of a material
6 amount of the assets or operations of the agency, its
7 subsidiaries, affiliates, parent companies, or contractual
8 service providers, to one or more entities. Written notice and
9 copies of agreements required under this paragraph shall be
10 provided not less than 90 days prior to entering into the
11 agreement or transaction.

12 (b)(1) An agency owned, managed, or contained within a
13 fund owned or managed by an asset management company, its
14 parent companies, or an asset management company which owns or
15 manages the agency, its subsidiaries, affiliated entities,
16 parent companies, contractual service providers, or a fund
17 containing the same, shall not engage in a transaction
18 involving the agency, its subsidiaries, affiliated entities,
19 parent companies, contractual service providers, or the fund
20 containing the same, if the transaction has a reasonable
21 likelihood of causing or materially contributing to the
22 financial distress of the agency, its subsidiaries, affiliated
23 entities, parent companies, or contractual service providers,
24 due to placing an excessively high level of debt on the same.

25 (2) An agency owned, managed, or contained within a fund
26 owned or managed by an asset management company, its parent

1 companies, or an asset management company which owns or
2 manages the agency, its subsidiaries, affiliated entities,
3 parent companies, contractual service providers, or a fund
4 containing the same, shall not cause or otherwise take actions
5 that would result in the agency, its subsidiaries, affiliated
6 entities, parent companies, contractual service providers, or
7 the fund containing the same (i) issuing debt-funded
8 dividends, (ii) paying management fees or similar fees or
9 costs, (iii) issuing dividends at a time or in an amount, or
10 perform any other action or exceed any other metric, where
11 such actions have a reasonable likelihood of causing the
12 agency, its subsidiaries, affiliated entities, parent
13 companies, or contractual service providers to become
14 financially distressed.

15 (c) The Department shall adopt rules incorporating the
16 definition of "financially distressed" as provided in
17 subsection (d-5) of Section 3, and its prohibitions against
18 transactions with a reasonable likelihood of causing or
19 materially contributing to financial distress, into its
20 standards for licensure for agencies, where the agencies,
21 their subsidiaries, affiliates, parent companies, or
22 contractual service providers are or will be owned, managed,
23 or contained within a fund owned or managed by an asset
24 management company. Engaging in transactions that are
25 prohibited under this Section shall constitute non-compliance,
26 on a continuing basis, with applicable licensure standards

1 required by State contracts, grants, enrollment agreements, or
2 reimbursements for services provided by agencies.

3 (d) The Department shall publish disclosures, written
4 notices, and copies of agreements submitted in accordance with
5 this Section, upon receipt, on its website for public viewing.

6 Section 35. The Child Care Act of 1969 is amended by adding
7 Sections 2.41, 2.42, and 7.6a as follows:

8 (225 ILCS 10/2.41 new)

9 Sec. 2.41. Asset management company. "Asset management
10 company" means any business primarily engaged in managing and
11 investing client funds in assets, including, but not limited
12 to, securities, equities, stocks, bonds, real estate,
13 investment funds, mutual funds, exchange-traded funds, hedge
14 funds, private equity funds, and venture capital.

15 (225 ILCS 10/2.42 new)

16 Sec. 2.42. Financially distressed. "Financially
17 distressed" means any time at which a child care institution
18 or group home for children with developmental disabilities,
19 its subsidiaries, affiliates, parent companies, or contractual
20 service providers, where owned or managed, or contained within
21 a fund owned or managed by an asset management company:

22 (1) fails to timely meet payroll obligations for a
23 period of more than 90 days;

1 (2) is initiating dissolution or has closed;

2 (3) is behind on rent payments for a period of more
3 than 90 days;

4 (4) has defaulted on a loan for a period of more than
5 90 days;

6 (5) is the subject of an order for relief under Title
7 11 of the United States Code on behalf of the child care
8 institution or group home for children with developmental
9 disabilities, its subsidiaries, affiliates, parent
10 companies, or contractual service providers or the
11 commencement of any other insolvency proceeding;

12 (6) has its ratio of total liabilities to earnings
13 before interest, taxes, depreciation, and amortization
14 (EBITDA) either:

15 (A) increase over 4 consecutive quarters to a
16 debt-to-EBITDA ratio greater than 4; or

17 (B) where its initial debt-to-EBITDA ratio was
18 greater than 4, experience an increase over 4
19 consecutive quarters over its initial debt-to-EBITDA
20 ratio.

21 (225 ILCS 10/7.6a new)

22 Sec. 7.6a. Child care institutions and group homes for
23 children with developmental disabilities; disclosure,
24 anti-looting, and consumer protections.

25 (a)(1) The Department shall adopt rules requiring child

1 care institutions and group homes for children with
2 developmental disabilities to disclose, after the effective
3 date of this amendatory Act of the 104th General Assembly,
4 upon application for initial licensure or renewal, and with
5 any notice of a transaction or agreement as described in
6 paragraph (2), whether the child care institution or group
7 home for children with developmental disabilities, its
8 subsidiaries, affiliates, parent companies, or contractual
9 service providers are or will be owned, managed, or contained
10 within a fund owned or managed by an asset management company.
11 Child care institutions and group homes for children with
12 developmental disabilities that are owned or managed or
13 contained within a fund owned or managed by an asset
14 management company shall be required to disclose, on a
15 quarterly basis and on forms prescribed by the Department, the
16 name of the asset management company, the address of its
17 headquarters, relevant general partners, portfolio or fund
18 managers, or board members or directors administering,
19 managing, or overseeing the child care institution or group
20 home for children with developmental disabilities, and the
21 name of the fund, where applicable; the size of the asset
22 management company's assets under management; individuals and
23 institutions with interests in the child care institution or
24 group home for children with developmental disabilities, its
25 subsidiaries, affiliates, parent companies, contractual
26 service providers, and the fund containing the same; total

1 liabilities held, individually, by the child care institution
2 or group home for children with developmental disabilities,
3 its subsidiaries, affiliates, parent companies, and
4 contractual service providers; the quarterly EBITDA,
5 individually, of the child care institution or group home for
6 children with developmental disabilities, its subsidiaries,
7 affiliates, parent companies, and contractual service
8 providers; fees and payments, and rates for the same,
9 collected by the asset management company, its subsidiaries,
10 affiliates, parent companies, partners, contractual service
11 providers for goods or services provided to the child care
12 institution or group home for children with developmental
13 disabilities, its subsidiaries, affiliates, parent companies,
14 contractual service providers, and the fund containing the
15 same; the number of full-time and part-time employees and
16 contractors, grouped by job classification, employed or under
17 contract with the child care institution or group home for
18 children with developmental disabilities, its subsidiaries,
19 affiliates, parent companies, contractual service providers
20 and, where applicable, labor organizations representing the
21 same.

22 (2) The Department shall also adopt rules requiring such
23 facilities to provide the Department with written notice of
24 transactions, and copies of agreements, which would (i) sell,
25 transfer, lease, exchange, option, encumber, convey, or
26 otherwise dispose of a material amount of the assets of the

1 facility, its subsidiaries, affiliates, parent companies, or
2 contractual service providers, to one or more entities or (ii)
3 transfer control, responsibility, or governance of a material
4 amount of the assets or operations of the facility, its
5 subsidiaries, affiliates, parent companies, or contractual
6 service providers, to one or more entities. Written notice and
7 copies of agreements required under this paragraph shall be
8 provided not less than 90 days prior to entering into the
9 agreement or transaction.

10 (b)(1) A facility owned, managed, or contained within a
11 fund owned or managed by an asset management company, its
12 parent companies, or an asset management company which owns or
13 manages the facility, its subsidiaries, affiliated entities,
14 parent companies, contractual service providers, or a fund
15 containing the same, shall not engage in a transaction
16 involving the facility, its subsidiaries, affiliated entities,
17 parent companies, contractual service providers, or the fund
18 containing the same, if the transaction has a reasonable
19 likelihood of causing or materially contributing to the
20 financial distress of the facility, its subsidiaries,
21 affiliated entities, parent companies, or contractual service
22 providers, due to placing an excessively high level of debt on
23 the same.

24 (2) A facility owned, managed, or contained within a fund
25 owned or managed by an asset management company, its parent
26 companies, or an asset management company which owns or

1 manages the facility, its subsidiaries, affiliated entities,
2 parent companies, contractual service providers, or a fund
3 containing the same, shall not cause or otherwise take actions
4 that would result in the facility, its subsidiaries,
5 affiliated entities, parent companies, contractual service
6 providers, or the fund containing the same (i) issuing
7 debt-funded dividends, (ii) paying management fees or similar
8 fees or costs, (iii) issuing dividends at a time or in an
9 amount, or perform any other action or exceed any other
10 metric, where such actions have a reasonable likelihood of
11 causing the facility, its subsidiaries, affiliated entities,
12 parent companies, or contractual service providers to become
13 financially distressed.

14 (c) The Department shall adopt rules incorporating the
15 definition of "financially distressed" as provided in Section
16 2.42, and its prohibitions against transactions with a
17 reasonable likelihood of causing or materially contributing to
18 financial distress, into its standards for licensure for child
19 care institutions and group homes for children with
20 developmental disabilities, where the child care institution
21 for children with developmental disabilities or group home for
22 children with developmental disabilities, its subsidiaries,
23 affiliates, parent companies, or contractual service providers
24 are or will be owned, managed, or contained within a fund owned
25 or managed by an asset management company. Engaging in
26 transactions that are prohibited under this Section shall

1 constitute non-compliance, on a continuing basis, with
2 applicable licensure standards required by State contracts,
3 grants, enrollment agreements, or reimbursements for services
4 provided by child care institutions and group homes for
5 children with developmental disabilities.

6 (d) The Department shall publish disclosures, written
7 notices, and copies of agreements submitted in accordance with
8 this Section, upon receipt, on its website for public viewing.

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