



Rep. Laura Faver Dias

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10400HB4728ham001

LRB104 17598 KTG 36679 a

1 AMENDMENT TO HOUSE BILL 4728

2 AMENDMENT NO. _____. Amend House Bill 4728 by replacing
3 everything after the enacting clause with the following:

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.

1 "Department" means the Department of Human Services,
2 successor to the former Department of Mental Health and
3 Developmental Disabilities.

4 "Developmental disability" means "developmental
5 disability" as defined in Section 1-106 of the Mental Health
6 and Developmental Disabilities Code.

7 "Financially distressed" means any time at which a
8 provider, its subsidiaries, affiliates, parent companies, or
9 contractual service providers, where owned or managed, or
10 contained within a fund owned or managed by an asset
11 management company:

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

14 (2) is initiating dissolution or has closed;

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

17 (4) has defaulted on a loan for a period of more than
18 90 days;

19 (5) is the subject of an order for relief under Title
20 11 of the United States Code on behalf of the provider, its
21 subsidiaries, affiliates, parent companies, or contractual
22 service providers or the commencement of any other
23 insolvency proceeding;

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

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

3 (B) where its initial debt-to-EBITDA ratio was
4 greater than 4, experience an increase over 4
5 consecutive quarters over its initial debt-to-EBITDA
6 ratio.

7 "Intellectual disability" means the "intellectual
8 disability" as defined in Section 1-116 of the Mental Health
9 and Developmental Disabilities Code.

10 "Secretary" means the Secretary of Human Services.

11 (b) Unless the context otherwise requires:

12 (1) References in this Act to the programs or
13 facilities of the Department shall be construed to refer
14 only to those programs or facilities of the Department
15 that pertain to mental health or developmental
16 disabilities.

17 (2) References in this Act to the Department's service
18 providers or service recipients shall be construed to
19 refer only to providers or recipients of services that
20 pertain to the Department's mental health and
21 developmental disabilities functions.

22 (3) References in this Act to employees of the
23 Department shall be construed to refer only to employees
24 whose duties pertain to the Department's mental health and
25 developmental disabilities functions.

26 (c) The Secretary shall establish such subdivisions of the

1 Department as shall be desirable and shall assign to the
2 various subdivisions the responsibilities and duties placed
3 upon the Department by the Laws of the State of Illinois.

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

8 (e) Whenever the administrative director of the
9 subdivision for mental health services is not a
10 board-certified psychiatrist, the Secretary shall appoint a
11 Chief for Clinical Services who shall be a board-certified
12 psychiatrist with both clinical and administrative experience.
13 The Chief for Clinical Services shall be responsible for all
14 clinical and medical decisions for mental health services.

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

16 (20 ILCS 1705/15.2a new)

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

19 (a)(1) The Department shall adopt rules requiring
20 providers of adult developmental training services to
21 disclose, after the effective date of this amendatory Act of
22 the 104th General Assembly, upon application for initial
23 certification or renewal, and with any notice of a transaction
24 or agreement as described in paragraph (2), whether the
25 provider, its subsidiaries, affiliates, parent companies, or

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

1 grouped by job classification, employed or under contract with
2 the provider, its subsidiaries, affiliates, parent companies,
3 contractual service providers and, where applicable, labor
4 organizations representing the same.

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

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

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

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

23 (c) The Department shall adopt rules incorporating the
24 definition of "financially distressed" as provided under
25 Section 2, and its prohibitions against transactions with a
26 reasonable likelihood of causing or materially contributing to

1 financial distress, into its standards for certification for
2 adult developmental training service providers, where the
3 provider, its subsidiaries, affiliates, parent companies, or
4 contractual service providers are or will be owned, managed,
5 or contained within a fund owned or managed by an asset
6 management company. Engaging in transactions that are
7 prohibited under this Section shall constitute non-compliance,
8 on a continuing basis, with applicable certification standards
9 required by State contracts, grants, enrollment agreements, or
10 reimbursements for services provided by adult developmental
11 training providers.

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

15 (20 ILCS 1705/68a new)

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

18 (a)(1) The Department shall adopt rules requiring
19 supported employment providers to disclose, after the
20 effective date of this amendatory Act of the 104th General
21 Assembly, upon application for enrollment or renewal, and with
22 any notice of a transaction or agreement as described in
23 paragraph (2), whether the provider, its subsidiaries,
24 affiliates, parent companies, or contractual service providers
25 are or will be owned, managed, or contained within a fund owned

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

1 contractual service providers and, where applicable, labor
2 organizations representing the same.

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

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

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

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

21 (c) The Department shall adopt rules incorporating the
22 definition of "financially distressed" as provided under
23 Section 2, and its prohibitions against transactions with a
24 reasonable likelihood of causing or materially contributing to
25 financial distress, into its standards for supported
26 employment providers, where the provider, its subsidiaries,

1 affiliates, parent companies, or contractual service providers
2 are or will be owned, managed, or contained within a fund owned
3 or managed by an asset management company. Engaging in
4 transactions that are prohibited under this Section shall
5 constitute non-compliance, on a continuing basis, with
6 applicable standards required by State contracts, grants,
7 enrollment agreements, or reimbursements for services provided
8 by supported employment providers.

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

12 Section 15. The Community Living Facilities Licensing Act
13 is amended by changing Section 3 and by adding Section 19 as
14 follows:

15 (210 ILCS 35/3) (from Ch. 111 1/2, par. 4183)

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

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

20 (2) "Applicant" means any person, agency, association,
21 corporation, partnership, or organization making application
22 for a license.

23 (3) "Appropriate programming" means programming which
24 meets each resident's individual needs commensurate with his

1 functioning level.

2 (3-5) "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 (4) "Community Living Facility" means a transitional
9 residential setting which provides guidance, supervision,
10 training and other assistance to ambulatory or mobile adults
11 with a mild or moderate developmental disability with the goal
12 of eventually moving these persons to more independent living
13 arrangements. Residents are required to participate in day
14 activities, such as vocational training, sheltered workshops
15 or regular employment. A Community Living Facility shall not
16 be a nursing or medical facility and shall house no more than
17 20 residents, excluding staff.

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

19 (6) "Director" means the Director of the Department of
20 Public Health.

21 (6-5) "Financially distressed" means any time at which a
22 facility, its subsidiaries, affiliates, parent companies, or
23 contractual service providers, where owned or managed, or
24 contained within a fund owned or managed by an asset
25 management company:

26 (1) fails to timely meet payroll obligations for a

1 period of more than 90 days;

2 (2) is initiating dissolution or has closed;

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

5 (4) has defaulted on a loan for a period of more than
6 90 days;

7 (5) is the subject of an order for relief under Title
8 11 of the United States Code on behalf of the facility, its
9 subsidiaries, affiliates, parent companies, or contractual
10 service providers or the commencement of any other
11 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 (7) "Habilitation plan" means a written plan as defined in
22 the "Mental Health and Developmental Disabilities Code of
23 1979", as now or hereafter amended.

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

26 (a) "Probationary license" means a license issued to

1 an applicant or licensee which has not held a license
2 contiguous to its application.

3 (b) "Regular license" means a license issued to an
4 applicant or licensee which is in substantial compliance
5 with this Act and any rules and regulations promulgated
6 hereunder.

7 (9) "Licensee" means a person, agency, association,
8 corporation, partnership, or organization which has been
9 issued a license to operate a Community Living Facility.

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

22 (11) "Plan of correction" means a written plan submitted
23 to the Department for violation of this Act or of rules
24 promulgated hereunder which are cited by the Department. The
25 plan shall describe the steps that will be taken in order to
26 bring the Community Living Facility into compliance and the

1 time-frame for completion of each step.

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

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

8 (14) "Support services" means those services provided to
9 residents in order to facilitate their integration into the
10 community and to improve their level of functioning,
11 independence and self-respect.

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

13 (210 ILCS 35/19 new)

14 Sec. 19. Community Living Facilities; disclosure,
15 anti-looting, and consumer protections.

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

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

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

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

1 providers, due to placing an excessively high level of debt on
2 the same.

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

19 (c) The Department shall adopt rules incorporating the
20 definition of "financially distressed" as provided under
21 paragraph (6-5) of Section 3, and its prohibitions against
22 transactions with a reasonable likelihood of causing or
23 materially contributing to financial distress, into its
24 standards for licensure for Community Living Facilities, where
25 the facility, its subsidiaries, affiliates, parent companies,
26 or contractual service providers are or will be owned,

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

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

11 Section 20. The MC/DD Act is amended by adding Section
12 3-103a as follows:

13 (210 ILCS 46/3-103a new)

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

16 (a) As used in this Section:

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

23 "Financially distressed" means any time at which an MC/DD
24 facility, its subsidiaries, affiliates, parent companies, or

1 contractual service providers, where owned or managed, or
2 contained within a fund owned or managed by an asset
3 management company:

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

6 (2) is initiating dissolution or has closed;

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

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

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

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

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

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

25 (b)(1) The Department shall adopt rules requiring MC/DD
26 facilities to disclose, after the effective date of this

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

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

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

23 (c)(1) A facility owned, managed, or contained within a
24 fund owned or managed by an asset management company, its
25 parent companies, or an asset management company which owns or
26 manages the facility, its subsidiaries, affiliated entities,

1 parent companies, contractual service providers, or a fund
2 containing the same, shall not engage in a transaction
3 involving the facility, its subsidiaries, affiliated entities,
4 parent companies, contractual service providers, or the fund
5 containing the same, if the transaction has a reasonable
6 likelihood of causing or materially contributing to the
7 financial distress of the facility, its subsidiaries,
8 affiliated entities, parent companies, or contractual service
9 providers, due to placing an excessively high level of debt on
10 the same.

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

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

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

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

19 (210 ILCS 47/3-103a new)

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

22 (a) As used in this Section:

23 "Asset management company" means any business primarily
24 engaged in managing and investing client funds in assets

1 including, but not limited to, securities, equities, stocks,
2 bonds, real estate, investment funds, mutual funds,
3 exchange-traded funds, hedge funds, private equity funds, and
4 venture capital.

5 "Financially distressed" means any time at which an ID/DD
6 facility, its subsidiaries, affiliates, parent companies, or
7 contractual service providers, where owned or managed, or
8 contained within a fund owned or managed by an asset
9 management company:

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

12 (2) is initiating dissolution or has closed;

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

15 (4) has defaulted on a loan for a period of more than
16 90 days;

17 (5) is the subject of an order for relief under Title
18 11 of the United States Code on behalf of the facility, its
19 subsidiaries, affiliates, parent companies, or contractual
20 service providers or the commencement of any other
21 insolvency proceeding;

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

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

1 (B) where its initial debt-to-EBITDA ratio was
2 greater than 4, experience an increase over 4
3 consecutive quarters over its initial debt-to-EBITDA
4 ratio.

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

1 individually, of the facility, its subsidiaries, affiliates,
2 parent companies, and contractual service providers; fees and
3 payments, and rates for the same, collected by the asset
4 management company, its subsidiaries, affiliates, parent
5 companies, partners, contractual service providers for goods
6 or services provided to the facility, its subsidiaries,
7 affiliates, parent companies, contractual service providers,
8 and the fund containing the same; the number of full-time and
9 part-time employees and contractors, grouped by job
10 classification, employed or under contract with the facility,
11 its subsidiaries, affiliates, parent companies, contractual
12 service providers and, where applicable, labor organizations
13 representing the same.

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

1 agreement or transaction.

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

16 (2) A facility owned, managed, or contained within a fund
17 owned or managed by an asset management company, its parent
18 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 cause or otherwise take actions
22 that would result in the facility, its subsidiaries,
23 affiliated entities, parent companies, contractual service
24 providers, or the fund containing the same (i) issuing
25 debt-funded dividends, (ii) paying management fees or similar
26 fees or costs, (iii) issuing dividends at a time or in an

1 amount, or perform any other action or exceed any other
2 metric, where such actions have a reasonable likelihood of
3 causing the facility, its subsidiaries, affiliated entities,
4 parent companies, or contractual service providers to become
5 financially distressed.

6 (d) The Department shall adopt rules incorporating the
7 definition of "financially distressed" as provided in this
8 Section, and its prohibitions against transactions with a
9 reasonable likelihood of causing or materially contributing to
10 financial distress, into its standards for licensure for ID/DD
11 facilities, where the facility, its subsidiaries, affiliates,
12 parent companies, or contractual service providers are or will
13 be owned, managed, or contained within a fund owned or managed
14 by an asset management company. Engaging in transactions that
15 are prohibited under this Section shall constitute
16 non-compliance, on a continuing basis, with applicable
17 licensure standards required by State contracts, grants,
18 enrollment agreements, or reimbursements for services provided
19 by ID/DD facilities.

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

23 Section 30. The Community-Integrated Living Arrangements
24 Licensure and Certification Act is amended by changing Section
25 3 and by adding Section 9a as follows:

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

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

4 (a) "Applicant" means a person, group of persons,
5 association, partnership, or corporation that applies for a
6 license as a community developmental services agency under
7 this Act.

8 (a-5) "Asset management company" means any business
9 primarily engaged in managing and investing client funds in
10 assets including, but not limited to, securities, equities,
11 stocks, bonds, real estate, investment funds, mutual funds,
12 exchange-traded funds, hedge funds, private equity funds, and
13 venture capital.

14 (b) "Community developmental services agency" or "agency"
15 means a public or private agency, association, partnership,
16 corporation, or organization which, pursuant to this Act,
17 certifies community-integrated living arrangements for persons
18 with a developmental disability.

19 (c) "Department" means the Department of Human Services
20 (as successor to the Department of Mental Health and
21 Developmental Disabilities).

22 (d) "Community-integrated living arrangement" means a
23 living arrangement certified by a community developmental
24 services agency under this Act where 8 or fewer recipients
25 with a developmental disability ~~who~~ reside under the

1 supervision of the agency. Examples of community-integrated
2 living arrangements include, but are not limited to, the
3 following:

4 (1) "Adult foster care", a living arrangement for
5 recipients in residences of families unrelated to them,
6 for the purpose of providing family care for the
7 recipients on a full-time basis;

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

11 (3) "Crisis residential care", a non-medical living
12 arrangement where recipients in need of non-medical,
13 crisis services are supervised by on-site staff 24 hours a
14 day;

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

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

20 (6) "Community residential alternatives", as defined
21 in the Community Residential Alternatives Licensing Act;
22 and

23 (7) "Special needs trust-supported residential care",
24 a living arrangement where recipients are supervised by
25 on-site staff and that supervision is provided 24 hours
26 per day or less, as dictated by the needs of the

1 recipients, and determined by service providers. As used
2 in this item (7), "special needs trust" means a trust for
3 the benefit of a beneficiary with a disability as
4 described in Section 1213 of the Illinois Trust Code.

5 (d-5) "Financially distressed" means any time at which an
6 agency, its subsidiaries, affiliates, parent companies, or
7 contractual service providers, where owned or managed, or
8 contained within a fund owned or managed by an asset
9 management company:

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

12 (2) is initiating dissolution or has closed;

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

15 (4) has defaulted on a loan for a period of more than
16 90 days;

17 (5) is the subject of an order for relief under Title
18 11 of the United States Code on behalf of the agency, its
19 subsidiaries, affiliates, parent companies, or contractual
20 service providers or the commencement of any other
21 insolvency proceeding;

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

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

1 (B) where its initial debt-to-EBITDA ratio was
2 greater than 4, experience an increase over 4
3 consecutive quarters over its initial debt-to-EBITDA
4 ratio.

5 (e) "Recipient" means a person who has received, is
6 receiving, or is in need of treatment or habilitation as those
7 terms are defined in the Mental Health and Developmental
8 Disabilities Code.

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

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

18 (210 ILCS 135/9a new)

19 Sec. 9a. CILAs; disclosure, anti-looting, and consumer
20 protections.

21 (a) (1) The Department shall adopt rules requiring agencies
22 to disclose, after the effective date of this amendatory Act
23 of the 104th General Assembly, upon application for initial
24 licensure or renewal, and with any notice of a transaction or
25 agreement as described in paragraph (2), whether the agency,

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

1 contractors, grouped by job classification, employed or under
2 contract with the agency, its subsidiaries, affiliates, parent
3 companies, contractual service providers and, where
4 applicable, labor organizations representing the same.

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

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

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

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

22 (c) The Department shall adopt rules incorporating the
23 definition of "financially distressed" as provided in
24 subsection (d-5) of Section 3, and its prohibitions against
25 transactions with a reasonable likelihood of causing or
26 materially contributing to financial distress, into its

1 standards for licensure for agencies, where the agencies,
2 their subsidiaries, affiliates, parent companies, or
3 contractual service providers are or will be owned, managed,
4 or contained within a fund owned or managed by an asset
5 management company. Engaging in transactions that are
6 prohibited under this Section shall constitute non-compliance,
7 on a continuing basis, with applicable licensure standards
8 required by State contracts, grants, enrollment agreements, or
9 reimbursements for services provided by agencies.

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

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

15 (225 ILCS 10/2.41 new)

16 Sec. 2.41. Asset management company. "Asset management
17 company" means any business primarily engaged in managing and
18 investing client funds in assets, including, but not limited
19 to, securities, equities, stocks, bonds, real estate,
20 investment funds, mutual funds, exchange-traded funds, hedge
21 funds, private equity funds, and venture capital.

22 (225 ILCS 10/2.42 new)

23 Sec. 2.42. Financially distressed. "Financially

1 distressed" means any time at which a child care institution
2 or group home for children with developmental disabilities,
3 its subsidiaries, affiliates, parent companies, or contractual
4 service providers, where owned or managed, or contained within
5 a fund owned or managed by an asset management company:

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

8 (2) is initiating dissolution or has closed;

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

11 (4) has defaulted on a loan for a period of more than
12 90 days;

13 (5) is the subject of an order for relief under Title
14 11 of the United States Code on behalf of the child care
15 institution or group home for children with developmental
16 disabilities, its subsidiaries, affiliates, parent
17 companies, or contractual service providers or the
18 commencement of any other insolvency proceeding;

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

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

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

1 ratio.

2 (225 ILCS 10/7.6a new)

3 Sec. 7.6a. Child care institutions and group homes for
4 children with developmental disabilities; disclosure,
5 anti-looting, and consumer protections.

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

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

1 and, where applicable, labor organizations representing the
2 same.

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

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

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

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

21 (c) The Department shall adopt rules incorporating the
22 definition of "financially distressed" as provided in Section
23 2.42, and its prohibitions against transactions with a
24 reasonable likelihood of causing or materially contributing to
25 financial distress, into its standards for licensure for child
26 care institutions and group homes for children with

1 developmental disabilities, where the child care institution
2 for children with developmental disabilities or group home for
3 children with developmental disabilities, its subsidiaries,
4 affiliates, parent companies, or contractual service providers
5 are or will be owned, managed, or contained within a fund owned
6 or managed by an asset management company. Engaging in
7 transactions that are prohibited under this Section shall
8 constitute non-compliance, on a continuing basis, with
9 applicable licensure standards required by State contracts,
10 grants, enrollment agreements, or reimbursements for services
11 provided by child care institutions and group homes for
12 children with developmental disabilities.

13 (d) 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 99. Effective date. This Act takes effect upon
17 becoming law.".