



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB5000

by Rep. Jennifer Gong-Gershowitz

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3960/8.5  
740 ILCS 10/7.2a

Amends the Illinois Health Care Facilities Planning Act. Repeals the January 1, 2027 inoperative date affecting a change of ownership among related persons. Amends the Illinois Antitrust Act. Repeals the January 1, 2027 inoperative date affecting notice provisions to the Attorney General before a health care merger or affiliation. Amends provisions requiring health care entities to notify the Attorney General within 30 days before a merger or affiliation to include a "covered transaction" even if the parties to the transaction are not themselves a health care facility or provider organization but own or control, directly or indirectly, one or more of the 2 or more health care facilities or provider organizations that will be under common ownership or contracting affiliation if the transaction is consummated, including if parties to the covered transaction are private equity companies. Defines "private equity company" to mean any company or partnership that collects capital investments from individuals or entities and purchases, as a parent company, at any level of corporate ownership, or through another entity or entities so that the company completely or partially owns or controls, a direct or indirect ownership share of an Illinois health care entity or an out-of-state health care entity that generates \$10,000,000 or more in annual revenue from patients residing in this State. Changes notice provisions. Defines terms.

LRB104 18143 JRC 31582 b

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Health Facilities Planning Act is  
5 amended by changing Section 8.5 as follows:

6 (20 ILCS 3960/8.5)

7 (Section scheduled to be repealed on December 31, 2029)

8 Sec. 8.5. Certificate of exemption for change of ownership  
9 of a health care facility; discontinuation of a category of  
10 service; public notice and public hearing.

11 (a) Upon a finding that an application for a change of  
12 ownership is complete, the State Board shall publish a legal  
13 notice on 3 consecutive days in a newspaper of general  
14 circulation in the area or community to be affected and afford  
15 the public an opportunity to request a hearing. If the  
16 application is for a facility located in a Metropolitan  
17 Statistical Area, an additional legal notice shall be  
18 published in a newspaper of limited circulation, if one  
19 exists, in the area in which the facility is located. If the  
20 newspaper of limited circulation is published on a daily  
21 basis, the additional legal notice shall be published on 3  
22 consecutive days. The applicant shall pay the cost incurred by  
23 the Board in publishing the change of ownership notice in

1 newspapers as required under this subsection. The legal notice  
2 shall also be posted on the Health Facilities and Services  
3 Review Board's web site and sent to the State Representative  
4 and State Senator of the district in which the health care  
5 facility is located and to the Office of the Attorney General.  
6 An application for change of ownership of a hospital shall not  
7 be deemed complete without a signed certification that for a  
8 period of 2 years after the change of ownership transaction is  
9 effective, the hospital will not adopt a charity care policy  
10 that is more restrictive than the policy in effect during the  
11 year prior to the transaction. An application for a change of  
12 ownership need not contain signed transaction documents so  
13 long as it includes the following key terms of the  
14 transaction: names and background of the parties; structure of  
15 the transaction; the person who will be the licensed or  
16 certified entity after the transaction; the ownership or  
17 membership interests in such licensed or certified entity both  
18 prior to and after the transaction; fair market value of  
19 assets to be transferred; and the purchase price or other form  
20 of consideration to be provided for those assets. The issuance  
21 of the certificate of exemption shall be contingent upon the  
22 applicant submitting a statement to the Board within 90 days  
23 after the closing date of the transaction, or such longer  
24 period as provided by the Board, certifying that the change of  
25 ownership has been completed in accordance with the key terms  
26 contained in the application. If such key terms of the

1 transaction change, a new application shall be required.

2 Where a change of ownership is among related persons, and  
3 there are no other changes being proposed at the health care  
4 facility that would otherwise require a permit or exemption  
5 under this Act, the applicant shall submit an application  
6 consisting of a standard notice in a form set forth by the  
7 Board briefly explaining the reasons for the proposed change  
8 of ownership. Once such an application is submitted to the  
9 Board and reviewed by the Board staff, the Board Chair shall  
10 take action on an application for an exemption for a change of  
11 ownership among related persons within 45 days after the  
12 application has been deemed complete, provided the application  
13 meets the applicable standards under this Section. If the  
14 Board Chair has a conflict of interest or for other good cause,  
15 the Chair may request review by the Board. Notwithstanding any  
16 other provision of this Act, for purposes of this Section, a  
17 change of ownership among related persons means a transaction  
18 where the parties to the transaction are under common control  
19 or ownership before and after the transaction is completed.

20 Nothing in this Act shall be construed as authorizing the  
21 Board to impose any conditions, obligations, or limitations,  
22 other than those required by this Section, with respect to the  
23 issuance of an exemption for a change of ownership, including,  
24 but not limited to, the time period before which a subsequent  
25 change of ownership of the health care facility could be  
26 sought, or the commitment to continue to offer for a specified

1 time period any services currently offered by the health care  
2 facility.

3 ~~The changes made by this amendatory Act of the 103rd~~  
4 ~~General Assembly are inoperative on and after January 1, 2027.~~

5 (a-3) (Blank).

6 (a-5) Upon a finding that an application to discontinue a  
7 category of service is complete and provides the requested  
8 information, as specified by the State Board, an exemption  
9 shall be issued. No later than 30 days after the issuance of  
10 the exemption, the health care facility must give written  
11 notice of the discontinuation of the category of service to  
12 the State Senator and State Representative serving the  
13 legislative district in which the health care facility is  
14 located. No later than 90 days after a discontinuation of a  
15 category of service, the applicant must submit a statement to  
16 the State Board certifying that the discontinuation is  
17 complete.

18 (b) If a public hearing is requested, it shall be held at  
19 least 15 days but no more than 30 days after the date of  
20 publication of the legal notice in the community in which the  
21 facility is located. The hearing shall be held in the affected  
22 area or community in a place of reasonable size and  
23 accessibility and a full and complete written transcript of  
24 the proceedings shall be made. All interested persons  
25 attending the hearing shall be given a reasonable opportunity  
26 to present their positions in writing or orally. The applicant

1 shall provide a summary or describe the proposed change of  
2 ownership at the public hearing.

3 (c) For the purposes of this Section "newspaper of limited  
4 circulation" means a newspaper intended to serve a particular  
5 or defined population of a specific geographic area within a  
6 Metropolitan Statistical Area such as a municipality, town,  
7 village, township, or community area, but does not include  
8 publications of professional and trade associations.

9 (d) The changes made to this Section by this amendatory  
10 Act of the 101st General Assembly shall apply to all  
11 applications submitted after the effective date of this  
12 amendatory Act of the 101st General Assembly.

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

14 Section 10. The Illinois Antitrust Act is amended by  
15 changing Section 7.2a as follows:

16 (740 ILCS 10/7.2a)

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

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

19 (a) As used in this Section:

20 "Acquisition" means an agreement, arrangement, or activity  
21 the consummation of which results in a person acquiring  
22 directly or indirectly the control of another person.  
23 "Acquisition" includes the acquisition of voting securities  
24 and noncorporate interests, such as assets, capital stock,

1 membership interests, or equity interests.

2 "Contracting affiliation" means the formation of a  
3 relationship between 2 or more entities that permits the  
4 entities to negotiate jointly with health carriers or  
5 third-party administrators over rates for professional medical  
6 services, or for one entity to negotiate on behalf of the other  
7 entity with health carriers or third-party administrators over  
8 rates for professional medical services. "Contracting  
9 affiliation" does not include arrangements among entities  
10 under common ownership.

11 "Covered transaction" means any merger, acquisition, or  
12 contracting affiliation involving ~~between~~ 2 or more health  
13 care facilities, or ~~or~~ provider organizations not previously  
14 under common ownership or contracting affiliation. A  
15 transaction is a "covered transaction" subject to the notice  
16 requirements even if the parties to the transaction are not  
17 themselves a health care facility or provider organization but  
18 own or control, directly or indirectly, one or more of the 2 or  
19 more health care facilities or provider organizations that  
20 will be under common ownership or contracting affiliation if  
21 the transaction is consummated, including if parties to the  
22 covered transaction are private equity companies.

23 "Health care facility" means the following facilities,  
24 organizations, and related persons:

25 (1) An ambulatory surgical treatment center required  
26 to be licensed under the Ambulatory Surgical Treatment

1 Center Act.

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

4 (3) A hospital, ambulatory surgical treatment center,  
5 or kidney disease treatment center maintained by the State  
6 or any department or agency thereof.

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

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

16 (6) An institution, place, building, or room used for  
17 provision of a health care category of service, as defined  
18 under the Illinois Health Facilities Planning Act,  
19 including, but not limited to, cardiac catheterization and  
20 open heart surgery.

21 With the exception of those health care facilities  
22 specifically included in this Section, nothing in this Section  
23 shall be intended to include facilities operated as a part of  
24 the practice of a physician or other licensed health care  
25 professional, whether practicing in his or her individual  
26 capacity or within the legal structure of any partnership,

1 medical or professional corporation, or unincorporated medical  
2 or professional group. Further, this Section shall not apply  
3 to physicians or other licensed health care professional's  
4 practices where such practices are carried out in a portion of  
5 a health care facility under contract with such health care  
6 facility by a physician or by other licensed health care  
7 professionals, whether practicing in his or her individual  
8 capacity or within the legal structure of any partnership,  
9 medical or professional corporation, or unincorporated medical  
10 or professional groups, unless the entity constructs,  
11 modifies, or establishes a health care facility as  
12 specifically defined in this Section.

13 "Health care provider" means an individual or entity duly  
14 licensed or legally authorized to provide health care  
15 services.

16 "Health care services" means health care services or  
17 products rendered or sold by a health care provider within the  
18 scope of the health care provider's license or legal  
19 authorization. The term includes, but is not limited to,  
20 hospital, medical, surgical, dental, vision, and  
21 pharmaceutical services or products.

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

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

26 "Illinois health care entity" means a health care facility

1 or provider organization that has an office in or is doing  
2 business in this State.

3 "Merger" means the consolidation of 2 or more  
4 organizations, including 2 or more organizations joining  
5 through a common parent organization or 2 or more  
6 organizations forming a new organization, but does not include  
7 a corporate reorganization.

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

11 "Private equity company" means any company or partnership  
12 that collects capital investments from individuals or entities  
13 and purchases, as a parent company, at any level of corporate  
14 ownership, or through another entity or entities so that the  
15 company completely or partially owns or controls a direct or  
16 indirect ownership share of an Illinois health care entity or  
17 an out-of-state health care entity that generates \$10,000,000  
18 or more in annual revenue from patients residing in this  
19 State.

20 "Provider organization" means a corporation, partnership,  
21 business trust, association, or organized group of persons,  
22 whether incorporated or not, which is in the business of  
23 health care delivery or management and that represents 20 or  
24 more health care providers in contracting with health carriers  
25 or third-party administrators for the payment of health care  
26 services. "Provider organization" includes physician

1 organizations, physician-hospital organizations, independent  
2 practice associations, provider networks, and accountable care  
3 organizations.

4 "Third-party administrator" means an entity that  
5 administers payments for health care services on behalf of a  
6 client in exchange for an administrative fee.

7 (b) Notice of Health care facilities or provider  
8 ~~organizations that are party to~~ a covered transaction shall be  
9 provided ~~provide notice of such transaction~~ to the Attorney  
10 General no later than 30 days prior to the transaction closing  
11 or effective date of the transaction.

12 Notice of a covered transaction ~~Covered transactions~~  
13 between an Illinois health care entity and an out-of-state  
14 health care entity shall be provided ~~must provide notice~~ under  
15 this subsection where the out-of-state entity generates  
16 \$10,000,000 or more in annual revenue from patients residing  
17 in this State.

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

20 (1) For ~~any health care facility or provider~~  
21 ~~organization that is a party to~~ a covered transaction that  
22 is the subject of ~~and files~~ a premerger notification  
23 filing with the Federal Trade Commission or the United  
24 States Department of Justice, in compliance with the  
25 Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15  
26 U.S.C. 18a, the notice requirement is satisfied by

1 providing a copy of such filing with all attachments to  
2 the Attorney General at the same time as it is provided to  
3 the federal government.

4 (2) For any health care facility involved in ~~that is a~~  
5 ~~party to~~ a covered transaction that is not described in  
6 paragraph (1), the notice requirement is satisfied when  
7 the healthcare facility files an application for a change  
8 of ownership with the Health Facilities and Services  
9 Review Board, in compliance with the Illinois Health  
10 Facilities Planning Act. The Health Facilities and  
11 Services Review Board shall provide a copy of such filing  
12 to the Attorney General at the same time as it is provided  
13 to the applicable State legislators under subsection (a)  
14 of Section 8.5 of the Illinois Health Facilities Planning  
15 Act.

16 (3) For any health care facility, ~~or~~ provider  
17 organization, or any entity that owns or controls,  
18 directly or indirectly, a health care facility or provider  
19 organization that is involved in ~~organization that is a~~  
20 ~~party to~~ a covered transaction that is not described in  
21 paragraph (1) or (2), written notice provided by the  
22 parties must include:

23 (A) the names of all health care facilities,  
24 provider organizations involved in the covered  
25 transaction and ~~parties and~~ their current business  
26 addresses ~~address;~~

1 (B) identification of all locations where health  
2 care services are currently provided by each entity  
3 disclosed in subparagraph (A) party;

4 (C) a brief description of the nature and purpose  
5 of the proposed transaction; and

6 (D) the anticipated effective date of the proposed  
7 transaction.

8 Nothing in this subsection prohibits any entity ~~the~~  
9 ~~parties to a covered transaction~~ from voluntarily providing  
10 additional information to the Attorney General.

11 (d) The Attorney General may make any requests for  
12 additional information from the filing parties that is  
13 relevant to its investigation of the covered transaction  
14 within 30 days of the date notice is received under  
15 subsections (b) and (c). If the Attorney General requests  
16 additional information, the covered transaction may not  
17 proceed until 30 days after the filing parties have  
18 substantially complied with the request. Any subsequent  
19 request for additional information by the Attorney General  
20 shall not further delay the covered transaction from  
21 proceeding. Nothing in this Section precludes the Attorney  
22 General from conducting an investigation or enforcing State or  
23 federal antitrust laws at a later date.

24 (e) Any party to a covered transaction that ~~health care~~  
25 ~~facility or provider organization that~~ fails to comply with  
26 any provision of this Section is subject to a civil penalty of

1 not more than \$500 per day for each day during which the party  
2 ~~health care facility or provider organization~~ is in violation  
3 of this Section.

4 Whenever the Attorney General has reason to believe that a  
5 party to a covered transaction ~~health care facility or~~  
6 ~~provider organization~~ has engaged in or is engaging in a  
7 covered transaction without complying with the provisions of  
8 this Section, the Attorney General may apply for and obtain,  
9 in an action in the Circuit Court of Sangamon or Cook County, a  
10 temporary restraining order or injunction, or both,  
11 prohibiting the party ~~health care facility or provider~~  
12 ~~organization~~ from continuing its noncompliance or doing any  
13 act in furtherance thereof. The court may make such further  
14 orders or judgments, at law or in equity, as may be necessary  
15 to remedy such noncompliance.

16 Before bringing such an action or seeking to recover a  
17 civil penalty, the Attorney General shall permit the party to  
18 the covered transaction ~~health care facility or provider~~  
19 ~~organization~~ to come into compliance with this Section within  
20 10 days of being notified of its alleged noncompliance. The  
21 right to cure noncompliance does not exist on or after the  
22 covered transaction's proposed or actual closing date of the  
23 covered transaction, whichever is sooner.

24 (f) (Blank). ~~This Section is repealed on January 1, 2027.~~

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