

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7 (Section scheduled to be repealed on December 31, 2029)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