

# SB3055



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3055

Introduced 1/28/2026, by Sen. Neil Anderson

### SYNOPSIS AS INTRODUCED:

210 ILCS 85/10.8

Amends the Hospital Licensing Act. In the definition of "professional judgment", removes language providing that situations in which an employing entity does not interfere with an employed physician's professional judgment includes reasonable referral restrictions that do not, in the reasonable professional judgment of the physician, adversely affect the health or welfare of the patient. Effective immediately.

LRB104 19520 BAB 32968 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Hospital Licensing Act is amended by  
5 changing Section 10.8 as follows:

6 (210 ILCS 85/10.8)

7 Sec. 10.8. Requirements for employment of physicians.

8 (a) Physician employment by hospitals and hospital  
9 affiliates. Employing entities may employ physicians to  
10 practice medicine in all of its branches provided that the  
11 following requirements are met:

12 (1) The employed physician is a member of the medical  
13 staff of either the hospital or hospital affiliate. If a  
14 hospital affiliate decides to have a medical staff, its  
15 medical staff shall be organized in accordance with  
16 written bylaws where the affiliate medical staff is  
17 responsible for making recommendations to the governing  
18 body of the affiliate regarding all quality assurance  
19 activities and safeguarding professional autonomy. The  
20 affiliate medical staff bylaws may not be unilaterally  
21 changed by the governing body of the affiliate. Nothing in  
22 this Section requires hospital affiliates to have a  
23 medical staff.

1           (2) Independent physicians, who are not employed by an  
2           employing entity, periodically review the quality of the  
3           medical services provided by the employed physician to  
4           continuously improve patient care.

5           (3) The employing entity and the employed physician  
6           sign a statement acknowledging that the employer shall not  
7           unreasonably exercise control, direct, or interfere with  
8           the employed physician's exercise and execution of his or  
9           her professional judgment in a manner that adversely  
10          affects the employed physician's ability to provide  
11          quality care to patients. This signed statement shall take  
12          the form of a provision in the physician's employment  
13          contract or a separate signed document from the employing  
14          entity to the employed physician. This statement shall  
15          state: "As the employer of a physician, (employer's name)  
16          shall not unreasonably exercise control, direct, or  
17          interfere with the employed physician's exercise and  
18          execution of his or her professional judgment in a manner  
19          that adversely affects the employed physician's ability to  
20          provide quality care to patients."

21          (4) The employing entity shall establish a mutually  
22          agreed upon independent review process with criteria under  
23          which an employed physician may seek review of the alleged  
24          violation of this Section by physicians who are not  
25          employed by the employing entity. The affiliate may  
26          arrange with the hospital medical staff to conduct these

1 reviews. The independent physicians shall make findings  
2 and recommendations to the employing entity and the  
3 employed physician within 30 days of the conclusion of the  
4 gathering of the relevant information.

5 (b) Definitions. For the purpose of this Section:

6 "Employing entity" means a hospital licensed under the  
7 Hospital Licensing Act or a hospital affiliate.

8 "Employed physician" means a physician who receives an IRS  
9 W-2 form, or any successor federal income tax form, from an  
10 employing entity.

11 "Hospital" means a hospital licensed under the Hospital  
12 Licensing Act, except county hospitals as defined in  
13 subsection (c) of Section 15-1 of the Illinois Public Aid  
14 Code.

15 "Hospital affiliate" means a corporation, partnership,  
16 joint venture, limited liability company, or similar  
17 organization, other than a hospital, that is devoted primarily  
18 to the provision, management, or support of health care  
19 services and that directly or indirectly controls, is  
20 controlled by, or is under common control of the hospital.

21 "Control" means having at least an equal or a majority  
22 ownership or membership interest. A hospital affiliate shall  
23 be 100% owned or controlled by any combination of hospitals,  
24 their parent corporations, or physicians licensed to practice  
25 medicine in all its branches in Illinois. "Hospital affiliate"  
26 does not include a health maintenance organization regulated

1 under the Health Maintenance Organization Act.

2 "Physician" means an individual licensed to practice  
3 medicine in all its branches in Illinois.

4 "Professional judgment" means the exercise of a  
5 physician's independent clinical judgment in providing  
6 medically appropriate diagnoses, care, and treatment to a  
7 particular patient at a particular time. Situations in which  
8 an employing entity does not interfere with an employed  
9 physician's professional judgment include, without limitation,  
10 the following:

11 (1) practice restrictions based upon peer review of  
12 the physician's clinical practice to assess quality of  
13 care and utilization of resources in accordance with  
14 applicable bylaws;

15 (2) supervision of physicians by appropriately  
16 licensed medical directors, medical school faculty,  
17 department chairpersons or directors, or supervising  
18 physicians; and

19 (3) written statements of ethical or religious  
20 directives. ~~and~~

21 ~~(4) reasonable referral restrictions that do not, in~~  
22 ~~the reasonable professional judgment of the physician,~~  
23 ~~adversely affect the health or welfare of the patient.~~

24 (c) Private enforcement. An employed physician aggrieved  
25 by a violation of this Act may seek to obtain an injunction or  
26 reinstatement of employment with the employing entity as the

1 court may deem appropriate. Nothing in this Section limits or  
2 abrogates any common law cause of action. Nothing in this  
3 Section shall be deemed to alter the law of negligence.

4 (d) Department enforcement. The Department may enforce the  
5 provisions of this Section, but nothing in this Section shall  
6 require or permit the Department to license, certify, or  
7 otherwise investigate the activities of a hospital affiliate  
8 not otherwise required to be licensed by the Department.

9 (e) Retaliation prohibited. No employing entity shall  
10 retaliate against any employed physician for requesting a  
11 hearing or review under this Section. No action may be taken  
12 that affects the ability of a physician to practice during  
13 this review, except in circumstances where the medical staff  
14 bylaws authorize summary suspension.

15 (f) Physician collaboration. No employing entity shall  
16 adopt or enforce, either formally or informally, any policy,  
17 rule, regulation, or practice inconsistent with the provision  
18 of adequate collaboration, including medical direction of  
19 licensed advanced practice registered nurses or supervision of  
20 licensed physician assistants and delegation to other  
21 personnel under Section 54.5 of the Medical Practice Act of  
22 1987.

23 (g) Physician disciplinary actions. Nothing in this  
24 Section shall be construed to limit or prohibit the governing  
25 body of an employing entity or its medical staff, if any, from  
26 taking disciplinary actions against a physician as permitted

1 by law.

2 (h) Physician review. Nothing in this Section shall be  
3 construed to prohibit a hospital or hospital affiliate from  
4 making a determination not to pay for a particular health care  
5 service or to prohibit a medical group, independent practice  
6 association, hospital medical staff, or hospital governing  
7 body from enforcing reasonable peer review or utilization  
8 review protocols or determining whether the employed physician  
9 complied with those protocols.

10 (i) Review. Nothing in this Section may be used or  
11 construed to establish that any activity of a hospital or  
12 hospital affiliate is subject to review under the Illinois  
13 Health Facilities Planning Act.

14 (j) Rules. The Department shall adopt any rules necessary  
15 to implement this Section.

16 (Source: P.A. 100-201, eff. 8-18-17; 100-513, eff. 1-1-18.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.