**Section 976.10 Definitions**

"Act" means Section 2310-640 of the Department of Public Health Powers and Duties Law.

"Ambulatory Surgical Treatment Center" means any institution, place or building licensed pursuant to the Ambulatory Surgical Treatment Center Act.

"Architectural and Engineering Costs" means the costs associated with the development and implementation of drawings and design materials for a project.

"Authorized Beds" means the number of beds recognized at a hospital as reflected in the Inventory of Health Care Facilities and Services and Need Determinations from the Health Facilities and Services Review Board (see 77 Ill. Adm. Code 1100.220).

"Calendar Day" means all days in a month or prescribed time frame, including weekends and holidays.

"Capital Expenditure" means an expenditure that creates a future benefit. A capital expenditure occurs when an entity acquires an asset or adds to the value of an existing asset with a useful life that is beyond one year. Under generally accepted accounting principles, capital expenditures are costs that cannot be deducted in the year in which the asset was acquired. If the asset has a useful life longer than one year, the capital expenditure cost is depreciated over the life of the asset.

"Capital Lease" means a lease that is recognized as an asset and liability. Under generally accepted accounting principles, this applies to leases through which the entity acquires all of the economic benefits and risks of the leased asset.

"Cash and Equivalents" means the most liquid assets in the balance sheet. Equivalents are securities with maturities of less than three months and can be sold with little or no loss of value.

"Case Mix Index" for a hospital shall mean either the case mix index used in Section 5A-12.2(n) of the Illinois Public Aid Code or the case mix index used under the federal Medicare program as specified in the Final Rule entitled, "Medicare Program: Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2009 Rates" published in the Federal Register on August 19, 2008, whichever is greater.

"Category of Service" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1100.220).

"Certificate of Exemption" or "COE" is an exemption issued by the Health Facilities and Services Review Board for construction or modification of a health care facility.

"Certificate of Need" or "CON" is a permit issued by the Health Facilities and Services Review Board for construction or modification of a health care facility.

"Change of Ownership" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1130.140).

"Changes the Bed Capacity of Health Care Facility" means *increasing the total number of beds or by distributing beds among various categories of service or by relocating beds from one physical facility or site to another by more than 20 beds or more than 10% of total bed capacity, whichever is less.* (Section 5(c) of the Illinois Health Facilities Planning Act)

"Children's Hospital" means a hospital that is devoted exclusively to care for children (see 89 Ill. Adm. Code 149.50(c)(3)(A)).

"Clinical Service Area" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1130.140).

"Construction" or "Modernization" means the establishment, building, alteration, reconstruction, modernization, or improvement of a hospital.

"Construction Costs" or "Modernization Costs" means expenses from a construction contract.

"Contingencies" means an allowance for unforeseeable events relating to the construction or modernization component of a project.

"Control" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1130.140).

"Debt Financing" means all or a portion of a project's costs financed through borrowing. For purposes of this Part, leasing is considered borrowing.

*"Department" means the* *Department of Public Health*. (Section 2310-5 of the Department of Public Health Powers and Duties Law)

"Depreciation" means the reduction in the balance sheet value of an asset to reflect its loss of value through age and use.

"Depreciation Schedule" means the annual apportionment of the depreciable cost of an asset to future accounting periods.

"Discontinue" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1130.140).

*"Director" means the Director of Public Health*. (Section 2310-5 of the Department of Public Health Powers and Duties Law)

"Due Diligence" means to take action toward the completion of a project with the diligence and foresight that persons of ordinary prudence and care would exercise under similar circumstances.

"Establish" or "Establishment" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1130.140).

"Estimated Total Project Cost" means all of the capital expenditures required to complete a project.

"Equipment Cost" means the cost of movable equipment, including movable medical equipment, and the cost of making this equipment operational (e.g., installation costs).

*"General Acute Care Hospital" shall have the meaning* ascribed *in both Section 5A-12.2 of the Illinois Public Aid Code* (Section 2310-640(e) of the Act) and the Illinois Department of Healthcare and Family Services' rules (see 89 Ill. Adm. Code 148.458(a)).

"Grant Agreement" means the agreement entered into between the Department and the grantee setting forth the terms and conditions of a grant award.

"Grant Funds" means public funds dispensed by the Department to any person or entity for obligation, capital expenditure, or use for a specific purpose.

"Grantee" means a recipient of a grant under this Part.

*"Hospital" shall have the meaning* ascribed *in Section 3 of the Hospital Licensing Act, but in no event shall it include a hospital owned or operated by a State agency, a State university, or a county with a population of 3,000,000 or more.* (Section 2310-640(e) of the Act)

"Hospital System" means a group of hospitals, facilities and organizations engaged in providing health care within a geographical area.

*"Medicaid Inpatient Day" shall have the meaning* ascribed *in Section 5A-12.2(n) of the Illinois Public Aid Code*. (Section 2310-640(e) of the Act)

*"Medicaid Inpatient Utilization Rate" shall have the meaning* ascribed *in 89* Ill. Adm. Code *148.20(i)(4)* for the rate year beginning on October 1, 2008. (Section 2310-640(e) of the Act)

"Not-for-Profit Hospital" means a hospital that is subject to Sections 101.80(m) and 103.05(a) of the General Not For Profit Corporation Act of 1986.

"Obligation" or "Obligated" means that the project has commenced and is proceeding with due diligence and that the grantee is meeting the time frame requirements outlined in the grant application and in Section 976.190.

"Preplanning Costs" means costs incurred prior to the commencement of a project, including bid solicitations, legal fees, and feasibility studies.

"Project Completion" means that the project has been brought to a conclusion based on the objectives in the grant application and has met all applicable requirements of the Hospital Licensing Act and the Illinois Health Facilities Planning Act.

"Public Hospital" means a hospital owned by a Hospital District or other public agency (see Section 3(b) of the Hospital District Law).

*"Rural" shall have the meaning* ascribed *in 89* Ill. Adm. Code *148.25(g)(3)*. (Section 2310-640(e) of the Act)

"Scrap Value" means the minimal worth of an asset after it is depreciated.

"Site Preparation" means costs for the preparation of a site for construction or modernization, including site drainage, utilities, demolition of existing structures, clearing, grading, and earthwork.

"Substantially Changes the Scope or Changes the Functional Operation of the Facility" shall have the meaning ascribed in the Health Facilities and Services Review Board's rules (see 77 Ill. Adm. Code 1130.140).

*"Urban" shall have the meaning* ascribed *in 89* Ill. Adm. Code *148.25(g)(4)*. (Section 2310-640(e) of the Act)