



Rep. Denyse Wang Stoneback

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10200HB4662ham002

LRB102 23617 CPF 36726 a

1 AMENDMENT TO HOUSE BILL 4662

2 AMENDMENT NO. _____. Amend House Bill 4662 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Nursing Home Care Act is amended by adding
5 Section 3-305.10 as follows:

6 (210 ILCS 45/3-305.10 new)

7 Sec. 3-305.10. Rental data disclosure; facility cost
8 report; ownership interests.

9 (a) In this Section:

10 "Department" means the Department of Healthcare and Family
11 Services.

12 "Real estate partnership" means any combination of
13 domestic or foreign corporations, limited liability companies,
14 limited liability partnerships, subsidiaries, management
15 companies, general partnerships, sole proprietorships, limited
16 liability partnership, or any other legal entity recognized

1 under Illinois law that hold real estate together.

2 "Related business entity" means one of 2 or more entities
3 where:

4 (1) the entities have (i) significant common purposes
5 and substantial common membership or (ii) directly or
6 indirectly substantial common direction or control;

7 (2) either entity owns, directly or through one or
8 more entities, a 50% or greater interest in the capital or
9 profits of the other;

10 (3) the entities share a real estate partnership; or

11 (4) the owner or operator of either entity has a
12 familial relationship or is a related party to a person
13 who is an owner or operator of another entity.

14 "Related party" includes a person's parent, stepparent,
15 child, spouse, sibling, cousin, or other family member.

16 (b) A for-profit facility licensed under this Act shall
17 disclose, with each cost report filed with the Department,
18 data regarding the lease or rental of the facility by a related
19 business entity that owns the facility to a business operating
20 the facility in any cost report submitted by the facility to
21 the State. The data shall include the following:

22 (1) Any new company created by an investor or a
23 related party of an investor in the facility to hold a real
24 estate asset of the facility, including the value of any
25 building on the real estate, the value of the real
26 property itself, and the value of the company itself.

1 (2) Information regarding the rental or provision of
2 ventilators, pharmaceutical supplies, ambulances,
3 management and professional services, or payroll services
4 to any facility that is leased or rented by the facility's
5 property owner, business owner, or a related party of a
6 property owner or business owner. This information
7 includes, but is not limited to, the following:

8 (A) General services, such as dietary,
9 housekeeping, laundry, maintenance, nonemergency
10 transport, or food services.

11 (B) Health care and program services, such as the
12 facility's medical director, nursing and medical
13 records, therapy, activities, certified nursing
14 assistant training, program transportation, and
15 special services.

16 (C) General administration services, such as
17 professional services, payroll services, clerical and
18 general office services, data processing, in-service
19 training and education, staff and resident
20 transportation, consulting services, project manager
21 services, and associated services.

22 (D) Capital expenses and services, such as
23 facility rent, leases, grounds, equipment, supplies,
24 and vehicles.

25 (E) Ancillary expenses.

26 (F) Contractual services, such as:

1 (i) lobbying services;

2 (ii) association dues; and

3 (iii) campaign contributions.

4 (3) Detailed information on any declaration of
5 bankruptcy, as well as any sale of any privately or
6 publicly held real estate to a real estate investor,
7 investment trust, or private equity firm. This information
8 includes, but is not limited to, the following:

9 (A) Any required filings by a board of trustees
10 under any other law and disclosure of the names of the
11 president, leadership board, and members of the
12 corporation, limited liability company, limited
13 liability partnership, subsidiary, management company,
14 general partnership, sole proprietorship, limited
15 liability partnership, or other legal entity
16 recognized under any State or federal law or rule.

17 (B) Documentation that includes, but is not
18 limited to, annual filings with the Secretary of State
19 and any relevant federal filings.

20 (C) Identification of entities that have either a
21 significant ownership interest, meaning at or greater
22 than 0.01%, in the facility or that play an important
23 role in the facility's management, financing, or
24 operation.

25 (4) Details of any private equity backing of the
26 facility.

1 (5) Information on the interest rates and other terms
2 of loans and credit provided by related business entities.

3 (6) All income and expenses related to the business
4 entity in question, from gross and net revenues to gross
5 and net expenses, including, but not limited to, any
6 expenses paid to management companies regarding the real
7 property.

8 (7) In a form that protects the privacy rights of
9 residents, the facility's spending relating to Medicaid
10 and Medicare and the amounts of State and federal funds
11 received or spent by the facility.

12 (c) The disclosure required under subsection (b) shall be
13 filed with the Department's Bureau of Health Finance within 90
14 days after the end of each fiscal year. The Department shall
15 publish the information collected on the Department's website
16 for general viewing and in an annual report to the General
17 Assembly. The report to the General Assembly shall also
18 include recommendations based on annual findings.

19 (d) The Auditor General shall submit an annual audit
20 report to the General Assembly concerning the quality of care,
21 financial practices, and statewide oversight of Illinois'
22 facilities.

23 (e) Any individual who has an ownership interest in a
24 facility that is placed on the federal Special Focus Facility
25 List published by the Centers for Medicare and Medicaid
26 Services or its list of candidates for that List shall not

1 obtain an ownership interest in another facility in the State
2 until the facility has been removed from and remains off of the
3 Special Focus Facility List or the list of candidates for that
4 List for a period of 2 years.

5 (f) Within 90 days after the effective date of this
6 amendatory Act of the 102nd General Assembly, all long-term
7 care providers operating or maintaining a facility shall
8 notify the Department of all individual owners and any
9 individuals or organizations that are part of a limited
10 liability company with ownership of that facility and the
11 percentage of ownership of each owner. This ownership
12 reporting requirement does not include individual shareholders
13 in a publicly held corporation. In this subsection, "long-term
14 care provider" has the same meaning as defined in Section 5B-1
15 of Article V-B of the Illinois Public Aid Code.

16 (g) The Department, in collaboration with any other
17 relevant State agency, shall work to improve State data
18 collection forms for facilities to ensure that all relevant
19 information is provided.

20 (h) Notwithstanding any other provision of law to the
21 contrary, State regulators shall determine whether facilities
22 are paying fair market prices for services and goods provided
23 by related business entities, compel facility chief executive
24 officers to personally sign annual disclosure reports pledging
25 that such goods and services were purchased from related
26 parties at fair market rates, or both."