

1 AMENDMENT TO HOUSE BILL 700

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 700 by replacing  
3 the title with the following:

4 "AN ACT concerning health."; and

5 by replacing everything after the enacting clause with the  
6 following:

7 "Section 5. The Illinois Health Facilities Authority Act  
8 is amended by changing Sections 2.06, 4.06, and 11 and by  
9 adding Sections 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7,  
10 17.8, 17.9, and 17.10 as follows:

11 (20 ILCS 3705/2.06) (from Ch. 111 1/2, par. 1102.06)

12 Sec. 2.06. Bonds. "Bonds" means bonds, notes and bond  
13 anticipation notes and any other evidences of indebtedness of  
14 the Authority issued under this Act, including refunding  
15 bonds and bonds issued under Section 17.3.

16 (Source: P.A. 85-1173.)

17 (20 ILCS 3705/4.06) (from Ch. 111 1/2, par. 1104.06)

18 Sec. 4.06. Issuance of bonds. To issue bonds of the  
19 Authority for any of its corporate purposes and in such  
20 amounts as it deems necessary and to fund or refund the same

1 all as provided in this Act, and with respect to bonds issued  
2 under Section 17.3, subject to the requirements of Sections  
3 17.1 through 17.10.

4 (Source: P.A. 77-2635.)

5 (20 ILCS 3705/11) (from Ch. 111 1/2, par. 1111)

6 Sec. 11. Bonds; liability of State and political  
7 subdivisions.

8 (a) Bonds issued under the provisions of this Act shall  
9 not be deemed to constitute a debt or liability of the State  
10 or of any political subdivision thereof other than the  
11 Authority or a pledge of the faith and credit of the State or  
12 of any such political subdivision other than the Authority,  
13 but shall be payable solely from the funds herein provided  
14 therefor. The issuance of bonds under the provisions of this  
15 Act shall not, directly or indirectly or contingently,  
16 obligate the State or any political subdivision thereof to  
17 levy any form of taxation therefor or to make any  
18 appropriation for their payment. Nothing in this Section  
19 contained shall prevent or be construed to prevent the  
20 Authority from pledging its full faith and credit or the full  
21 faith and credit of a health institution to the payment of  
22 bonds authorized pursuant to this Act. Nothing in this Act  
23 shall be construed to authorize the Authority to create a  
24 debt of the State within the meaning of the Constitution or  
25 Statutes of Illinois and all bonds issued by the Authority  
26 pursuant to the provisions of this Act are payable and shall  
27 state that they are payable solely from the funds pledged for  
28 their payment in accordance with the resolution authorizing  
29 their issuance or in any trust indenture or mortgage or deed  
30 of trust executed as security therefor. The State shall not  
31 in any event be liable for the payment of the principal of or  
32 interest on any bonds of the Authority or for the performance  
33 of any pledge, mortgage, obligation or agreement of any kind

1 whatsoever which may be undertaken by the Authority. No  
2 breach of any such pledge, mortgage, obligation or agreement  
3 may impose any pecuniary liability upon the State or any  
4 charge upon its general credit or against its taxing power.

5 (b) The provisions of subsection (a) do not apply to  
6 bonds issued under Section 17.3, the nature of which are as  
7 described in Section 17.6.

8 (Source: P.A. 77-2635.)

9 (20 ILCS 3705/17.1 new)

10 Sec. 17.1. Financially distressed provider refunding bond  
11 program; findings and declaration of policy. The General  
12 Assembly finds and declares that health care and human  
13 services providers in the State of Illinois are currently  
14 experiencing serious and sustained financial problems. These  
15 financial problems are most severe for a group of health and  
16 human services providers who receive significant amounts of  
17 funding from the State of Illinois and for a group of health  
18 care providers who serve a predominantly indigent patient  
19 population in areas of critical need throughout the State of  
20 Illinois. The financial difficulties being experienced by  
21 this group of health and human services providers has been  
22 significantly worsened as a result of failure by the State of  
23 Illinois to provide adequate funding to support essential  
24 programs and services and by the State's failure to make  
25 timely payment of amounts appropriated for payment to these  
26 providers. These institutions provide essential human  
27 services for the people of the State of Illinois. The ability  
28 of these entities effectively to carry out their mission and  
29 to provide these essential services, however, is being  
30 significantly hampered by these financial problems. It is  
31 therefore essential that the State of Illinois provide a  
32 financing mechanism to permit this group of providers to  
33 refinance, at a significantly reduced rate of interest,

1 outstanding indebtedness previously issued for the purpose of  
2 financing or refinancing costs of acquiring, constructing,  
3 enlarging, remodeling, renovating, improving, furnishing, or  
4 equipping a health facility. Use of such a financing  
5 mechanism will permit these providers to realize significant  
6 debt service savings, which can be applied to providing  
7 expanded and improved health and human services to the  
8 neediest residents of the State of Illinois. Establishing a  
9 program is therefore declared to be in the public interest  
10 and for the public benefit.

11 (20 ILCS 3705/17.2 new)

12 Sec. 17.2. Definitions. The following words or terms,  
13 whenever used or referred to in Sections 17.1 through 17.9,  
14 have the following meanings ascribed to them, except where  
15 the context clearly requires otherwise:

16 (a) "Costs of issuance" means all reasonable costs  
17 incurred in connection with the issuance of the bonds  
18 including, but not limited to, legal and accounting fees and  
19 expenses, printing expenses, financial consultants' fees,  
20 financing charges (including underwriting and placement fees  
21 and discounts), printing costs, costs incurred in connection  
22 with public approvals, fees and expenses associated with  
23 obtaining a rating on the bonds, costs for the preparation of  
24 any disclosure document and other documents necessary for the  
25 issuance of the bonds, and fees of trustees, paying agents,  
26 and other fiduciaries.

27 (b) "Director" means Director of the Bureau of the  
28 Budget.

29 (c) "Financially Distressed Provider Credit Enhancement  
30 Fund" means the special fund created in the State treasury  
31 under the State Finance Act.

32 (d) "Minimum required debt service savings" means net  
33 present value savings, after payment of costs of issuance,

1 paid by, on behalf of, or with respect to any qualifying  
2 provider of at least 3%. The amount of the costs of issuance  
3 properly allocated as paid by, on behalf of, or with respect  
4 to any qualifying provider shall be determined by the  
5 Authority, with the written concurrence of the Director.

6 (e) "Qualifying provider" means a participating health  
7 institution that is either: (i) certified as a provider under  
8 the Critical Access Hospital program or (ii) demonstrates, to  
9 the reasonable written satisfaction of the Director, that,  
10 for its last 3 fiscal years for which audited financial  
11 statements have been prepared, State funding accounted for an  
12 annual average of at least 40% of its operating revenues.

13 (f) "Refinance" or "refinancing" means refunding of any  
14 outstanding bonds, notes, or other indebtedness of a  
15 qualifying provider, whether or not that indebtedness has  
16 previously been issued to the Authority, whether or not  
17 interest on that indebtedness is exempt from federal income  
18 taxation, and regardless of the remaining term to maturity of  
19 that indebtedness.

20 (g) "State agency" means the Department of Public Aid,  
21 the Department of Public Health, the Department of Children  
22 and Family Services, the Department of Human Services, and  
23 any other department or agency of State government that  
24 enters into contracts with health institutions under which  
25 the institution is paid or reimbursed by the State for  
26 providing health or human services to persons in Illinois.

27 (h) "State funding" means funds received from any State  
28 agency.

29 (20 ILCS 3705/17.3 new)

30 Sec. 17.3. Issuance of bonds. On application of a  
31 qualifying provider, the Authority may issue its bonds solely  
32 for the purpose of enabling that qualifying provider to  
33 refinance all or a portion of its outstanding indebtedness.

1 Bonds shall be issued by the Authority under this Section  
2 only in accordance with the following requirements:

3 (1) Bonds shall be issued only for the purpose of  
4 refinancing outstanding indebtedness of a qualifying provider  
5 that was previously issued to finance or refinance the cost  
6 of a health facility (but not including working capital,  
7 accounts receivable, and operating expenses).

8 (2) Bonds shall be issued only if the Director, in  
9 consultation with the Authority, determines that as a result  
10 of the refinancing: (i) the qualifying provider will realize  
11 minimum required debt service savings or (ii) the qualifying  
12 provider will realize significant economic or financial  
13 advantages that will enable it to more effectively provide  
14 health care or other human services to the people of the  
15 State of Illinois.

16 (3) The Authority may issue bonds for any individual  
17 qualified provider or may issue a single bond issue for a  
18 group of qualified providers. The Authority shall make that  
19 determination only with the written concurrence of the  
20 Director. The Authority and the Director are encouraged to  
21 consider issuance of a single bond issue for a group of  
22 qualified providers as a means of reducing costs of issuance  
23 and providing greater net financial and economic benefits to  
24 qualifying providers. Any single bond issue for a group of  
25 qualified providers is subject to all requirements for bond  
26 issues as established by this Act.

27 (20 ILCS 3705/17.4 new)

28 Sec. 17.4. Limitation on authorization.

29 (a) The Authority may issue bonds under Section 17.3 in  
30 an aggregate principal amount not to exceed \$300,000,000.

31 (b) Bonds may be issued under Section 17.3 on or before  
32 June 30, 2004. No bonds may be issued under Section 17.3 on  
33 or after July 1, 2004. The final maturity date of bonds

1 issued under Section 17.3 may be no later than January 1,  
2 2025.

3 (c) Bonds may be issued by the Authority under Section  
4 17.3 only after consultation with and upon receipt of the  
5 written concurrence of the Director.

6 (d) The maximum amount of proceeds of bonds under  
7 Section 17.3 to be loaned to, or otherwise made available for  
8 the benefit of, any individual qualifying provider may not  
9 exceed \$50,000,000. For purposes of this subsection, proceeds  
10 of bonds used to pay costs of issuance paid by, on behalf of,  
11 or with respect to any qualifying provider shall not be  
12 included. The amount of costs of issuance properly allocated  
13 as paid by, on behalf of, or with respect to any qualifying  
14 provider shall be determined by the Authority, with the  
15 written concurrence of the Director.

16 (e) Unless specifically approved in writing by the  
17 Director, costs of issuance for each issue of bonds may not  
18 exceed one and one-half percent of the principal amount of  
19 the proceeds of sale of each issue of bonds.

20 (f) If any bonds are to be sold by negotiated sale, the  
21 Authority, in consultation with the Director, must comply  
22 with the competitive request for proposal process set forth  
23 in the Illinois Procurement Code and all other applicable  
24 requirements of that Code.

25 (g) Before the issuance of bonds for the benefit of a  
26 qualified provider, that qualified provider must enter into  
27 an agreement with the Authority, the Director, and any  
28 applicable State agency pursuant to which the qualified  
29 provider agrees, among other matters, that if amounts are  
30 withdrawn from the debt service reserve fund established  
31 under Section 17.5 as a result of the failure of that  
32 qualified provider to make timely repayment to the Authority  
33 of bond proceeds loaned to, or otherwise made available for  
34 the benefit of, that qualified provider, the State agency

1 shall be permitted to direct the payment of any money that is  
2 otherwise due and payable to the qualified provider, up to  
3 the maximum amount of that withdrawal from the debt service  
4 reserve fund, into the Financially Distressed Provider Credit  
5 Enhancement Fund.

6 (20 ILCS 3705/17.5 new)

7 Sec. 17.5. Debt service reserve funds.

8 (a) In connection with the issuance of each series of  
9 bonds, the Authority must create and establish a debt service  
10 reserve fund to be maintained by a trustee, separate and  
11 segregated from all other funds and accounts of the  
12 Authority. The Authority may, however, in consultation with  
13 the Director, establish one debt service reserve fund for the  
14 benefit of 2 or more series of bonds. The amounts required to  
15 be on deposit in a debt service reserve fund shall be  
16 determined by the Authority, in consultation with and upon  
17 the written concurrence of the Director, and shall be  
18 specified in the resolution or indenture securing the bonds.  
19 Any reserve fund established under this Section shall be  
20 initially funded from bond proceeds and other moneys lawfully  
21 available to the Authority.

22 (b) If moneys are withdrawn from any debt service  
23 reserve fund established under subsection (a), the trustee  
24 shall immediately notify the Chairman of the Authority, who  
25 shall in turn immediately notify the Director, the State  
26 Comptroller, and the State Treasurer of the amount of that  
27 withdrawal. Upon receipt of the notification, the State  
28 Comptroller and the State Treasurer shall immediately  
29 transfer from the Financially Distressed Provider Credit  
30 Enhancement Fund to, or at the direction of, the Authority  
31 for deposit into the debt service reserve fund the amount  
32 required to restore that debt service reserve fund to the  
33 level of the debt service reserve requirement specified in



1 the resolution or indenture securing the bonds.

2 (c) This Section constitutes an irrevocable and  
3 continuing appropriation from the Financially Distressed  
4 Provider Credit Enhancement Fund to any debt service reserve  
5 fund established under subsection (a) of all amounts  
6 necessary for that purpose and the irrevocable and continuing  
7 authority for and direction to the State Treasurer and the  
8 State Comptroller to make those transfers and deposits.

9 (20 ILCS 3705/17.6 new)

10 Sec. 17.6. Nature of bonds. All bonds issued under  
11 Section 17.3 shall be limited obligations of the State of  
12 Illinois payable from: (i) amounts transferred from the  
13 Financially Distressed Provider Credit Enhancement Fund to  
14 the debt service reserve fund established under Section 17.5  
15 and (ii) amounts in any fund or account maintained pursuant  
16 to any indenture or resolution securing those bonds to the  
17 extent provided in the indenture or resolution. The bonds are  
18 not general obligations of the State of Illinois and are not  
19 secured by the full faith and credit of the State of  
20 Illinois, and the holders of the bonds may not require the  
21 levy or imposition of any taxes or the application of State  
22 revenues, other than amounts transferred from the Financially  
23 Distressed Provider Credit Enhancement Fund to the debt  
24 service reserve fund established under Section 17.5, to the  
25 payment of the bonds. Each bond shall describe the limited  
26 nature of the State's obligation on the face of the bond.

27 (20 ILCS 3705/17.7 new)

28 Sec. 17.7. Actions to compel payment. If the State fails  
29 to transfer required amounts from the Financially Distressed  
30 Provider Credit Enhancement Fund to a debt service reserve  
31 fund, as provided in Section 17.5, or from the General  
32 Revenue Fund to the Financially Distressed Provider Credit

1 Enhancement Fund, as provided in Section 6z-43 of the State  
2 Finance Act, a civil action to compel that transfer may be  
3 instituted in the Circuit Court of Sangamon County by the  
4 holder or holders of the bonds issued under Section 17.3.  
5 Delivery of a summons and a copy of the complaint to the  
6 Attorney General constitutes sufficient service to give the  
7 Circuit Court of Sangamon County jurisdiction of the subject  
8 matter of such a suit and jurisdiction over the State and its  
9 officers named as defendants for the purpose of compelling  
10 the transfer.

11 (20 ILCS 3705/17.8 new)

12 Sec. 17.8. Covenants with bondholders. The State of  
13 Illinois irrevocably covenants and agrees with the holders of  
14 bonds issued under Section 17.3 that the State will not alter  
15 or limit: (i) the basis on which transfers are required to be  
16 made from the General Revenue Fund to the Distressed Provider  
17 Credit Enhancement Fund, pursuant to Section 6z-43 of the  
18 State Finance Act; (ii) the basis on which transfers are  
19 required to be made from the Distressed Provider Credit  
20 Enhancement Fund to either the debt service reserve fund  
21 established under Section 17.5 or to the General Revenue  
22 Fund; or (iii) the provisions of this Act or the State  
23 Finance Act so as to impair, in any of the foregoing  
24 respects, the obligations of contract incurred in favor of  
25 the holders of bonds issued under Section 17.3. The covenant  
26 and agreement set forth in this Section may be included in a  
27 trust indenture, resolution, or bond issued under Section  
28 17.3.

29 (20 ILCS 3705/17.9 new)

30 Sec. 17.9. Tax exemption. The exercise of the powers  
31 granted in Sections 17.1 through 17.10 are in all respects  
32 for the benefit of the people of Illinois. In consideration

1 of that benefit, the bonds issued under Section 17.3 and the  
 2 income from those bonds are free from all taxation by the  
 3 State or its political subdivisions, except for estate,  
 4 transfer, and inheritance taxes. For purposes of Section 250  
 5 of the Illinois Income Tax Act, the exemption of the income  
 6 from bonds issued under those Sections terminates after all  
 7 of the bonds have been fully paid. The amount of that income  
 8 to be added to and then subtracted from federal adjusted  
 9 gross income or federal taxable income on the Illinois income  
 10 tax return of a taxpayer, as provided in Section 203 of the  
 11 Illinois Income Tax Act, in computing Illinois base income  
 12 shall be the interest net of any bond premium amortization.

13 (20 ILCS 3705/17.10 new)

14 Sec. 17.10. Generally applicable provisions. Except as  
 15 specifically provided for in Sections 17.1 through 17.9, all  
 16 bonds issued under Section 17.3 are subject to this Act in  
 17 the same manner and to the same extent as other bonds issued  
 18 under this Act.

19 Section 10. The State Finance Act is amended by changing  
 20 Section 6z-43 and by adding Sections 5.595 and 8.45 as  
 21 follows:

22 (30 ILCS 105/5.595 new)

23 Sec. 5.595. The Financially Distressed Provider Credit  
 24 Enhancement Fund.

25 (30 ILCS 105/6z-43)

26 Sec. 6z-43. General Revenue Fund.

27 (a) There is created in the State Treasury a special  
 28 fund to be known as the General Revenue Fund, into which  
 29 shall be deposited all monies paid to the State pursuant to  
 30 (1) the Master Settlement Agreement entered in the case of

1 People of the State of Illinois v. Philip Morris, et al.  
2 (Circuit Court of Cook County, No. 96-L13146) and (2) any  
3 settlement with or judgment against any tobacco product  
4 manufacturer other than one participating in the Master  
5 Settlement Agreement in satisfaction of any released claim as  
6 defined in the Master Settlement Agreement, as well as any  
7 other monies as provided by law. All earnings on Fund  
8 investments shall be deposited into the Fund. Upon the  
9 creation of the Fund, the State Comptroller shall order the  
10 State Treasurer to transfer into the Fund any monies paid to  
11 the State as described in item (1) or (2) of this Section  
12 before the creation of the Fund plus any interest earned on  
13 the investment of those monies. The Treasurer may invest the  
14 moneys in the Fund in the same manner, in the same types of  
15 investments, and subject to the same limitations provided in  
16 the Illinois Pension Code for the investment of pension funds  
17 other than those established under Article 3 or 4 of the  
18 Code.

19 (b) As soon as may be practical after June 30, 2001,  
20 upon notification from and at the direction of the Governor,  
21 the State Comptroller shall direct and the State Treasurer  
22 shall transfer the unencumbered balance in the General  
23 Revenue Fund as of June 30, 2001, as determined by the  
24 Governor, into the Budget Stabilization Fund. The Treasurer  
25 may invest the moneys in the Budget Stabilization Fund in the  
26 same manner, in the same types of investments, and subject to  
27 the same limitations provided in the Illinois Pension Code  
28 for the investment of pension funds other than those  
29 established under Article 3 or 4 of the Code.

30 (c) As soon as practical in fiscal year 2004, there  
31 shall be transferred from the General Revenue Fund to the  
32 Financially Distressed Provider Credit Enhancement Fund an  
33 amount to be certified by the Director of the Bureau of the  
34 Budget to the State Treasurer and the State Comptroller to be

1 equal to: (x) the amount projected by the Director to be the  
2 debt service reserve requirement to be established in  
3 connection with the issuance of the maximum amount of bonds  
4 authorized by Section 17.3 of the Illinois Health Facilities  
5 Authority Act times (y) 1.25 (the product of (x) times (y)  
6 being referred to as the "estimated amount"). On June 30,  
7 2004, the Director shall certify to the State Treasurer and  
8 the State Comptroller: (i) the debt service reserve  
9 requirement actually established in connection with all bonds  
10 issued under Section 17.3 of the Illinois Health Facilities  
11 Authority Act (referred to as the "reserve requirement");  
12 (ii) 125% of the reserve requirement; and (iii) the  
13 difference between the estimated amount and the amount  
14 certified under item (ii). The State Comptroller shall direct  
15 and the State Treasurer shall transfer the amount certified  
16 under item (iii) from the Financially Distressed Provider  
17 Credit Enhancement Fund to the General Revenue Fund.

18 (d) In each fiscal year, beginning with fiscal year  
19 2004, there shall be transferred from the General Revenue  
20 Fund for deposit into the Financially Distressed Provider  
21 Credit Enhancement Fund an amount equal to the reserve  
22 requirement. This transfer shall be made in each fiscal year  
23 prior to any other use, transfer, or application of moneys in  
24 the General Revenue Fund. This Section constitutes an  
25 irrevocable and continuing appropriation from the General  
26 Revenue Fund of all amounts necessary for that purpose and  
27 the irrevocable and continuing authority for and direction to  
28 the State Treasurer and the State Comptroller to make those  
29 transfers and deposits.

30 (Source: P.A. 91-646, eff. 11-19-99; 91-704, eff. 7-1-00;  
31 91-797, eff. 6-9-00; 92-11, eff. 6-11-01; 92-16, eff.  
32 6-28-01.)

1       Sec. 8.45. Financially Distressed Provider Credit  
2       Enhancement Fund.

3       (a) The State Comptroller and the State Treasurer shall  
4       transfer into the Financially Distressed Provider Credit  
5       Enhancement Fund from the General Revenue Fund all amounts  
6       required to be transferred under subsections (c) and (d) of  
7       Section 6z-43. In addition, there shall be deposited into the  
8       Financially Distressed Provider Credit Enhancement Fund all  
9       amounts directed to be deposited into that Fund under an  
10       agreement executed in accordance with the provisions of  
11       subsection (g) of Section 17.4 of the Illinois Health  
12       Facilities Authority Act.

13       (b) On June 30, 2005, and on each June 30 thereafter,  
14       all amounts in the Financially Distressed Provider Credit  
15       Enhancement Fund that are in excess of 125% of the reserve  
16       requirement shall be transferred by the State Treasurer for  
17       deposit into the General Revenue Fund. This Section  
18       constitutes an irrevocable and continuing appropriation from  
19       the Financially Distressed Provider Credit Enhancement Fund  
20       of all amounts necessary for that purpose and the irrevocable  
21       and continuing authority for and direction to the State  
22       Treasurer and the State Comptroller to make those transfers  
23       and deposits.

24       Section 15. The Illinois Public Aid Code is amended by  
25       changing Sections 5A-1, 5A-2, 5A-3, 5A-4, 5A-5, 5A-7, 5A-8,  
26       and 5A-10 and adding Sections 5A-12 and 5A-13 as follows:

27       (305 ILCS 5/5A-1) (from Ch. 23, par. 5A-1)

28       Sec. 5A-1. Definitions. As used in this Article, unless  
29       the context requires otherwise:

30       "Fund" means the Hospital Provider Fund.

31       "Hospital" means an institution, place, building, or  
32       agency located in this State that is subject to licensure by

1 the Illinois Department of Public Health under the Hospital  
2 Licensing Act, whether public or private and whether  
3 organized for profit or not-for-profit.

4 "Hospital provider" means a person licensed by the  
5 Department of Public Health to conduct, operate, or maintain  
6 a hospital, regardless of whether the person is a Medicaid  
7 provider. For purposes of this paragraph, "person" means any  
8 political subdivision of the State, municipal corporation,  
9 individual, firm, partnership, corporation, company, limited  
10 liability company, association, joint stock association, or  
11 trust, or a receiver, executor, trustee, guardian, or other  
12 representative appointed by order of any court.

13 "Adjusted gross hospital inpatient revenue" shall be  
14 determined separately for each hospital conducted, operated,  
15 or maintained by a hospital provider, and means the hospital  
16 provider's total gross inpatient patient revenues less  
17 Medicare contractual allowances, but does not include gross  
18 inpatient patient revenue (and the portion of any Medicare  
19 contractual allowance related thereto) from skilled or  
20 intermediate long-term care services within the meaning of  
21 Title XVIII or XIX of the Social Security Act.

22 "Adjusted gross hospital outpatient revenue" shall be  
23 determined separately for each hospital conducted, operated,  
24 or maintained by a hospital provider, and means the hospital  
25 provider's total gross hospital outpatient revenues less  
26 contractual allowances.

27 "Intergovernmental transfer payment" means the payments  
28 established under Section 15-3 of this Code, and includes  
29 without limitation payments payable under that Section for  
30 July, August, and September of 1992.

31 (Source: P.A. 87-861; 88-88.)

32 (305 ILCS 5/5A-2) (from Ch. 23, par. 5A-2)

33 Sec. 5A-2. Assessment; no local authorization to tax.

1           (a) Subject to subsection (a) of Section 5A-10, for the  
 2 privilege of engaging in the occupation of hospital provider,  
 3 an assessment is imposed upon each hospital provider for the  
 4 State fiscal year beginning on July 1, 2003 1993--and--ending  
 5 on--June-30, 1994, in an amount equal to the sum of (i) 1.88%  
 6 of the provider's adjusted gross hospital inpatient revenue  
 7 multiplied by a factor to be determined by the Department but  
 8 not to exceed 2.50% plus (ii) the provider's adjusted gross  
 9 hospital outpatient revenue multiplied by a factor to be  
 10 determined by the Department but not to exceed 5.50%, each  
 11 for the most recent calendar year 2000 ending--before--the  
 12 beginning--of--that-State-fiscal-year. In no event shall the  
 13 revenue generated by this assessment exceed \$565,000,000 for  
 14 the State fiscal year 2004.

15           Effective--July--1, 1994--through--June-30, 1996, an annual  
 16 assessment is imposed--upon--each--hospital--provider--in--an  
 17 amount--equal--to--the--provider's--adjusted--gross--hospital  
 18 revenue--for--the--most--recent--calendar--year--ending--before--the  
 19 beginning--of--that--State--fiscal--year--multiplied--by--the  
 20 Provider's-Savings-Rate.

21           Effective--July--1, 1996--through--March--31, 1997, an  
 22 assessment is imposed--upon--each--hospital--provider--in--an  
 23 amount--equal--to--three-fourths--of--the--provider's--adjusted  
 24 gross--hospital--revenue--for--calendar--year--1995--multiplied--by  
 25 the--Provider's-Savings-Rate.--No--assessment--shall--be--imposed  
 26 on--or--after--April--1, 1997.

27           Before--July--1, 1995, the--Provider's-Savings-Rate--is--1.88%  
 28 multiplied--by--a--fraction,--the--numerator--of--which--is--the  
 29 Maximum--Section--5A-2--Contribution--minus--the--Cigarette-Tax  
 30 Contribution,--and--the--denominator--of--which--is--the--Maximum  
 31 Section--5A-2--Contribution.--Effective--July--1, 1995, the  
 32 Provider's-Savings-Rate--is--1.25%--multiplied--by--a--fraction,  
 33 the--numerator--of--which--is--the--Maximum--Section--5A-2  
 34 Contribution--minus--the--Cigarette-Tax--Contribution,--and--the



1 denominator---of---which---is---the---Maximum---Section--5A-2  
2 Contribution.

3 The-Cigarette-Tax-Contribution-is-the-sum--of--the--total  
4 amount--deposited--in--the--Hospital--Provider--Fund--in--the  
5 previous--State--fiscal--year-pursuant-to-Section-2(a)-of-the  
6 Cigarette-Tax-Act, plus-the-total--amount--deposited--in--the  
7 Hospital--Provider--Fund--in--the--previous-State-fiscal-year  
8 pursuant-to-Section-5A-3(e)-of-this-Code.

9 The-Maximum-Section-5A-2-Contribution-is-the-total-amount  
10 of-tax-imposed-by-this-Section-in-the-previous--State--fiscal  
11 year--on--providers--subject--to--this--Act,--multiplied-by-a  
12 fraction-the-numerator-of-which-is--adjusted--gross--hospital  
13 revenues--reported--to-the-Department-by-providers-subject-to  
14 this--Act--for--the--previous--State--fiscal--year--and--the  
15 denominator--of--which--is--adjusted--gross-hospital-revenues  
16 reported-to-the-Department-by-providers-subject-to--this--Act  
17 for--the-State-fiscal-year-immediately-preceding-the-previous  
18 State-fiscal-year.

19 The-Department-shall-notify--hospital--providers--of--the  
20 Provider's---Savings---Rate--by--mailing--a--notice--to--each  
21 provider's-last-known-address-as-reflected-by-the-records--of  
22 the-Illinois-Department.

23 (b) Nothing in this amendatory Act of 1995 or this  
24 amendatory Act of the 93rd General Assembly shall be  
25 construed to authorize any home rule unit or other unit of  
26 local government to license for revenue or to impose a tax or  
27 assessment upon hospital providers or the occupation of  
28 hospital provider, or a tax or assessment measured by the  
29 income or earnings of a hospital provider.

30 (Source: P.A. 88-88; 89-21, eff. 7-1-95; 89-499, eff.  
31 6-28-96.)

32 (305 ILCS 5/5A-3) (from Ch. 23, par. 5A-3)

33 Sec. 5A-3. Exemptions; intergovernmental transfers.

1 (a) A hospital provider which is a county with a  
2 population of more than 3,000,000 that makes  
3 intergovernmental transfer payments as provided in Section  
4 15-3 of this Code shall be exempt from the assessment imposed  
5 by Section 5A-2, unless the exemption is adjudged to be  
6 unconstitutional or otherwise invalid, in which case the  
7 county shall pay the assessment imposed by Section 5A-2 for  
8 ~~all--assessment--periods--beginning-on-or-after-July-17-1992,~~  
9 and the assessment so paid shall be creditable against the  
10 intergovernmental transfer payments.

11 (b) A hospital organized under the University of  
12 Illinois Hospital Act and exempt from the assessment imposed  
13 by Section 5A-2 is hereby authorized to enter into an  
14 interagency agreement with the Illinois Department to make  
15 intergovernmental transfer payments to the Illinois  
16 Department. These payments shall be deposited into the  
17 University of Illinois Hospital Services Fund or, if that  
18 Fund ceases to exist, into the General Revenue Fund.

19 (b-2) A hospital provider that is not included in  
20 subsection (a) or subsection (b) and that is owned or  
21 operated by a county, township, municipality, hospital  
22 district, or any other local governmental unit is exempt from  
23 the assessment imposed by Section 5A-2.

24 (b-5) A hospital operated by the Department of Human  
25 Services in the course of performing its mental health and  
26 developmental disabilities functions is exempt from the  
27 assessment imposed by Section 5A-2.

28 (b-10) A hospital provider whose hospital does not  
29 charge for its services is exempt from the assessment imposed  
30 by Section 5A-2.

31 (b-15) A hospital provider whose hospital is licensed by  
32 the Department of Public Health as a psychiatric hospital is  
33 exempt from the assessment imposed by Section 5A-2.

34 (c) The Illinois Department is hereby authorized to

1 enter into agreements with publicly owned or operated  
 2 hospitals to make intergovernmental transfer payments to the  
 3 Illinois Department. These payments shall be deposited into  
 4 the Hospital Provider Fund, except that any payments arising  
 5 under an agreement with a hospital organized under the  
 6 University of Illinois Hospital Act shall be deposited into  
 7 the University of Illinois Hospital Services Fund, if that  
 8 Fund exists.

9 (Source: P.A. 88-88; 88-554, eff. 7-26-94; 89-21, eff.  
 10 7-1-95; 89-507, eff. 7-1-97.)

11 (305 ILCS 5/5A-4) (from Ch. 23, par. 5A-4)

12 Sec. 5A-4. Payment of assessment; penalty.

13 (a) The assessment imposed by Section 5A-2 for a State  
 14 fiscal year shall be due and payable in quarterly  
 15 installments, each equalling one-fourth of the assessment for  
 16 the year, on August 31, November 30, February 28, September  
 17 ~~30,--December--31,--March--31,~~ and May 31 of the year; ~~except~~  
 18 ~~that for the period July 1, 1996 through March 31, 1997, the~~  
 19 ~~assessment imposed by Section 5A-2 for that period shall be~~  
 20 ~~due and payable in 3 equal installments on September 30,~~  
 21 ~~December 31, and March 31 of that period.~~

22 (b) The Illinois Department is authorized to establish  
 23 delayed payment schedules for hospital providers that are  
 24 unable to make installment payments when due under this  
 25 Section due to financial difficulties, as determined by the  
 26 Illinois Department.

27 (c) If a hospital provider fails to pay the full amount  
 28 of an installment when due (including any extensions granted  
 29 under subsection (b)), there shall, unless waived by the  
 30 Illinois Department for reasonable cause, be added to the  
 31 assessment imposed by Section 5A-2 a penalty assessment equal  
 32 to the lesser of (i) 5% of the amount of the installment not  
 33 paid on or before the due date plus 5% of the portion thereof

1 remaining unpaid on the last day of each month thereafter or  
 2 (ii) 100% of the installment amount not paid on or before the  
 3 due date. For purposes of this subsection, payments will be  
 4 credited first to unpaid installment amounts (rather than to  
 5 penalty or interest), beginning with the most delinquent  
 6 installments.

7 (Source: P.A. 88-88; 89-499, eff. 6-28-96.)

8 (305 ILCS 5/5A-5) (from Ch. 23, par. 5A-5)

9 Sec. 5A-5. Reporting; penalty; maintenance of records.

10 (a) After December 31 of each year, and on or before  
 11 March 31 of the succeeding year, every hospital provider  
 12 subject to assessment under this Article shall file a return  
 13 with the Illinois Department. The return shall report the  
 14 adjusted gross hospital inpatient and outpatient revenues  
 15 revenue from the calendar year just ended, and shall be  
 16 ~~utilized--by--the--Illinois--Department--to--calculate--the~~  
 17 ~~assessment--for--the--State--fiscal--year--commencing--on--the--next~~  
 18 ~~July--1,--except--that~~ The return for the State fiscal year  
 19 commencing July 1, 2003, consisting of calendar year 2000  
 20 financial information, 1992 and the report of revenue for  
 21 ~~calendar--year--1991~~ shall be filed on or before July 31, 2003  
 22 ~~September-30, 1992~~. The return shall be on a form prepared  
 23 by the Illinois Department, and all financial information  
 24 shall be audited and certified by an independent auditor.  
 25 The return shall state the following:

- 26 (1) The name of the hospital provider.
- 27 (2) The address of the hospital provider's  
 28 principal place of business from which the provider  
 29 engages in the occupation of hospital provider in this  
 30 State, and the name and address of each hospital  
 31 operated, conducted, or maintained by the provider in  
 32 this State.
- 33 (3) The contractual allowances, the gross and

1 adjusted gross hospital inpatient and outpatient revenues  
2 revenue of the hospital provider for the calendar year  
3 just ended, the amount of assessment imposed under  
4 Section 5A-2 for the State fiscal year for which the  
5 return is filed, and the amount of each quarterly  
6 installment to be paid during the State fiscal year.

7 (4) The amount of penalty due, if any.

8 (5) Other reasonable information the Illinois  
9 Department requires.

10 (b) If a hospital provider conducts, operates, or  
11 maintains more than one hospital licensed by the Illinois  
12 Department of Public Health, the provider may not file a  
13 single return covering all those hospitals, but shall file a  
14 separate return for each hospital and shall compute and pay  
15 the assessment for each hospital separately.

16 (c) Notwithstanding any other provision in this Article,  
17 in the case of a person who ceases to conduct, operate, or  
18 maintain a hospital in respect of which the person is subject  
19 to assessment under this Article as a hospital provider, the  
20 assessment for the State fiscal year in which the cessation  
21 occurs shall be adjusted by multiplying the assessment  
22 computed under Section 5A-2 by a fraction, the numerator of  
23 which is the number of days ~~months~~ in the year during which  
24 the provider conducts, operates, or maintains the hospital  
25 and the denominator of which is 366 ~~12~~. The person shall  
26 file a final, amended return with the Illinois Department not  
27 more than 90 days after the cessation reflecting the  
28 adjustment and shall pay with the final return the assessment  
29 for the year as so adjusted (to the extent not previously  
30 paid).

31 (d) Notwithstanding any other provision in this Article,  
32 a provider who commences conducting, operating, or  
33 maintaining a hospital shall file an initial return for the  
34 State fiscal year in which the commencement occurs within 90

1 days thereafter and shall pay the assessment computed under  
2 Section 5A-2 and subsection (e) in equal installments on the  
3 due date of the return and on the regular installment due  
4 dates for the State fiscal year occurring after the due date  
5 of the initial return.

6 (e) Notwithstanding any other provision in this Article,  
7 in the case of a hospital provider that did not conduct,  
8 operate, or maintain a hospital throughout the calendar year  
9 preceding a State fiscal year, the assessment for that State  
10 fiscal year shall be computed on the basis of hypothetical  
11 adjusted gross hospital inpatient and outpatient revenues  
12 revenue for the full calendar year as determined by rules  
13 adopted by the Illinois Department (which may be based on  
14 annualization of the provider's actual revenues for a portion  
15 of the calendar year, or revenues of a comparable hospital  
16 for the year, including revenues realized by a prior provider  
17 from the same hospital during the year).

18 (f) In the case of a hospital provider existing as a  
19 corporation or legal entity other than an individual, the  
20 return filed by it shall be signed by its president,  
21 vice-president, secretary, or treasurer or by its properly  
22 authorized agent.

23 (g) If a hospital provider fails to file its return for  
24 a State fiscal year on or before the due date of the return,  
25 there shall, unless waived by the Illinois Department for  
26 reasonable cause, be added to the assessment imposed by  
27 Section 5A-2 for the State fiscal year a penalty assessment  
28 equal to 25% of the assessment imposed for the year.

29 (h) Every hospital provider subject to assessment under  
30 this Article shall keep sufficient records to permit the  
31 determination of contractual allowances and adjusted gross  
32 hospital inpatient and outpatient revenues revenue on a  
33 calendar year basis. All such records shall be kept in the  
34 English language and shall, at all times during business

1 hours of the day, be subject to inspection by the Illinois  
2 Department or its duly authorized agents and employees.

3 (Source: P.A. 87-861.)

4 (305 ILCS 5/5A-7) (from Ch. 23, par. 5A-7)

5 Sec. 5A-7. Administration; enforcement provisions.

6 (a) To the extent practicable, the Illinois Department  
7 shall administer and enforce this Article and collect the  
8 assessments, interest, and penalty assessments imposed under  
9 this Article using procedures employed in its administration  
10 of this Code generally and, as it deems appropriate, in a  
11 manner similar to that in which the Department of Revenue  
12 administers and collects the retailers' occupation tax under  
13 the Retailers' Occupation Tax Act ("ROTA"). Instead of  
14 certificates of registration, the Illinois Department shall  
15 establish and maintain a listing of all hospital providers  
16 appearing in the licensing records of the Department of  
17 Public Health, which shall show each provider's name,  
18 principal place of business, and the name and address of each  
19 hospital operated, conducted, or maintained by the provider  
20 in this State. In addition, the following specified  
21 provisions of the Retailers' Occupation Tax Act are  
22 incorporated by reference into this Section except that the  
23 Illinois Department and its Director (rather than the  
24 Department of Revenue and its Director) and every hospital  
25 provider subject to assessment measured by adjusted gross  
26 hospital inpatient and outpatient revenues ~~revenue~~ and to the  
27 return filing requirements of this Article (rather than  
28 persons subject to retailers' occupation tax measured by  
29 gross receipts from the sale of tangible personal property at  
30 retail and to the return filing requirements of ROTA) shall  
31 have the powers, duties, and rights specified in these ROTA  
32 provisions, as modified in this Section or by the Illinois  
33 Department in a manner consistent with this Article and

1 except as manifestly inconsistent with the other provisions  
2 of this Article:

3 (1) ROTA, Section 4 (examination of return; notice  
4 of correction; evidence; limitations; protest and  
5 hearing), except that (i) the Illinois Department shall  
6 issue notices of assessment liability (rather than  
7 notices of tax liability as provided in ROTA, Section 4);  
8 (ii) in the case of a fraudulent return or in the case of  
9 an extended period agreed to by the Illinois Department  
10 and the hospital provider before the expiration of the  
11 limitation period, no notice of assessment liability  
12 shall be issued more than 3 years after the later of the  
13 due date of the return required by Section 5A-5 or the  
14 date the return (or an amended return) was filed (rather  
15 within the period stated in ROTA, Section 4); and (iii)  
16 the penalty provisions of ROTA, Section 4 shall not  
17 apply.

18 (2) ROTA, Sec. 5 (failure to make return; failure  
19 to pay assessment), except that the penalty and interest  
20 provisions of ROTA, Section 5 shall not apply.

21 (3) ROTA, Section 5a (lien; attachment;  
22 termination; notice; protest; review; release of lien;  
23 status of lien).

24 (4) ROTA, Section 5b (State lien notices; State  
25 lien index; duties of recorder and registrar of titles).

26 (5) ROTA, Section 5c (liens; certificate of  
27 release).

28 (6) ROTA, Section 5d (Department not required to  
29 furnish bond; claim to property attached or levied upon).

30 (7) ROTA, Section 5e (foreclosure on liens;  
31 enforcement).

32 (8) ROTA, Section 5f (demand for payment; levy and  
33 sale of property; limitation).

34 (9) ROTA, Section 5g (sale of property;



1 redemption).

2 (10) ROTA, Section 5j (sales on transfers outside  
3 usual course of business; report; payment of assessment;  
4 rights and duties of purchaser; penalty).

5 (11) ROTA, Section 6 (erroneous payments; credit or  
6 refund), provided that (i) the Illinois Department may  
7 only apply an amount otherwise subject to credit or  
8 refund to a liability arising under this Article; (ii)  
9 except in the case of an extended period agreed to by the  
10 Illinois Department and the hospital provider before the  
11 expiration of this limitation period, a claim for credit  
12 or refund must be filed no more than 3 years after the  
13 due date of the return required by Section 5A-5 (rather  
14 than the time limitation stated in ROTA, Section 6); and  
15 (iii) credits or refunds shall not bear interest.

16 (12) ROTA, Section 6a (claims for credit or  
17 refund).

18 (13) ROTA, Section 6b (tentative determination of  
19 claim; notice; hearing; review), provided that a hospital  
20 provider or its representative shall have 60 days (rather  
21 than 20 days) within which to file a protest and request  
22 for hearing in response to a tentative determination of  
23 claim.

24 (14) ROTA, Section 6c (finality of tentative  
25 determinations).

26 (15) ROTA, Section 8 (investigations and  
27 hearings).

28 (16) ROTA, Section 9 (witness; immunity).

29 (17) ROTA, Section 10 (issuance of subpoenas;  
30 attendance of witnesses; production of books and  
31 records).

32 (18) ROTA, Section 11 (information confidential;  
33 exceptions).

34 (19) ROTA, Section 12 (rules and regulations;

1 hearing; appeals), except that a hospital provider shall  
 2 not be required to file a bond or be subject to a lien in  
 3 lieu thereof in order to seek court review under the  
 4 Administrative Review Law of a final assessment or  
 5 revised final assessment or the equivalent thereof issued  
 6 by the Illinois Department under this Article.

7 (b) In addition to any other remedy provided for and  
 8 without sending a notice of assessment liability, the  
 9 Illinois Department may collect an unpaid assessment by  
 10 withholding, as payment of the assessment, reimbursements or  
 11 other amounts otherwise payable by the Illinois Department to  
 12 the provider.

13 (Source: P.A. 87-861.)

14 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)  
 15 Sec. 5A-8. Hospital Provider Fund.

16 (a) There is created in the State Treasury the Hospital  
 17 Provider Fund. Interest earned by the Fund shall be credited  
 18 to the Fund. The fund shall not be used to replace any moneys  
 19 appropriated to the Medicaid program by the General Assembly.  
 20 The Fund shall be used to increase moneys otherwise  
 21 appropriated for medical assistance under this Code and the  
 22 Children's Health Insurance Program Act. The assessment  
 23 imposed by Section 5A-2 shall cease to be imposed, and any  
 24 remaining assessments shall be refunded to hospital providers  
 25 in proportion to the amounts paid by them, if:

26 (1) the general funds appropriation for medical  
 27 assistance in any future fiscal year is less than the  
 28 level enacted for fiscal year 2004; or

29 (2) the Department of Public Aid changes rules or  
 30 makes amendments to the State Plan that in aggregate  
 31 reduce hospital rates paid to non-government owned  
 32 hospitals below the fiscal year 2003 level.

33 (b) The Fund is created for the purpose of receiving

1 moneys in accordance with Section 5A-6 and disbursing moneys  
2 for the following purposes as follows:

3 (1) To hospital providers under Article V of this  
4 Code and under the Children's Health Insurance Program  
5 Act in a total statewide aggregate amount of \$856,000,000  
6 per fiscal year, or a lesser amount per fiscal year that  
7 is certified by the Director of Public Aid as the maximum  
8 allowable total statewide aggregate payment to hospitals  
9 supported by the Hospital Provider Fund revenues and  
10 resulting federal financial participation for that fiscal  
11 year. The certification required under this paragraph (1)  
12 shall be filed with the Speaker of the House of  
13 Representatives, the President of the Senate, the  
14 Minority Leader of the House of Representatives, and the  
15 Minority Leader of the Senate by July 15 following the  
16 end of the applicable fiscal year. For hospital-inpatient  
17 care,--hospital--ambulatory--care,--and--disproportionate  
18 share-hospital-distributive-expenditures-made-under-Title  
19 XIX--of--the--Social--Security--Act-and-Article-V-of-this  
20 Code.

21 (2) For the reimbursement of moneys collected by  
22 the Illinois Department from hospitals through error or  
23 mistake in performing the activities authorized under  
24 this Article and Article V of this Code and for making  
25 required payments under Section 14-9 of this Code if  
26 there are no moneys available for these payments in the  
27 Hospital Services Trust Fund.

28 (3) For payment of administrative expenses incurred  
29 by the Illinois Department or its agent in performing the  
30 activities authorized by this Article.

31 (4) For payments of any amounts which are  
32 reimbursable to the federal government for payments from  
33 this Fund which are required to be paid by State warrant.

34 (5) For making transfers ~~to the General Obligation~~

1        ~~Bond-Retirement-and-Interest-Fund~~, as those transfers are  
 2        authorized in the proceedings authorizing debt under the  
 3        Short Term Borrowing Act, but transfers made under this  
 4        paragraph (5) shall not exceed the principal amount of  
 5        debt issued in anticipation of the receipt by the State  
 6        of moneys to be deposited into the Fund.

7        (6) Only if the Department of Public Aid determines  
 8        that additional moneys are or will be available after the  
 9        disbursements described in paragraphs (1) through (5),  
 10       then for any other purpose under Article V of this Code  
 11       and under the Children's Health Insurance Program Act.

12       Disbursements from the Fund, other than transfers  
 13       authorized under paragraph (5) of subsection (b) to--the  
 14       ~~General--Obligation--Bond-Retirement-and-Interest-Fund~~, shall  
 15       be by warrants drawn by the State Comptroller upon receipt of  
 16       vouchers duly executed and certified by the Illinois  
 17       Department.

18       This subsection (b) is subject to subsection (a) of  
 19       Section 5A-10.

20       (c) The Fund shall consist of the following:

21       (1) All moneys collected or received by the  
 22       Illinois Department from the hospital provider assessment  
 23       imposed by this Article.

24       (2) All federal matching funds received by the  
 25       Illinois Department as a result of expenditures made by  
 26       the Illinois Department that are attributable to moneys  
 27       deposited in the Fund.

28       (3) Any interest or penalty levied in conjunction  
 29       with the administration of this Article.

30       (4) (Blank). ~~Any-balance-in-the-Hospital-Services~~  
 31       ~~Trust-Fund-in-the-State-Treasury.--The-balance--shall--be~~  
 32       ~~transferred---to--the--Fund--upon--certification--by--the~~  
 33       ~~Illinois-Department-to-the-State-Comptroller-that-all--of~~  
 34       ~~the--disbursements--required--by-Section-14-2(b)--of-this~~

1 Code-have-been-made.

2 (5) All other moneys received for the Fund from any  
3 other source, including interest earned thereon.

4 (d) (Blank). The-Fund-shall-~~cease-to-exist--on--October~~  
5 ~~17--1999.---Any--balance-in-the-Fund-as-of-that-date-shall-be~~  
6 ~~transferred-to-the-General-Revenue--Fund.---Any--moneys--that~~  
7 ~~otherwise--would--be-paid-into-the-Fund-on-or-after-that-date~~  
8 ~~shall-be--deposited--into--the--General--Revenue--Fund.---Any~~  
9 ~~disbursements--on--or-after-that-date-that-otherwise-would-be~~  
10 ~~made-from--the--Fund--may--be--appropriated--by--the--General~~  
11 ~~Assembly-from-the-General-Revenue-Fund.~~

12 (Source: P.A. 89-626, eff. 8-9-96; 90-587, eff. 7-1-98.)

13 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

14 Sec. 5A-10. Applicability.

15 (a) The assessment authorized by Section 5A-2 shall not  
16 be effective until the later of June 30, 2003 or the adoption  
17 of rules consistent with federal guidelines to implement this  
18 Article V-A.

19 (b) Until June 30, 2003, the Department shall study the  
20 effectiveness of the assessment program and shall meet with  
21 all interested stakeholders in the assessment program.

22 (c) The assessment imposed by Section 5A-2 shall cease  
23 to be imposed if the amount of matching federal funds under  
24 Title XIX of the Social Security Act is eliminated or  
25 significantly reduced on---account---of--the--assessment.  
26 Assessments imposed prior thereto shall be disbursed in  
27 accordance with Section 5A-8 to the extent federal matching  
28 is not reduced by the assessments, and any remaining  
29 assessments shall be refunded to hospital providers in  
30 proportion to the amounts paid by them.

31 (Source: P.A. 87-861.)

32 (305 ILCS 5/5A-12 new)

1       Sec. 5A-12. Emergency rulemaking. The Department of  
2       Public Aid may adopt rules necessary to implement the changes  
3       made by this amendatory Act of the 93rd General Assembly  
4       through the use of emergency rulemaking in accordance with  
5       Section 5-45 of the Illinois Administrative Procedure Act.  
6       For purposes of that Act, the General Assembly finds that the  
7       adoption of rules to implement the changes made by this  
8       amendatory Act of the 93rd General Assembly is deemed an  
9       emergency and necessary for the public interest, safety, and  
10       welfare.

11           (305 ILCS 5/5A-13 new)

12       Sec. 5A-13. Repeal of assessments and disbursements. The  
13       assessment imposed by Section 5A-2 of this Article and the  
14       disbursements authorized under subdivision (b)(1) of Section  
15       5A-8 of this Article are repealed on July 1, 2004.

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