



Adopted in House Comm. on May 06, 2004

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1 AMENDMENT TO SENATE BILL 2880

2 AMENDMENT NO. _____. Amend Senate Bill 2880 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Older
5 Adult Services Act.

6 Section 5. Purpose. The purpose of this Act is to promote a
7 transformation of Illinois' comprehensive system of older
8 adult services from funding a primarily facility-based service
9 delivery system to primarily a home-based and community-based
10 system, taking into account the continuing need for 24-hour
11 skilled nursing care and congregate housing with services. Such
12 restructuring shall encompass the provision of housing,
13 health, financial, and supportive older adult services. It is
14 envisioned that this restructuring will promote the
15 development, availability, and accessibility of a
16 comprehensive, affordable, and sustainable service delivery
17 system that places a high priority on home-based and
18 community-based services. Such restructuring will encompass
19 all aspects of the delivery system regardless of the setting in
20 which the service is provided.

21 Section 10. Definitions. In this Act:

22 "Advisory Committee" means the Older Adult Services
23 Advisory Committee.

1 "Certified nursing home" means any nursing home licensed
2 under the Nursing Home Care Act and certified under Title XIX
3 of the Social Security Act to participate as a vendor in the
4 medical assistance program under Article V of the Illinois
5 Public Aid Code.

6 "Comprehensive case management" means the assessment of
7 needs and preferences of an older adult at the direction of the
8 older adult or the older adult's designated representative and
9 the arrangement, coordination, and monitoring of an optimum
10 package of services to meet the needs of the older adult.

11 "Consumer-directed" means decisions made by an informed
12 older adult from available services and care options, which may
13 range from independently making all decisions and managing
14 services directly to limited participation in decision-making,
15 based upon the functional and cognitive level of the older
16 adult.

17 "Coordinated point of entry" means an integrated access
18 point where consumers receive information and assistance,
19 assessment of needs, care planning, referral, assistance in
20 completing applications, authorization of services where
21 permitted, and follow-up to ensure that referrals and services
22 are accessed.

23 "Department" means the Department on Aging, in
24 collaboration with the departments of Public Health and Public
25 Aid and other relevant agencies and in consultation with the
26 Advisory Committee, except as otherwise provided.

27 "Departments" means the Department on Aging, the
28 departments of Public Health and Public Aid, and other relevant
29 agencies in collaboration with each other and in consultation
30 with the Advisory Committee, except as otherwise provided.

31 "Family caregiver" means an adult family member or another
32 individual who is an uncompensated provider of home-based or
33 community-based care to an older adult.

34 "Health services" means activities that promote, maintain,

1 improve, or restore mental or physical health or that are
2 palliative in nature.

3 "Older adult" means a person age 60 or older and, if
4 appropriate, the person's family caregiver.

5 "Person-centered" means a process that builds upon an older
6 adult's strengths and capacities to engage in activities that
7 promote community life and that reflect the older adult's
8 preferences, choices, and abilities, to the extent
9 practicable.

10 "Priority service area" means an area identified by the
11 Departments as being less-served with respect to the
12 availability of and access to older adult services in Illinois.
13 The Departments shall determine by rule the criteria and
14 standards used to designate such areas.

15 "Priority service plan" means the plan developed pursuant
16 to Section 25 of this Act.

17 "Provider" means any supplier of services under this Act.

18 "Residential setting" means the place where an older adult
19 lives.

20 "Restructuring" means the transformation of Illinois'
21 comprehensive system of older adult services from funding
22 primarily a facility-based service delivery system to
23 primarily a home-based and community-based system, taking into
24 account the continuing need for 24-hour skilled nursing care
25 and congregate housing with services.

26 "Services" means the range of housing, health, financial,
27 and supportive services, other than acute health care services,
28 that are delivered to an older adult with functional or
29 cognitive limitations, or socialization needs, who requires
30 assistance to perform activities of daily living, regardless of
31 the residential setting in which the services are delivered.

32 "Supportive services" means non-medical assistance given
33 over a period of time to an older adult that is needed to
34 compensate for the older adult's functional or cognitive

1 limitations, or socialization needs, or those services
2 designed to restore, improve, or maintain the older adult's
3 functional or cognitive abilities.

4 Section 15. Designation of lead agency; annual report.

5 (a) The Department on Aging shall be the lead agency for:
6 the provision of services to older adults and their family
7 caregivers; restructuring Illinois' service delivery system
8 for older adults; and implementation of this Act, except where
9 otherwise provided. The Department on Aging shall collaborate
10 with the departments of Public Health and Public Aid and any
11 other relevant agencies, and shall consult with the Advisory
12 Committee, in all aspects of these duties, except as otherwise
13 provided in this Act.

14 (b) The Departments shall promulgate rules to implement
15 this Act pursuant to the Illinois Administrative Procedure Act.

16 (c) On January 1, 2006, and each January 1 thereafter, the
17 Department shall issue a report to the General Assembly on
18 progress made in complying with this Act, impediments thereto,
19 recommendations of the Advisory Committee, and any
20 recommendations for legislative changes necessary to implement
21 this Act. To the extent practicable, all reports required by
22 this Act shall be consolidated into a single report.

23 Section 20. Priority service areas; service expansion.

24 (a) The requirements of this Section are subject to the
25 availability of funding.

26 (b) The Department shall expand older adult services that
27 promote independence and permit older adults to remain in their
28 own homes and communities. Priority shall be given to both the
29 expansion of services and the development of new services in
30 priority service areas.

31 (c) Inventory of services. The Department shall develop and
32 maintain an inventory and assessment of (i) the types and

1 quantities of public older adult services and, to the extent
2 possible, privately provided older adult services, including
3 the unduplicated count, location, and characteristics of
4 individuals served by each facility, program, or service and
5 (ii) the resources supporting those services.

6 (d) Priority service areas. The Departments shall assess
7 the current and projected need for older adult services
8 throughout the State, analyze the results of the inventory, and
9 identify priority service areas, which shall serve as the basis
10 for a priority service plan to be filed with the Governor and
11 the General Assembly no later than July 1, 2006, and every 5
12 years thereafter.

13 (e) At the end of each State fiscal year, any unexpended
14 and unreserved State General Revenue Fund appropriations for
15 older adult services, except for continuing appropriations
16 subject to subsection (b) of Section 25 of the State Finance
17 Act, shall be deposited into the Older Adult Services Fund
18 ("the Fund"), a special Fund hereby created in the State
19 treasury. The Fund may also accept moneys appropriated by the
20 General Assembly, receipts from donations, grants, fees, or
21 taxes that may accrue from any other public or private sources
22 to the Department for the purpose of this Section, and savings
23 attributable to the nursing home conversion program as
24 calculated in subsection (h). Interest earned by the Fund shall
25 be credited to the Fund. The Fund is not subject to Section 8h
26 of the State Finance Act.

27 (f) Moneys from the Fund shall be used for older adult
28 services, regardless of where the older adult receives the
29 service, with priority given to both the expansion of services
30 and the development of new services in priority service areas.
31 Fundable services shall include:

32 (1) Housing, health services, and supportive services:

33 (A) adult day care;

34 (B) adult day care for persons with Alzheimer's

1 disease and related disorders;

2 (C) activities of daily living;

3 (D) care-related supplies and equipment;

4 (E) case management;

5 (F) community reintegration;

6 (G) companion;

7 (H) congregate meals;

8 (I) counseling and education;

9 (J) elder abuse prevention and intervention;

10 (K) emergency response and monitoring;

11 (L) environmental modifications;

12 (M) family caregiver support;

13 (N) financial;

14 (O) home delivered meals;

15 (P) homemaker;

16 (Q) home health;

17 (R) hospice;

18 (S) laundry;

19 (T) long-term care ombudsman;

20 (U) medication reminders;

21 (V) money management;

22 (W) nutrition services;

23 (X) personal care;

24 (Y) respite care;

25 (Z) residential care;

26 (AA) senior benefits outreach;

27 (BB) senior centers;

28 (CC) services provided under the Assisted Living
29 and Shared Housing Act, or sheltered care services that
30 meet the requirements of the Assisted Living and Shared
31 Housing Act, or services provided under Section
32 5-5.01a of the Illinois Public Aid Code (the Supportive
33 Living Facilities Pilot Program);

34 (DD) telemedicine devices to monitor recipients in

1 their own homes as an alternative to hospital care,
2 nursing home care, or home visits;

3 (EF) training for direct family caregivers;

4 (FG) transition;

5 (GH) transportation;

6 (HI) wellness and fitness programs; and

7 (II) other programs designed to assist older
8 adults in Illinois to remain independent and receive
9 services in the most integrated residential setting
10 possible for that person.

11 (2) Older Adult Services Demonstration Grants,
12 pursuant to subsection (g) of this section.

13 (g) Older Adult Services Demonstration Grants. The
14 Department shall establish a program of demonstration grants to
15 assist in the restructuring of the delivery system for older
16 adult services and provide funding for innovative service
17 delivery models and system change and integration initiatives.
18 The Department shall prescribe, by rule, the grant application
19 process. At a minimum, every application must include:

20 (1) The type of grant sought;

21 (2) A description of the project;

22 (3) The objective of the project;

23 (4) The likelihood of the project meeting identified
24 needs;

25 (5) The plan for financing, administration, and
26 evaluation of the project;

27 (6) The timetable for implementation;

28 (7) The roles and capabilities of responsible
29 individuals and organizations;

30 (8) Documentation of collaboration with other service
31 providers, local community government leaders, and other
32 stakeholders, other providers, and any other stakeholders
33 in the community;

34 (9) Documentation of community support for the

1 project, including support by other service providers,
2 local community government leaders, and other
3 stakeholders;

4 (10) The total budget for the project;

5 (11) The financial condition of the applicant; and

6 (12) Any other application requirements that may be
7 established by the Department by rule.

8 Each project may include provisions for a designated staff
9 person who is responsible for the development of the project
10 and recruitment of providers.

11 Projects may include, but are not limited to: adult family
12 foster care; family adult day care; assisted living in a
13 supervised apartment; personal services in a subsidized
14 housing project; evening and weekend home care coverage; small
15 incentive grants to attract new providers; money following the
16 person; cash and counseling; managed long-term care; and at
17 least one respite care project that establishes a local
18 coordinated network of volunteer and paid respite workers,
19 coordinates assignment of respite workers to caregivers and
20 older adults, ensures the health and safety of the older adult,
21 provides training for caregivers, and ensures that support
22 groups are available in the community.

23 A demonstration project funded in whole or in part by an
24 Older Adult Services Demonstration Grant is exempt from the
25 requirements of the Illinois Health Facilities Planning Act.

26 The Department, in collaboration with the Departments of
27 Public Health and Public Aid, shall evaluate the effectiveness
28 of the projects receiving grants under this Section.

29 (h) No later than July 1 of each year, the Department of
30 Public Health shall provide information to the Department of
31 Public Aid to enable the Department of Public Aid to annually
32 document and verify the savings attributable to the nursing
33 home conversion program for the previous fiscal year to
34 estimate an annual amount of such savings that may be

1 appropriated to the Older Adult Services Fund and notify the
2 General Assembly, the Department on Aging, the Department of
3 Human Services, and the Advisory Committee of the savings no
4 later than October 1 of the same fiscal year.

5 Section 25. Older adult services restructuring. No later
6 than January 1, 2005, the Department shall commence the process
7 of restructuring the older adult services delivery system.
8 Priority shall be given to both the expansion of services and
9 the development of new services in priority service areas. The
10 restructuring shall include, but not be limited to, the
11 following:

12 (1) Planning. The Department shall develop a plan to
13 restructure the State's service delivery system for older
14 adults. The plan shall include a schedule for the
15 implementation of the initiatives outlined in this Act and all
16 other initiatives identified by the participating agencies to
17 fulfill the purposes of this Act. Financing for older adult
18 services shall be based on the principle that "money follows
19 the individual". The plan shall also identify potential
20 impediments to delivery system restructuring and include any
21 known regulatory or statutory barriers.

22 (2) Comprehensive case management. The Department shall
23 implement a statewide system of holistic comprehensive case
24 management. The system shall include the identification and
25 implementation of a universal, comprehensive assessment tool
26 to be used statewide to determine the level of functional,
27 cognitive, socialization, and financial needs of older adults.
28 This tool shall be supported by an electronic intake,
29 assessment, and care planning system linked to a central
30 location. "Comprehensive case management" includes services
31 and coordination such as (i) comprehensive assessment of the
32 older adult (including the physical, functional, cognitive,
33 psycho-social, and social needs of the individual); (ii)

1 development and implementation of a service plan with the older
2 adult to mobilize the formal and family resources and services
3 identified in the assessment to meet the needs of the older
4 adult, including coordination of the resources and services
5 with any other plans that exist for various formal services,
6 such as hospital discharge plans, and with the information and
7 assistance services; (iii) coordination and monitoring of
8 formal and family service delivery, including coordination and
9 monitoring to ensure that services specified in the plan are
10 being provided; (iv) periodic reassessment and revision of the
11 status of the older adult with the older adult or, if
12 necessary, the older adult's designated representative; and
13 (v) in accordance with the wishes of the older adult, advocacy
14 on behalf of the older adult for needed services or resources.

15 (3) Coordinated point of entry. The Department shall
16 implement and publicize a statewide coordinated point of entry
17 using a uniform name, identity, logo, and toll free number.

18 (4) Public web site. The Department shall develop a public
19 web site that provides links to available services, resources,
20 and reference materials concerning caregiving, diseases, and
21 best practices for use by professionals, older adults, and
22 family caregivers.

23 (5) Expansion of older adult services. The Department shall
24 expand older adult services that promote independence and
25 permit older adults to remain in their own homes and
26 communities.

27 (6) Consumer-directed home and community-based services.
28 The Department shall expand the range of service options
29 available to permit older adults to exercise maximum choice and
30 control over their care.

31 (7) Comprehensive delivery system. The Department shall
32 expand opportunities for older adults to receive services in
33 systems that integrate acute and chronic care.

34 (8) Enhanced transition and follow up services. The

1 Department shall implement a program of transition from one
2 residential setting to another and follow-up services,
3 regardless of residential setting, pursuant to rules with
4 respect to (i) resident eligibility, (ii) assessment of the
5 resident's health, cognitive, social, and financial needs,
6 (iii) development of transition plans, and (iv) the level of
7 services that must be available before transitioning a resident
8 from one setting to another.

9 (9) Family caregiver support. The Department shall develop
10 strategies for public and private financing of services that
11 supplement and support family caregivers.

12 (10) Quality standards and quality improvement. The
13 Department shall establish a core set of uniform quality
14 standards for all providers that focus on outcomes and take
15 into consideration consumer choice and satisfaction, and the
16 Department shall require each provider to implement a
17 continuous quality improvement process to address consumer
18 issues. The continuous quality improvement process must
19 benchmark performance, be person-centered and data-driven, and
20 focus on consumer satisfaction.

21 (11) Workforce. The Department shall develop strategies to
22 attract and retain a qualified and stable worker pool, provide
23 living wages and benefits, and create a work environment that
24 is conducive to long-term employment and career development.
25 Resources such as grants, education, and promotion of career
26 opportunities may be used.

27 (12) Coordination of services. The Department shall
28 identify methods to better coordinate service networks to
29 maximize resources and minimize duplication of services and
30 ease of application.

31 (13) Barriers to services. The Department shall identify
32 barriers to the provision, availability, and accessibility of
33 services and shall implement a plan to address those barriers.
34 The plan shall: (i) identify barriers, including but not

1 limited to, statutory and regulatory complexity, reimbursement
2 issues, payment issues, and labor force issues; (ii) recommend
3 changes to State or federal laws or administrative rules or
4 regulations; (iii) recommend application for federal waivers
5 to improve efficiency and reduce cost and paperwork; (iv)
6 develop innovative service delivery models; and (v) recommend
7 application for federal or private service grants.

8 (14) Reimbursement and funding. The Department shall
9 investigate and evaluate costs and payments by defining costs
10 to implement a uniform, audited provider cost reporting system
11 to be considered by all Departments in establishing payments.
12 To the extent possible, multiple cost reporting mandates shall
13 not be imposed.

14 (15) Medicaid nursing home cost containment and Medicare
15 utilization. The Department of Public Aid, in collaboration
16 with the Department on Aging and the Department of Public
17 Health and in consultation with the Advisory Committee, shall
18 propose a plan to contain Medicaid nursing home costs and
19 maximize Medicare utilization. The plan must not impair the
20 ability of an older adult to choose among available services.
21 The plan shall include, but not be limited to, (i) techniques
22 to maximize the use of the most cost-effective services without
23 sacrificing quality and (ii) methods to identify and serve
24 older adults in need of minimal services to remain independent,
25 but who are likely to develop a need for more extensive
26 services in the absence of those minimal services.

27 (16) Bed reduction. The Department of Public Health shall
28 implement a nursing home conversion program to reduce the
29 number of Medicaid-certified nursing home beds in areas with
30 excess beds. The Department of Public Aid shall investigate
31 changes to the Medicaid nursing facility reimbursement system
32 in order to reduce beds. Such changes may include, but are not
33 limited to, incentive payments that will enable facilities to
34 adjust to the restructuring and expansion of services required

1 by the Older Adult Services Act, including adjustments for the
2 voluntary closure or layaway of nursing home beds certified
3 under Title XIX of the federal Social Security Act. Any savings
4 shall be reallocated to fund home-based or community-based
5 older adult services pursuant to Section 20.

6 (17) Financing. The Department shall investigate and
7 evaluate financing options for older adult services and shall
8 make recommendations in the report required by Section 15
9 concerning the feasibility of these financing arrangements.
10 These arrangements shall include, but are not limited to:

11 (A) private long-term care insurance coverage for
12 older adult services;

13 (B) enhancement of federal long-term care financing
14 initiatives;

15 (C) employer benefit programs such as medical savings
16 accounts for long-term care;

17 (D) individual and family cost-sharing options;

18 (E) strategies to reduce reliance on government
19 programs;

20 (F) fraudulent asset divestiture and financial
21 planning prevention; and

22 (G) methods to supplement and support family and
23 community caregiving.

24 (18) Older Adult Services Demonstration Grants. The
25 Department shall implement a program of demonstration grants
26 that will assist in the restructuring of the older adult
27 services delivery system, and shall provide funding for
28 innovative service delivery models and system change and
29 integration initiatives pursuant to subsection (g) of Section
30 20.

31 (19) Bed need methodology update. For the purposes of
32 determining areas with excess beds, the Departments shall
33 provide information and assistance to the Health Facilities
34 Planning Board to update the Bed Need Methodology for Long-Term

1 Care to update the assumptions used to establish the
2 methodology to make them consistent with modern older adult
3 services.

4 Section 30. Nursing home conversion program.

5 (a) The Department of Public Health, in collaboration with
6 the Department on Aging and the Department of Public Aid, shall
7 establish a nursing home conversion program. Start-up grants,
8 pursuant to subsections (l) and (m) of this Section, shall be
9 made available to nursing homes as appropriations permit as an
10 incentive to reduce certified beds, retrofit, and retool
11 operations to meet new service delivery expectations and
12 demands.

13 (b) Grant moneys shall be made available for capital and
14 other costs related to: (1) the conversion of all or a part of
15 a nursing home to an assisted living establishment or a special
16 program or unit for persons with Alzheimer's disease or related
17 disorders licensed under the Assisted Living and Shared Housing
18 Act or a supportive living facility established under Section
19 5-5.01a of the Illinois Public Aid Code; (2) the conversion of
20 multi-resident bedrooms in the facility into single-occupancy
21 rooms; (3) the development of any of the services identified in
22 a priority service plan that can be provided by a nursing home
23 within the confines of a nursing home or transportation
24 services; or (4) culture change initiatives to meet the needs
25 and desires of older adults, including, but not limited to,
26 initiatives such as Pioneer Practices and the Wellspring model,
27 which may or may not require capital expenditures. Grantees
28 shall be required to provide a minimum of a 20% match toward
29 the total cost of the project.

30 (c) Nothing in this Act shall prohibit the co-location of
31 services or the development of multifunctional centers under
32 subsection (f) of Section 20, including a nursing home offering
33 community-based services or a community provider establishing

1 a residential facility.

2 (d) A certified nursing home with at least 50% of its
3 resident population having their care paid for by the Medicaid
4 program is eligible to apply for a grant under this Section.

5 (e) Any nursing home receiving a grant under this Section
6 shall reduce the number of certified nursing home beds by a
7 number equal to or greater than the number of beds being
8 converted for one or more of the permitted uses under item (1)
9 or (2) of subsection (b). If the nursing home elects to do so,
10 the facility shall retain the Certificate of Need for its
11 nursing and sheltered care beds that were converted for up to
12 15 years. If the beds are reinstated by the provider or its
13 successor in interest, the provider shall pay to the fund from
14 which the grant was awarded, on an amortized basis, the amount
15 of the grant. The Department shall establish, by rule, the bed
16 reduction methodology for nursing homes that receive a grant
17 pursuant to item (3) or (4) of subsection (b).

18 (f) Any nursing home receiving a grant under this Section
19 shall agree that, for a minimum of 10 years after the date that
20 the grant is awarded, a minimum of 50% of the nursing home's
21 resident population shall have their care paid for by the
22 Medicaid program. If the nursing home provider or its successor
23 in interest ceases to comply with the requirement set forth in
24 this subsection, the provider shall pay to the fund from which
25 the grant was awarded, on an amortized basis, the amount of the
26 grant.

27 (g) Before awarding grants, the Department of Public Health
28 shall seek recommendations from the Department on Aging and the
29 Department of Public Aid. The Department of Public Health shall
30 attempt to balance the distribution of grants among geographic
31 regions, and among small and large nursing homes. The
32 Department of Public Health shall develop, by rule, the
33 criteria for the award of grants based upon the following
34 factors:

1 (1) the unique needs of older adults (including those
2 with moderate and low incomes), caregivers, and providers
3 in the geographic area of the state the grantee seeks to
4 serve;

5 (2) whether the grantee proposes to provide services in
6 a priority service area;

7 (3) the extent to which the conversion or transition
8 will result in the reduction of certified nursing home beds
9 in an area with excess beds;

10 (4) the compliance history of the nursing home; and

11 (5) any other relevant factors identified by the
12 Department, including standards of need.

13 (h) A conversion funded in whole or in part by a grant
14 under this Section must not:

15 (1) diminish or reduce the quality of services
16 available to nursing home residents;

17 (2) force any nursing home resident to involuntarily
18 accept home-based or community-based services instead of
19 nursing home services;

20 (3) diminish or reduce the supply and distribution of
21 nursing home services in any community below the level of
22 need, as defined by the Department by rule; or

23 (4) cause undue hardship on any person who requires
24 nursing home care.

25 (i) The Department shall prescribe, by rule, the grant
26 application process. At a minimum, every application must
27 include:

28 (1) the type of grant sought;

29 (2) a description of the project;

30 (3) the objective of the project;

31 (4) the likelihood of the project meeting identified
32 needs;

33 (5) the plan for financing, administration, and
34 evaluation of the project;

- 1 (6) the timetable for implementation;
- 2 (7) the roles and capabilities of responsible
3 individuals and organizations;
- 4 (8) documentation of collaboration with other service
5 providers, local community government leaders, and other
6 stakeholders, other providers, and any other stakeholders
7 in the community;
- 8 (9) documentation of community support for the
9 project, including support by other service providers,
10 local community government leaders, and other
11 stakeholders;
- 12 (10) the total budget for the project;
- 13 (11) the financial condition of the applicant; and
- 14 (12) any other application requirements that may be
15 established by the Department by rule.

16 (j) A conversion project funded in whole or in part by a
17 grant under this Section is exempt from the requirements of the
18 Illinois Health Facilities Planning Act.

19 (k) Applications for grants are public information, except
20 that nursing home financial condition and any proprietary data
21 shall be classified as nonpublic data.

22 (l) The Nursing Home Conversion Fund ("the Fund") is
23 created as a special fund in the State treasury administered by
24 the Department of Public Health. Moneys in the Fund shall
25 consist of receipts from donations, grants, fees, or taxes that
26 may accrue from any other public or private sources to the
27 Department of Public Health for the purposes of this Section
28 and moneys appropriated by the General Assembly.

29 Amounts in the Nursing Home Conversion Fund shall not lapse
30 or revert to the General Revenue Fund. The Department of Public
31 Health, subject to annual appropriations by the General
32 Assembly, may use moneys in the Fund for the purposes
33 authorized by this Section. Interest earned by the Fund shall
34 be credited to the Fund. The Fund is not subject to Section 8h

1 of the State Finance Act.

2 (m) The Department of Public Health may award grants from
3 the Long Term Care Civil Money Penalties Fund established under
4 Section 1919(h)(2)(A)(ii) of the Social Security Act and 42 CFR
5 488.422(g) if the award meets federal requirements.

6 Section 35. Older Adult Services Advisory Committee.

7 (a) The Older Adult Services Advisory Committee is created
8 to advise the directors of Aging, Public Aid, and Public Health
9 on all matters related to this Act and the delivery of services
10 to older adults in general.

11 (b) The Advisory Committee shall be comprised of the
12 following:

13 (1) The Director of Aging or his or her designee, who
14 shall serve as chair and shall be an ex officio and
15 nonvoting member.

16 (2) The Director of Public Aid and the Director of
17 Public Health or their designees, who shall serve as
18 vice-chairs and shall be ex officio and nonvoting members.

19 (3) One representative each of the Governor's Office,
20 the Department of Public Aid, the Department of Public
21 Health, the Department of Veterans' Affairs, the
22 Department of Human Services, the Department of Insurance,
23 the Department of Commerce and Economic Opportunity, the
24 Department on Aging, the Department on Aging's State Long
25 Term Care Ombudsman, the Illinois Housing Finance
26 Authority, and the Illinois Housing Development Authority,
27 each of whom shall be selected by his or her respective
28 director and shall be an ex officio and nonvoting member.

29 (4) Thirty-two members appointed by the Director of
30 Aging in collaboration with the directors of Public Health
31 and Public Aid, and selected from the recommendations of
32 statewide associations and organizations, as follows:

33 (A) One member representing the Area Agencies on

1 Aging;

2 (B) Four members representing nursing homes or
3 licensed assisted living establishments;

4 (C) One member representing home health agencies;

5 (D) One member representing case management
6 services;

7 (E) One member representing statewide senior
8 center associations;

9 (F) One member representing Community Care Program
10 homemaker services;

11 (G) One member representing Community Care Program
12 adult day services;

13 (H) One member representing nutrition project
14 directors;

15 (I) One member representing hospice programs;

16 (J) One member representing individuals with
17 Alzheimer's disease and related dementias;

18 (K) Two members representing statewide trade or
19 labor unions;

20 (L) One advanced practice nurse with experience in
21 gerontological nursing;

22 (M) One physician specializing in gerontology;

23 (N) One member representing regional long-term
24 care ombudsmen;

25 (O) One member representing township officials;

26 (P) One member representing municipalities;

27 (Q) One member representing county officials;

28 (R) One member representing the parish nurse
29 movement;

30 (S) One member representing pharmacists;

31 (T) Two members representing statewide
32 organizations engaging in advocacy or legal
33 representation on behalf of the senior population;

34 (U) Two family caregivers;

- 1 (V) Two citizen members over the age of 60;
- 2 (W) One citizen with knowledge in the area of
3 gerontology research or health care law;
- 4 (X) One representative of health care facilities
5 licensed under the Hospital Licensing Act; and
- 6 (Y) One representative of primary care service
7 providers.

8 (c) Voting members of the Advisory Committee shall serve
9 for a term of 3 years or until a replacement is named. All
10 members shall be appointed no later than January 1, 2005. Of
11 the initial appointees, as determined by lot, 10 members shall
12 serve a term of one year; 10 shall serve for a term of 2 years;
13 and 12 shall serve for a term of 3 years. Any member appointed
14 to fill a vacancy occurring prior to the expiration of the term
15 for which his or her predecessor was appointed shall be
16 appointed for the remainder of that term. The Advisory
17 Committee shall meet at least quarterly and may meet more
18 frequently at the call of the Chair. A simple majority of those
19 appointed shall constitute a quorum. The affirmative vote of a
20 majority of those present and voting shall be necessary for
21 Advisory Committee action. Members of the Advisory Committee
22 shall receive no compensation for their services.

23 (d) The Advisory Committee shall have an Executive
24 Committee comprised of the Chair, the Vice Chairs, and up to 15
25 members of the Advisory Committee appointed by the Chair who
26 have demonstrated expertise in developing, implementing, or
27 coordinating the system restructuring initiatives defined in
28 Section 25. The Executive Committee shall have responsibility
29 to oversee and structure the operations of the Advisory
30 Committee and to create and appoint necessary subcommittees and
31 subcommittee members.

32 (e) The Advisory Committee shall study and make
33 recommendations related to the implementation of this Act,
34 including but not limited to system restructuring initiatives

1 as defined in Section 25 or otherwise related to this Act.

2 Section 90. The Illinois Act on the Aging is amended by
3 adding Section 4.12 as follows:

4 (20 ILCS 105/4.12 new)

5 Sec. 4.12. Older Adult Services Act. The Department shall
6 implement the Older Adult Services Act.

7 Section 92. The Illinois Health Facilities Planning Act is
8 amended by changing Sections 3 and 12 as follows:

9 (20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

10 (Section scheduled to be repealed on July 1, 2008)

11 Sec. 3. Definitions. As used in this Act:

12 "Health care facilities" means and includes the following
13 facilities and organizations:

14 1. An ambulatory surgical treatment center required to
15 be licensed pursuant to the Ambulatory Surgical Treatment
16 Center Act;

17 2. An institution, place, building, or agency required
18 to be licensed pursuant to the Hospital Licensing Act;

19 3. Skilled and intermediate long term care facilities
20 licensed under the Nursing Home Care Act;

21 3. Skilled and intermediate long term care facilities
22 licensed under the Nursing Home Care Act;

23 4. Hospitals, nursing homes, ambulatory surgical
24 treatment centers, or kidney disease treatment centers
25 maintained by the State or any department or agency
26 thereof;

27 5. Kidney disease treatment centers, including a
28 free-standing hemodialysis unit; and

29 6. An institution, place, building, or room used for
30 the performance of outpatient surgical procedures that is

1 leased, owned, or operated by or on behalf of an
2 out-of-state facility.

3 No federally owned facility shall be subject to the
4 provisions of this Act, nor facilities used solely for healing
5 by prayer or spiritual means.

6 No facility licensed under the Supportive Residences
7 Licensing Act or the Assisted Living and Shared Housing Act
8 shall be subject to the provisions of this Act.

9 A facility designated as a supportive living facility that
10 is in good standing with the demonstration project established
11 under Section 5-5.01a of the Illinois Public Aid Code shall not
12 be subject to the provisions of this Act.

13 This Act does not apply to facilities granted waivers under
14 Section 3-102.2 of the Nursing Home Care Act. However, if a
15 demonstration project under that Act applies for a certificate
16 of need to convert to a nursing facility, it shall meet the
17 licensure and certificate of need requirements in effect as of
18 the date of application.

19 This Act shall not apply to the closure of an entity or a
20 portion of an entity licensed under the Nursing Home Care Act
21 that elects to convert, in whole or in part, to an assisted
22 living or shared housing establishment licensed under the
23 Assisted Living and Shared Housing Act.

24 With the exception of those health care facilities
25 specifically included in this Section, nothing in this Act
26 shall be intended to include facilities operated as a part of
27 the practice of a physician or other licensed health care
28 professional, whether practicing in his individual capacity or
29 within the legal structure of any partnership, medical or
30 professional corporation, or unincorporated medical or
31 professional group. Further, this Act shall not apply to
32 physicians or other licensed health care professional's
33 practices where such practices are carried out in a portion of
34 a health care facility under contract with such health care

1 facility by a physician or by other licensed health care
2 professionals, whether practicing in his individual capacity
3 or within the legal structure of any partnership, medical or
4 professional corporation, or unincorporated medical or
5 professional groups. This Act shall apply to construction or
6 modification and to establishment by such health care facility
7 of such contracted portion which is subject to facility
8 licensing requirements, irrespective of the party responsible
9 for such action or attendant financial obligation.

10 "Person" means any one or more natural persons, legal
11 entities, governmental bodies other than federal, or any
12 combination thereof.

13 "Consumer" means any person other than a person (a) whose
14 major occupation currently involves or whose official capacity
15 within the last 12 months has involved the providing,
16 administering or financing of any type of health care facility,
17 (b) who is engaged in health research or the teaching of
18 health, (c) who has a material financial interest in any
19 activity which involves the providing, administering or
20 financing of any type of health care facility, or (d) who is or
21 ever has been a member of the immediate family of the person
22 defined by (a), (b), or (c).

23 "State Board" means the Health Facilities Planning Board.

24 "Construction or modification" means the establishment,
25 erection, building, alteration, reconstruction, modernization,
26 improvement, extension, discontinuation, change of ownership,
27 of or by a health care facility, or the purchase or acquisition
28 by or through a health care facility of equipment or service
29 for diagnostic or therapeutic purposes or for facility
30 administration or operation, or any capital expenditure made by
31 or on behalf of a health care facility which exceeds the
32 capital expenditure minimum; however, any capital expenditure
33 made by or on behalf of a health care facility for (i) the
34 construction or modification of a facility licensed under the

1 Assisted Living and Shared Housing Act or (ii) a conversion
2 project undertaken in accordance with Section 30 of the Older
3 Adult Services Act shall be excluded from any obligations under
4 this Act.

5 "Establish" means the construction of a health care
6 facility or the replacement of an existing facility on another
7 site.

8 "Major medical equipment" means medical equipment which is
9 used for the provision of medical and other health services and
10 which costs in excess of the capital expenditure minimum,
11 except that such term does not include medical equipment
12 acquired by or on behalf of a clinical laboratory to provide
13 clinical laboratory services if the clinical laboratory is
14 independent of a physician's office and a hospital and it has
15 been determined under Title XVIII of the Social Security Act to
16 meet the requirements of paragraphs (10) and (11) of Section
17 1861(s) of such Act. In determining whether medical equipment
18 has a value in excess of the capital expenditure minimum, the
19 value of studies, surveys, designs, plans, working drawings,
20 specifications, and other activities essential to the
21 acquisition of such equipment shall be included.

22 "Capital Expenditure" means an expenditure: (A) made by or
23 on behalf of a health care facility (as such a facility is
24 defined in this Act); and (B) which under generally accepted
25 accounting principles is not properly chargeable as an expense
26 of operation and maintenance, or is made to obtain by lease or
27 comparable arrangement any facility or part thereof or any
28 equipment for a facility or part; and which exceeds the capital
29 expenditure minimum.

30 For the purpose of this paragraph, the cost of any studies,
31 surveys, designs, plans, working drawings, specifications, and
32 other activities essential to the acquisition, improvement,
33 expansion, or replacement of any plant or equipment with
34 respect to which an expenditure is made shall be included in

1 determining if such expenditure exceeds the capital
2 expenditures minimum. Donations of equipment or facilities to a
3 health care facility which if acquired directly by such
4 facility would be subject to review under this Act shall be
5 considered capital expenditures, and a transfer of equipment or
6 facilities for less than fair market value shall be considered
7 a capital expenditure for purposes of this Act if a transfer of
8 the equipment or facilities at fair market value would be
9 subject to review.

10 "Capital expenditure minimum" means \$6,000,000, which
11 shall be annually adjusted to reflect the increase in
12 construction costs due to inflation, for major medical
13 equipment and for all other capital expenditures; provided,
14 however, that when a capital expenditure is for the
15 construction or modification of a health and fitness center,
16 "capital expenditure minimum" means the capital expenditure
17 minimum for all other capital expenditures in effect on March
18 1, 2000, which shall be annually adjusted to reflect the
19 increase in construction costs due to inflation.

20 "Non-clinical service area" means an area (i) for the
21 benefit of the patients, visitors, staff, or employees of a
22 health care facility and (ii) not directly related to the
23 diagnosis, treatment, or rehabilitation of persons receiving
24 services from the health care facility. "Non-clinical service
25 areas" include, but are not limited to, chapels; gift shops;
26 news stands; computer systems; tunnels, walkways, and
27 elevators; telephone systems; projects to comply with life
28 safety codes; educational facilities; student housing;
29 patient, employee, staff, and visitor dining areas;
30 administration and volunteer offices; modernization of
31 structural components (such as roof replacement and masonry
32 work); boiler repair or replacement; vehicle maintenance and
33 storage facilities; parking facilities; mechanical systems for
34 heating, ventilation, and air conditioning; loading docks; and

1 repair or replacement of carpeting, tile, wall coverings,
2 window coverings or treatments, or furniture. Solely for the
3 purpose of this definition, "non-clinical service area" does
4 not include health and fitness centers.

5 "Areawide" means a major area of the State delineated on a
6 geographic, demographic, and functional basis for health
7 planning and for health service and having within it one or
8 more local areas for health planning and health service. The
9 term "region", as contrasted with the term "subregion", and the
10 word "area" may be used synonymously with the term "areawide".

11 "Local" means a subarea of a delineated major area that on
12 a geographic, demographic, and functional basis may be
13 considered to be part of such major area. The term "subregion"
14 may be used synonymously with the term "local".

15 "Areawide health planning organization" or "Comprehensive
16 health planning organization" means the health systems agency
17 designated by the Secretary, Department of Health and Human
18 Services or any successor agency.

19 "Local health planning organization" means those local
20 health planning organizations that are designated as such by
21 the areawide health planning organization of the appropriate
22 area.

23 "Physician" means a person licensed to practice in
24 accordance with the Medical Practice Act of 1987, as amended.

25 "Licensed health care professional" means a person
26 licensed to practice a health profession under pertinent
27 licensing statutes of the State of Illinois.

28 "Director" means the Director of the Illinois Department of
29 Public Health.

30 "Agency" means the Illinois Department of Public Health.

31 "Comprehensive health planning" means health planning
32 concerned with the total population and all health and
33 associated problems that affect the well-being of people and
34 that encompasses health services, health manpower, and health

1 facilities; and the coordination among these and with those
2 social, economic, and environmental factors that affect
3 health.

4 "Alternative health care model" means a facility or program
5 authorized under the Alternative Health Care Delivery Act.

6 "Out-of-state facility" means a person that is both (i)
7 licensed as a hospital or as an ambulatory surgery center under
8 the laws of another state or that qualifies as a hospital or an
9 ambulatory surgery center under regulations adopted pursuant
10 to the Social Security Act and (ii) not licensed under the
11 Ambulatory Surgical Treatment Center Act, the Hospital
12 Licensing Act, or the Nursing Home Care Act. Affiliates of
13 out-of-state facilities shall be considered out-of-state
14 facilities. Affiliates of Illinois licensed health care
15 facilities 100% owned by an Illinois licensed health care
16 facility, its parent, or Illinois physicians licensed to
17 practice medicine in all its branches shall not be considered
18 out-of-state facilities. Nothing in this definition shall be
19 construed to include an office or any part of an office of a
20 physician licensed to practice medicine in all its branches in
21 Illinois that is not required to be licensed under the
22 Ambulatory Surgical Treatment Center Act.

23 "Change of ownership of a health care facility" means a
24 change in the person who has ownership or control of a health
25 care facility's physical plant and capital assets. A change in
26 ownership is indicated by the following transactions: sale,
27 transfer, acquisition, lease, change of sponsorship, or other
28 means of transferring control.

29 "Related person" means any person that: (i) is at least 50%
30 owned, directly or indirectly, by either the health care
31 facility or a person owning, directly or indirectly, at least
32 50% of the health care facility; or (ii) owns, directly or
33 indirectly, at least 50% of the health care facility.

34 (Source: P.A. 93-41, eff. 6-27-03.)

1 (20 ILCS 3960/12) (from Ch. 111 1/2, par. 1162)

2 (Section scheduled to be repealed on July 1, 2008)

3 Sec. 12. Powers and duties of State Board. For purposes of
4 this Act, the State Board shall exercise the following powers
5 and duties:

6 (1) Prescribe rules, regulations, standards, criteria,
7 procedures or reviews which may vary according to the purpose
8 for which a particular review is being conducted or the type of
9 project reviewed and which are required to carry out the
10 provisions and purposes of this Act.

11 (2) Adopt procedures for public notice and hearing on all
12 proposed rules, regulations, standards, criteria, and plans
13 required to carry out the provisions of this Act.

14 (3) Prescribe criteria for recognition for areawide health
15 planning organizations, including, but not limited to,
16 standards for evaluating the scientific bases for judgments on
17 need and procedure for making these determinations.

18 (4) Develop criteria and standards for health care
19 facilities planning, conduct statewide inventories of health
20 care facilities, maintain an updated inventory on the
21 Department's web site reflecting the most recent bed and
22 service changes and updated need determinations when new census
23 data become available or new need formulae are adopted, and
24 develop health care facility plans which shall be utilized in
25 the review of applications for permit under this Act. Such
26 health facility plans shall be coordinated by the Agency with
27 the health care facility plans areawide health planning
28 organizations and with other pertinent State Plans.

29 In developing health care facility plans, the State Board
30 shall consider, but shall not be limited to, the following:

31 (a) The size, composition and growth of the population
32 of the area to be served;

33 (b) The number of existing and planned facilities

1 offering similar programs;

2 (c) The extent of utilization of existing facilities;

3 (d) The availability of facilities which may serve as
4 alternatives or substitutes;

5 (e) The availability of personnel necessary to the
6 operation of the facility;

7 (f) Multi-institutional planning and the establishment
8 of multi-institutional systems where feasible;

9 (g) The financial and economic feasibility of proposed
10 construction or modification; and

11 (h) In the case of health care facilities established
12 by a religious body or denomination, the needs of the
13 members of such religious body or denomination may be
14 considered to be public need.

15 The criteria and standards for health care facilities
16 planning, including but not limited to the statewide inventory
17 established under this paragraph (4), shall not be adjusted by
18 any change in the number of long-term care facility beds
19 resulting from nursing home conversion projects undertaken in
20 accordance with the Older Adult Services Act.

21 The health care facility plans which are developed and
22 adopted in accordance with this Section shall form the basis
23 for the plan of the State to deal most effectively with
24 statewide health needs in regard to health care facilities.

25 (5) Coordinate with other state agencies having
26 responsibilities affecting health care facilities, including
27 those of licensure and cost reporting.

28 (6) Solicit, accept, hold and administer on behalf of the
29 State any grants or bequests of money, securities or property
30 for use by the State Board or recognized areawide health
31 planning organizations in the administration of this Act; and
32 enter into contracts consistent with the appropriations for
33 purposes enumerated in this Act.

34 (7) The State Board shall prescribe, in consultation with

1 the recognized areawide health planning organizations,
2 procedures for review, standards, and criteria which shall be
3 utilized to make periodic areawide reviews and determinations
4 of the appropriateness of any existing health services being
5 rendered by health care facilities subject to the Act. The
6 State Board shall consider recommendations of the areawide
7 health planning organization and the Agency in making its
8 determinations.

9 (8) Prescribe, in consultation with the recognized
10 areawide health planning organizations, rules, regulations,
11 standards, and criteria for the conduct of an expeditious
12 review of applications for permits for projects of construction
13 or modification of a health care facility, which projects are
14 non-substantive in nature. Such rules shall not abridge the
15 right of areawide health planning organizations to make
16 recommendations on the classification and approval of
17 projects, nor shall such rules prevent the conduct of a public
18 hearing upon the timely request of an interested party. Such
19 reviews shall not exceed 60 days from the date the application
20 is declared to be complete by the Agency.

21 (9) Prescribe rules, regulations, standards, and criteria
22 pertaining to the granting of permits for construction and
23 modifications which are emergent in nature and must be
24 undertaken immediately to prevent or correct structural
25 deficiencies or hazardous conditions that may harm or injure
26 persons using the facility, as defined in the rules and
27 regulations of the State Board. This procedure is exempt from
28 public hearing requirements of this Act.

29 (10) Prescribe rules, regulations, standards and criteria
30 for the conduct of an expeditious review, not exceeding 60
31 days, of applications for permits for projects to construct or
32 modify health care facilities which are needed for the care and
33 treatment of persons who have acquired immunodeficiency
34 syndrome (AIDS) or related conditions.

1 (Source: P.A. 93-41, eff. 6-27-03.)

2 Section 94. The State Finance Act is amended by changing
3 Section 8h and by adding Sections 5.622 and 5.623 as follows:

4 (30 ILCS 105/5.622 new)

5 Sec. 5.622. The Nursing Home Conversion Fund.

6 (30 ILCS 105/5.623 new)

7 Sec. 5.623. The Older Adult Services Fund.

8 (30 ILCS 105/8h)

9 Sec. 8h. Transfers to General Revenue Fund.

10 (a) Except as provided in subsection (b), notwithstanding

11 ~~Notwithstanding~~ any other State law to the contrary, the
12 Director of the Governor's Office of Management and Budget may
13 from time to time direct the State Treasurer and Comptroller to
14 transfer a specified sum from any fund held by the State
15 Treasurer to the General Revenue Fund in order to help defray
16 the State's operating costs for the fiscal year. The total
17 transfer under this Section from any fund in any fiscal year
18 shall not exceed the lesser of 8% of the revenues to be
19 deposited into the fund during that year or 25% of the
20 beginning balance in the fund. No transfer may be made from a
21 fund under this Section that would have the effect of reducing
22 the available balance in the fund to an amount less than the
23 amount remaining unexpended and unreserved from the total
24 appropriation from that fund for that fiscal year. This Section
25 does not apply to any funds that are restricted by federal law
26 to a specific use or to any funds in the Motor Fuel Tax Fund or
27 the Hospital Provider Fund. Notwithstanding any other
28 provision of this Section, the total transfer under this
29 Section from the Road Fund or the State Construction Account
30 Fund shall not exceed 5% of the revenues to be deposited into

1 the fund during that year.

2 In determining the available balance in a fund, the
3 Director of the Governor's Office of Management and Budget may
4 include receipts, transfers into the fund, and other resources
5 anticipated to be available in the fund in that fiscal year.

6 The State Treasurer and Comptroller shall transfer the
7 amounts designated under this Section as soon as may be
8 practicable after receiving the direction to transfer from the
9 Director of the Governor's Office of Management and Budget.

10 (b) This Section does not apply to the Nursing Home
11 Conversion Fund or the Older Adult Services Fund.

12 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04.)

13 Section 96. The Illinois Public Aid Code is amended by
14 adding Section 5-5d as follows:

15 (305 ILCS 5/5-5d new)

16 Sec. 5-5d. Enhanced transition and follow-up services. The
17 Department of Public Aid shall apply for any necessary waivers
18 pursuant to Section 1915(c) of the Social Security Act to
19 facilitate the transition from one residential setting to
20 another and follow-up services. Nothing in this Section shall
21 be considered as limiting current similar programs by the
22 Department of Human Services or the Department on Aging.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."