



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4999

Introduced 1/23/2006, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.663 new

110 ILCS 330/5

210 ILCS 85/7

from Ch. 23, par. 1375

from Ch. 111 1/2, par. 148

Creates the Hospital Fair Billing and Collection Practices Act. Requires a hospital's governing body to adopt policies: (i) prohibiting abusive, harassing, oppressive, false, deceptive, or misleading language or collection conduct by any collection agency or attorney retained by the hospital for the collection of medical debt, any agent or employee of a collection agency or attorney, or any hospital employee who participates in the collection of medical debt from patients; (ii) establishing the procedures to be utilized by every collection agency retained by the hospital for the collection of medical debt; (iii) establishing the procedures to be utilized by the hospital's employees who participate in the collection of debt; and (iv) establishing procedures for ensuring the timely and accurate submission of claims to third party payors. Prohibits a hospital from selling any debt owed to it by a patient for medical or hospital services, except to a collection agency. Establishes required billing practices for a hospital. Requires a hospital to enter into a written contract with any collection agency or attorney that it retains to collect medical debts from patients and outlines the contract requirements. Provides for civil penalties and injunctive relief. Preempts home rule. Creates the Hospital Fair Billing and Collection Practices Act Enforcement Fund. Provides that the monies in the Fund shall be used by the Attorney General for the enforcement of the Act. Amends the State Finance Act to create the Hospital Fair Billing and Collection Practices Act Enforcement Fund. Amends the University of Illinois Hospital Act to make the collection of hospital service charges by the University subject to the Hospital Fair Billing and Collection Practices Act. Amends the Hospital Licensing Act. Provides that the Director may deny, suspend, or revoke a hospital's license for failure to comply with the provisions of the Hospital Fair Billing and Collection Practices Act. Effective January 1, 2007.

LRB094 15918 LCT 51656 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

1 AN ACT concerning collection practices.

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

4 ARTICLE 1. GENERAL PROVISIONS

5 Section 1-1. Short title. This Act may be cited as the
6 Hospital Fair Billing and Collection Practices Act.

7 Section 1-5. Application. This Act applies to all hospitals
8 licensed under the Hospital Licensing Act or the University of
9 Illinois Hospital Act.

10 Section 1-10. Purpose; findings.

11 (a) The purpose of this Act is to advance public health and
12 welfare through the establishment, implementation, and
13 enforcement of clear standards for fair patient billing and
14 collection practices to be adopted by all Illinois hospitals.

15 (b) The Illinois General Assembly finds that:

16 (1) Medical debts are the cause of an increasing number
17 of bankruptcies in Illinois and are typically associated
18 with severe financial hardship incurred by the bankrupt
19 persons and their families.

20 (2) Statistical evidence confirms the increasing
21 prevalence of bankruptcies caused by medical debts, and the
22 financial privations that these bankruptcies impose on
23 those affected. Researchers at the Harvard Law School and
24 Harvard Medical School have published a study on medical
25 bankruptcies in the journal Health Affairs that included
26 the following findings: (i) between 46.2% and 54.5% of all
27 bankruptcies in the United States in 2001 were caused, at
28 least in part, by illness or medical debts; (ii)
29 approximately 2,000,000 million persons nationwide were in
30 medically bankrupt families in 2001, including an

1 estimated 111,544 persons in Illinois alone; (iii) medical
2 bankruptcies nationwide increased by an estimated 2,200%
3 between 1981 and 2001; and (iv) in the 2 years before
4 filing for medical bankruptcy, 22% of affected families
5 went without food, 30% had a utility shut off, 61% went
6 without needed medical care, and 50% failed to fill a
7 doctor's prescription.

8 (3) Increasingly, patients at Illinois hospitals have
9 been subjected to aggressive billing and collection
10 practices.

11 (4) Patients, hospitals, and government bodies alike
12 will benefit from clearly-articulated standards regarding
13 fair billing and collection practices for all Illinois
14 hospitals.

15 (5) Medical debt collection activities by hospitals
16 and external collection agencies and attorneys should
17 reflect the billing and collection policies of the
18 hospitals.

19 (6) Hospitals should employ responsible standards when
20 collecting debt from their patients.

21 (7) The Attorney General, as the chief legal officer
22 for the State, should have primary authority and
23 responsibility for the implementation and enforcement of
24 this Act.

25 Section 1-15. Definitions. As used in this Act:

26 "Bill" or "billing statement" means an itemized billing
27 statement described in Section 10-15 of this Act.

28 "Collection agency" means a collection agency as defined in
29 Section 2.02 of the Collection Agency Act.

30 "Third party payor" means an entity that provides an
31 insurance, medical service, or health plan by contract or
32 agreement.

33 ARTICLE 5. HOSPITAL COLLECTION POLICIES

1 Section 5-5. Required hospital policies. A hospital's
2 governing body must adopt all of the following policies, which
3 shall not be inconsistent with this Act:

4 (1) A policy prohibiting abusive, harassing,
5 oppressive, false, deceptive, or misleading language or
6 collection conduct by any collection agency or attorney
7 retained by the hospital for the collection of medical
8 debt, any agent or employee of a collection agency or
9 attorney, or any hospital employee who participates in the
10 collection of medical debt from patients.

11 (2) A policy establishing the procedures to be utilized
12 by every collection agency retained by the hospital for the
13 collection of medical debt.

14 (3) A policy establishing the procedures to be utilized
15 by the hospital's employees who participate in the
16 collection of debt.

17 (4) A policy establishing procedures for ensuring the
18 timely and accurate submission of claims to third party
19 payors.

20 Section 5-10. Sales of medical debt. A hospital shall not
21 sell any debt owed to it by a patient for medical or hospital
22 services provided on or after the effective date of this Act,
23 except to a collection agency.

24 ARTICLE 10. HOSPITAL BILLING

25 Section 10-5. Billing practices; third party payors.

26 (a) If a hospital receives information about the patient's
27 third party payor but does not submit a claim to the third
28 party payor within a deadline established by that payor, the
29 hospital must not bill the patient for the unsubmitted claim.
30 If the hospital submits a claim to a third party payor, and
31 there is any unresolved dispute as to the amount owed by this
32 payor, the hospital must not bill the patient for any amount in
33 excess of that for which the patient would have been

1 responsible had the third party payor paid the claim.

2 (b) A hospital must not refer any bill to a collection
3 agency or attorney for collection activity while a claim for
4 payment of the bill is pending with a third party payor. A
5 claim for payment shall be considered pending as long as the
6 patient retains appeal rights under the patient's insurance
7 plan or under any State or federal law.

8 (c) A hospital must not refer a bill, or portion thereof,
9 to a collection agency or attorney for collection activity if
10 that bill, or portion thereof, documents a debt incurred by a
11 patient to the hospital solely because of denial of a claim by
12 a third party payor due to the hospital's error.

13 Section 10-10. Notification concerning out-of-network
14 providers. During admission or as soon as practicable
15 thereafter, the hospital must provide a patient, or the
16 patient's authorized representative, with written notice that:

17 (1) the patient may receive separate bills for services
18 provided by hospital staff members;

19 (2) if applicable, not all hospital staff members are
20 employees of the hospital and therefore may not be
21 participating providers in the same insurance plans and
22 networks as the hospital;

23 (3) if applicable, the patient may receive limited
24 benefits for services provided by hospital staff members
25 with respect to coverage or patient costs; and

26 (4) questions about coverage or benefit levels should
27 be directed to the patient's health insurer or provider.

28 Section 10-15. Provision of itemized bill. Upon discharge
29 from hospital or the completion of outpatient services, a
30 hospital must provide a patient, or his or her authorized
31 representative, with an itemized billing statement detailing,
32 in clearly comprehensible language, the specific nature of
33 charges or expenses incurred by the patient. The billing
34 statement must include explanations of the nature and status of

1 co-payments or deductibles for which the patient is
2 responsible. A patient is entitled to prompt receipt of
3 additional copies of the itemized billing statement upon
4 request to the hospital.

5 Section 10-20. Bill inquiries; disputes.

6 (a) A hospital must implement a process for patients, or
7 their authorized representatives, to inquire about or dispute
8 bills, including a toll-free telephone number that patients may
9 call, an address to which they may write, and a named
10 representative, designated by the hospital to receive billing
11 inquiries, whom patients or their authorized representatives
12 may consult in person.

13 (b) The hospital's toll-free telephone number, mailing
14 address, and the name, address, and telephone number of the
15 hospital's designated representative for responding to patient
16 billing inquiries in person must be listed on all patient bills
17 and collection notices sent by the hospital. During the
18 hospital's regular business hours, a person must be available
19 to receive all toll-free telephone billing inquiries, as well
20 as to respond to requests to meet in person with a designated
21 hospital billing representative.

22 (c) The hospital must return telephone calls made by
23 patients as promptly as possible, but in no event later than
24 one business day after the call is received. The hospital must
25 respond to written correspondence received from patients
26 within 5 days after the correspondence is received. Upon
27 request by a patient, or the patient's authorized
28 representative, for a meeting with a designated hospital
29 billing representative, the hospital must allow the meeting to
30 take place as soon as possible, but in no event more than 5
31 days following the date of the request.

32 (d) For purposes of this Section, "business day" means a
33 day on which the hospital's billing office is open for regular
34 business.

1 Section 10-25. Billing Dispute Resolution.

2 (a) A hospital's designated representative must suspend
3 billing efforts immediately upon receipt of a written or oral
4 notice of a claim by a patient, or the patient's authorized
5 representative, that the patient does not owe all or part of a
6 debt indicated in a billing statement. This notice must include
7 all of the following:

8 (1) The patient's name and account number.

9 (2) The patient's claim that there is a billing error.

10 (3) The reasons for the patient's claim that there is a
11 billing error. These reasons may include, but are not
12 limited to, liability by a third party payor for payment of
13 the hospital bill, a pending application for charity care,
14 or lack of documentation for the bill.

15 (b) Within 5 business days after receipt by the hospital of
16 the notice described in subsection (a) of this Section, the
17 hospital's designated representative must send a written
18 acknowledgment of receipt of this notice to the patient or the
19 patient's authorized representative.

20 (c) Within 14 days after receipt of the notice described in
21 subsection (a) of this Section, the hospital's designated
22 representative must do both of the following:

23 (1) Make all appropriate corrections to the patient's
24 account and notify the patient, or the patient's authorized
25 representative, in writing of these corrections.

26 (2) Send a written response to the patient, or the
27 patient's authorized representative, which includes:

28 (A) an explanation in clear, understandable terms
29 why the amount currently billed to the patient by the
30 hospital, after all appropriate corrections have been
31 made under item (1) of this subsection (c), is a
32 correct amount;

33 (B) copies of documentary records establishing the
34 patient's indebtedness, including documentary records
35 establishing that all third party payors were
36 appropriately billed; and

1 (C) an explanation in clear, understandable terms
2 of the payment choices available to the patient, or
3 patient's authorized representative, under subsection
4 (d) of this Section.

5 (d) Within 30 days after receipt of a written response by a
6 hospital as provided by item (2) of subsection (c) of this
7 Section, a patient, or a patient's authorized representative,
8 to whom a response has been sent must do one of the following:

9 (1) Pay the patient's entire debt to the hospital, as
10 indicated by the billing statement and any subsequent
11 corrections by the hospital.

12 (2) Make arrangements with the hospital to pay the
13 patient's debt to the hospital, as indicated by the billing
14 statement and any subsequent corrections by the hospital,
15 under the terms of a reasonable payment plan. A hospital
16 must offer a payment plan to a patient who cannot pay the
17 entire amount of the bill in one payment. A hospital may
18 require a patient, or the patient's authorized
19 representative, to provide reasonable verification of his
20 or her inability to pay the entire amount of a debt in one
21 payment.

22 (3) Inform the hospital, either orally or in writing,
23 that the patient, or the patient's authorized
24 representative, disputes all or any portion of the
25 hospital's written response under subsection (c) of this
26 Section affecting the amount of the patient's debt to the
27 hospital. The hospital must promptly undertake a good faith
28 review of the disputed portion of its written response and
29 must respond to the patient in writing within 14 days with
30 its decision whether, and by what amount, the patient's
31 account should be modified as a result of this review.
32 Following the hospital's response under this item (3), the
33 patient shall have 30 days to either pay his or her entire
34 debt to the hospital, as indicated by the billing statement
35 and all subsequent corrections by the hospital, or make
36 arrangements with the hospital to pay this debt under the

1 terms of a reasonable payment plan under the conditions
2 established by item (2) of this subsection (d).

3 (e) A hospital must not resume billing efforts under this
4 Section until 30 days after receipt by the patient of a written
5 explanation under subsection (c) of this Section. Where a
6 patient informs a hospital that he or she disputes all or any
7 portion of a hospital's documented response as provided in item
8 (3) of subsection (d) of this Section, the hospital must not
9 resume billing efforts until 30 days after the hospital has
10 responded to the patient as provided by that paragraph. A
11 patient, or the patient's authorized representative, may
12 withhold payment to a hospital of a billed amount during any
13 period in which a hospital is prohibited from resuming billing
14 efforts under this subsection (e).

15 Section 10-30. Log of patient complaints. A hospital must
16 develop a system to record and log all patient complaints
17 concerning billing and collection efforts received by the
18 hospital's billing office regarding the collection of medical
19 debt by the hospital or by any collection agency or attorney
20 retained by the hospital. A hospital may maintain the records
21 at more than one location. Information to be maintained in this
22 log must include: (i) the name of the patient and contact
23 information for the patient; (ii) date upon which the complaint
24 was made; and (iii) nature of the billing dispute and the
25 resolution. A hospital must provide a copy of any records
26 concerning patient complaints maintained in accordance with
27 this Section to the Attorney General upon written request for
28 the records.

29 ARTICLE 15. COLLECTION AGENCIES AND ATTORNEYS

30 Section 15-5. Written contract. A hospital must enter into
31 a written contract with any collection agency or attorney that
32 it retains to collect medical debts from patients. The contract
33 must require the collection agency or attorney to act in

1 accordance with this Act, applicable laws, and the hospital's
2 policies adopted under Section 5-5 of this Act. Any collection
3 agency retained by the hospital under a contract required by
4 this Section must be licensed under the Collection Agency Act.
5 A hospital, collection agency, or attorney must provide a copy
6 of a contract required under this Section to the Attorney
7 General upon written request for the contract.

8 Section 15-10. Referral of patient's account. A hospital
9 must not refer any patient's account to a collection agency or
10 attorney for collection except through an authorized
11 representative and until verifying all of the following:

12 (1) The hospital has fully complied with the provisions
13 of Article 10 of this Act.

14 (2) There is a reasonable basis to believe that the
15 patient owes the debt.

16 (3) All known third party payors have been properly
17 billed by the hospital.

18 (4) Any remaining debt is solely the financial
19 responsibility of the patient.

20 (5) If the patient has indicated an inability to pay
21 the full amount of the debt in one payment, the hospital
22 has offered the patient a reasonable payment plan. The
23 hospital may require the patient to provide reasonable
24 verification of his or her inability to pay the full amount
25 of the debt in one payment.

26 (6) To the extent the hospital dispenses charity care
27 and the circumstances of the patient suggest the potential
28 eligibility for charity care, the patient has been given at
29 least 60 days following the date of discharge from hospital
30 or receipt of outpatient care to submit an application for
31 charity care.

32 (7) A hospital must not refer any debt to a collection
33 agency or attorney for collection if the patient has made
34 and continues to make payments on that debt in accordance
35 with the terms of a payment plan previously agreed to by

1 the hospital and the patient.

2 Section 15-15. Log of patient complaints. A hospital must
3 require by contract every collection agency or attorney
4 retained by the hospital for the purpose of collecting medical
5 debt to keep a log of all oral and written complaints received
6 from any patient, or the patient's authorized representative,
7 concerning the conduct of the collection agency or attorney.
8 The hospital must obtain a complete and updated copy of the log
9 at least 6 times per year. The hospital's contract with the
10 collection agency or attorney must provide that failure by the
11 agency or attorney to log and provide to the hospital all
12 patient complaints in the manner required by this Section shall
13 result in termination of the hospital's contract with the
14 collection agency or attorney. Information to be maintained in
15 this log must include the name of the patient and contact
16 information for the patient, date upon which the complaint was
17 made, nature of the billing dispute, and the resolution. A
18 hospital, collection agency, or attorney must provide a copy of
19 any records concerning patient complaints maintained in
20 accordance with this Section to the Attorney General upon
21 written request.

22 For purposes of this Section, "complaint" means any
23 communication from a patient or a patient's authorized
24 representative in which the patient or authorized
25 representative expresses concerns about the conduct of the
26 collection agency or attorney in connection with the collection
27 of the medical debt owed to the hospital by the patient.

28 Section 15-20. Record of communications with patients. A
29 hospital must require every collection agency and attorney
30 retained by the hospital to collect medical debt to keep a
31 record of the date, time, and purpose of all communications to
32 or from the hospital's patients, or their authorized
33 representatives, in connection with debt collection
34 activities. The hospital's contract with the collection agency

1 or attorney must provide that failure by the agency or attorney
2 to keep records in accordance with this Section shall result in
3 termination of the hospital's contract with the collection
4 agency or attorney. A collection agency or attorney must
5 provide a copy of all records of patient communications
6 required under this Section to the Attorney General upon
7 written request.

8 Section 15-25. Hospital contact information. If a patient
9 asks a collection agency or attorney that the hospital has
10 retained for the collection of medical debt for the hospital's
11 contact information, the collection agency or attorney must
12 provide the patient with the toll-free telephone number,
13 mailing address, and name, address, and telephone number of the
14 hospital's designated hospital representative for billing
15 inquiries described in Section 10-20. The hospital must not
16 refuse to supply information to or speak with any of its
17 patients on the basis that a patient's account has been
18 referred to a collection agency or attorney for collection of
19 debt.

20 ARTICLE 20. LITIGATION PRACTICES

21 Section 20-5. Authority to take legal action against
22 patient.

23 (a) No action for the collection of a debt owed by a
24 patient to a hospital for medical services shall be filed in
25 any court without written authorization by the designated
26 hospital representative who is a corporate officer of the
27 hospital appointed by a hospital's governing body for purposes
28 of authorizing such an action.

29 (b) The designated hospital representative appointed by a
30 hospital's governing board for purposes of considering when
31 actions for the collection of debts should be filed against
32 patients must not authorize the filing of any action against a
33 patient to collect debt until verifying all of the following:

1 (1) The hospital has fully complied with the provisions
2 of Article 10 of this Act.

3 (2) There is a reasonable basis to believe that the
4 patient owes the debt.

5 (3) All known third party payors have been properly
6 billed by the hospital.

7 (4) Any remaining debt is solely the financial
8 responsibility of the patient.

9 (5) If the patient has indicated an inability to pay
10 the full amount of the debt in one payment, the hospital
11 has offered the patient a reasonable payment plan. The
12 hospital may require the patient to provide reasonable
13 verification of his or her inability to pay the full amount
14 of the debt in one payment.

15 (6) To the extent the hospital dispenses charity care
16 and the circumstances of the patient suggest the potential
17 eligibility for charity care, the patient has been given at
18 least 60 days following the date of discharge from hospital
19 or receipt of outpatient care to submit an application for
20 charity care, and, if the patient has filed an application,
21 the application has been properly denied.

22 Section 20-10. Authority to enforce judgments. Any
23 hospital seeking to enforce a judgment obtained against a
24 patient for a debt owed by the patient by means of any
25 proceeding included in Article XII of the Code of Civil
26 Procedure must have prior written authorization for the
27 proceeding by the governing body of the hospital. To the extent
28 that there is any conflict between the provisions of this Act
29 and the enforcement of judgment provisions contained in Article
30 XII of the Code of Civil Procedure including, without
31 limitation, the provisions pertaining to actions for
32 garnishments or wage deductions, the provisions of this Act
33 shall control.

34 Section 20-15. No subcontracting. A hospital must enter

1 into a written contract directly with any attorney retained by
2 the hospital to collect medical debt from its patients and may
3 not subcontract or delegate the selection of an attorney to a
4 collection agency retained by the hospital. Any contract
5 between a hospital and an attorney under this Section must
6 require the attorney to comply with the provisions of this Act,
7 applicable laws, and the hospital's policies adopted under
8 Section 5-5.

9 ARTICLE 25. PATIENT BILLING RIGHTS

10 Section 25-5. Required notification of patient billing
11 rights.

12 (a) Upon discharge or the completion of outpatient
13 services, a hospital must provide every patient, or the
14 patient's authorized representative, with a document entitled
15 "Patient Billing Rights", which advises every patient in
16 writing of the following:

17 (1) The hospital must provide the patient with an
18 itemized and clearly understandable billing statement upon
19 discharge or the completion of outpatient services and must
20 provide additional copies of this statement to the patient
21 upon request.

22 (2) The patient is entitled to receive a detailed
23 explanation of the itemized billing statement from a
24 designated hospital employee, either by calling a listed
25 toll-free telephone number established by the hospital for
26 such explanations, through an inquiry by mail to a listed
27 hospital mailing address, or by meeting in person with a
28 named representative designated by the hospital to address
29 patient billing inquiries.

30 (3) The patient has a right to dispute all, or any
31 portion, of an itemized billing statement by notifying the
32 hospital of the patient's claim that there is a billing
33 error and the reasons for this claim.

34 (4) If the patient cannot pay the full amount of the

1 debt in one payment, the hospital must offer the patient a
2 reasonable payment plan. The hospital may require the
3 patient to provide reasonable verification of his or her
4 inability to pay the full amount of the debt in one
5 payment.

6 (5) The hospital is prohibited from referring bills to
7 a collection agency or attorney contractually retained by
8 the hospital while a claim for payment of the bill is
9 pending with a third party payor. A claim for payment shall
10 be considered pending as long as the patient retains appeal
11 rights under the patient's insurance plan or under any
12 State or federal law.

13 (6) The hospital may not file any court action for the
14 collection of a debt owed by the patient without the
15 written authorization of an officer of the hospital
16 designated by the hospital's governing board. The
17 hospital's governing board must authorize any action to
18 enforce a debt against a patient through garnishment, wage
19 deduction, or any other proceeding for the enforcement of a
20 judgment included in Article XII of the Code of Civil
21 Procedure.

22 (7) The patient has the right to make complaints about
23 hospital billing practices to the Attorney General under
24 Section 30-10 of this Act, by following complaint
25 procedures summarized in the statement of Patient Billing
26 Rights.

27 (b) The Attorney General shall develop a standard form for
28 the statement of Patient Billing Rights, which must be used by
29 all hospitals in providing the mandated notifications under
30 this Section.

31 (c) A hospital is responsible for translating, and making
32 available to patients upon their request or the request of
33 their authorized representatives, copies of the statement of
34 Patient Billing Rights in each of the non-English languages
35 most commonly used in the service area of the hospital, in
36 accordance with standards promulgated by rule of the Attorney

1 General.

2 (d) The statement of Patient Billing Rights shall be posted
3 on the website of the Attorney General and of each hospital. A
4 hospital shall prominently post a sign containing the statement
5 of Patient Billing Rights in each patient admission and
6 discharge area. A hospital's postings on its website and at
7 each admission and discharge area shall be in each of the
8 non-English languages most commonly used in the service area of
9 the hospital, in accordance with standards promulgated by rule
10 of the Attorney General.

11 ARTICLE 30. IMPLEMENTATION AND ENFORCEMENT

12 Section 30-5. Administration. The Attorney General is
13 responsible for administering and ensuring compliance with
14 this Act, including development of any rules and forms
15 necessary for the implementation and enforcement of this Act.
16 The Illinois Administrative Procedure Act applies to all rules
17 promulgated by Attorney General under this Act.

18 Section 30-10. Complaints. The Attorney General shall
19 develop and implement a process for receiving and handling
20 complaints from individuals regarding possible violations of
21 this Act.

22 Section 30-15. Investigations. The Attorney General may
23 conduct any investigation deemed necessary regarding possible
24 violations of this Act by any hospital including, without
25 limitation, the issuance of subpoenas to:

26 (1) require the hospital to file a statement or report
27 or answer interrogatories in writing as to all information
28 relevant to the alleged violations;

29 (2) examine under oath any person in connection with
30 the alleged violations; and

31 (3) examine any record, book, document, account, or
32 paper necessary to investigate the alleged violations.

1 Section 30-20. Injunctive relief; monetary penalties.

2 (a) If the Attorney General determines that there is a
3 reason to believe that any hospital has violated the Act, the
4 Attorney General may bring an action in the name of the People
5 of the State against the hospital to obtain temporary,
6 preliminary, or permanent injunctive relief for any act,
7 policy, or practice by the hospital that violates this Act. The
8 Attorney General may seek the removal and replacement of any
9 director, officer, agent, or employee of any hospital who has
10 approved, authorized, or acquiesced, directly or indirectly,
11 in a violation of this Act. The Attorney General may also seek
12 the assessment of one or more of the following civil monetary
13 penalties in any action filed under this Act:

14 (1) For any hospital that fails to provide information
15 to a patient as required under this Act, a civil penalty of
16 \$1,000 per violation.

17 (2) For any hospital that violates any other provision
18 of this Act, a civil penalty of \$10,000 per violation.

19 (b) In the event a court grants a final order of relief
20 against any hospital for violation of this Act, the Attorney
21 General shall, after all appeal rights have been exhausted,
22 refer the hospital to the Illinois Department of Public Health
23 for possible adverse licensure action under the Hospital
24 Licensing Act.

25 Section 30-25. Limitations. Nothing in this Act shall be
26 used by any private or public payor as a basis for reducing the
27 third-party payor's rates, policies, or usual and customary
28 charges for any health care service. Nothing in this Act shall
29 be construed as imposing an obligation on a hospital to provide
30 any particular service or treatment to an uninsured patient.
31 Nothing in this Act shall be construed as imposing an
32 obligation on a hospital to file a lawsuit to collect payment
33 on a patient's bill. This Act establishes new and additional
34 legal obligations for all hospitals in the State of Illinois.

1 Nothing in this Act shall be construed as relieving or reducing
2 any hospital of any other legal obligation under the Illinois
3 Constitution or under any other statute or the common law
4 including, without limitation, obligations of hospitals to
5 furnish charity care or community benefits. No provision of
6 this Act shall derogate from the common law or statutory
7 authority of the Attorney General, nor shall any provision be
8 construed as a limitation on the common law or statutory
9 authority of the Attorney General to investigate hospitals or
10 initiate enforcement actions against them including, without
11 limitation, the authority to investigate at any time charitable
12 trusts for the purpose of determining and ascertaining whether
13 they are being administered in accordance with Illinois law and
14 with the terms and purposes thereof.

15 Section 30-30. Home rule. A home rule unit must not
16 regulate hospitals in a manner inconsistent with the provisions
17 of this Act. This Section is a limitation under subsection (i)
18 of Section 6 of Article VII of the Illinois Constitution on the
19 concurrent exercise by home rule units of powers and functions
20 exercised by the State.

21 Section 30-35. Hospital Fair Billing and Collection
22 Practices Act Enforcement Fund. There is hereby created the
23 Hospital Fair Billing and Collection Practices Act Enforcement
24 Fund as a special fund in the State Treasury. All civil
25 monetary penalties imposed as a result of any action filed
26 under this Act shall be deposited into the Fund. Monies in the
27 Fund shall be allocated, subject to appropriation, to the
28 Office of the Attorney General for enforcement of this Act.

29 ARTICLE 90. AMENDATORY PROVISIONS

30 Section 90-3. The State Finance Act is amended by adding
31 Section 5.663 as follows:

1 (30 ILCS 105/5.663 new)

2 Sec. 5.663. The Hospital Fair Billing and Collection
3 Practices Act Enforcement Fund.

4 Section 90-5. The University of Illinois Hospital Act is
5 amended by changing Section 5 as follows:

6 (110 ILCS 330/5) (from Ch. 23, par. 1375)

7 Sec. 5. (a) The University may establish and collect
8 charges for hospital services rendered in the University of
9 Illinois Hospital or in connection with a University health
10 care program. However, with respect to health care professional
11 services rendered in connection with a University health care
12 program at the University of Illinois Hospital or elsewhere by
13 the Doctors of Medicine, the Doctors of Dentistry, or other
14 health care professionals who are members of the University
15 faculty, charges for such professional services shall not be
16 established or collected by the University or the University of
17 Illinois Hospital but may be by said members of said faculty
18 who render such services under a plan or plans organized and
19 administered by them. All such charges shall be deposited in a
20 special fund or funds in the treasury of the University. The
21 billing, collecting and disbursing of any such fund shall
22 remain exclusively under the supervision and control of such
23 faculty under a plan or plans established by them for the
24 general benefit and support of University programs and
25 activities related to the health professions, provided no
26 charges may be made or collected until such plan has been
27 approved by the University. However, no person shall make or
28 collect a personal or professional charge for his own account
29 for treating, caring for or nursing a patient in the University
30 of Illinois Hospital (other than health care professional
31 services provided at the University of Illinois Hospital by
32 non-salaried adjunct University faculty who are licensed
33 dentists or physicians licensed to practice medicine in all its
34 branches members) or in connection with a University health

1 care program. Nothing herein shall prevent the University from
2 approving a plan under which any such fund in the University
3 treasury may be utilized in paying the University salaries of
4 such faculty members, or from assisting in the billing and
5 collection of professional charges if all University costs in
6 connection therewith are paid from the charges so collected.

7 (b) The University's collection of charges under this
8 Section is subject to the Hospital Fair Billing and Collection
9 Practices Act.

10 (Source: P.A. 91-206, eff. 7-20-99; 92-760, eff. 8-2-02.)

11 Section 90-99. The Hospital Licensing Act is amended by
12 changing Section 7 as follows:

13 (210 ILCS 85/7) (from Ch. 111 1/2, par. 148)

14 Sec. 7. (a) The Director after notice and opportunity for
15 hearing to the applicant or licensee may deny, suspend, or
16 revoke a permit to establish a hospital or deny, suspend, or
17 revoke a license to open, conduct, operate, and maintain a
18 hospital in any case in which he finds that there has been a
19 substantial failure to comply with the provisions of this Act,
20 the Hospital Report Card Act, ~~or~~ the Illinois Adverse Health
21 Care Events Reporting Law of 2005, or the Hospital Fair Billing
22 and Collection Practices Act or the standards, rules, and
23 regulations established by virtue of any of those Acts.

24 (b) Such notice shall be effected by registered mail or by
25 personal service setting forth the particular reasons for the
26 proposed action and fixing a date, not less than 15 days from
27 the date of such mailing or service, at which time the
28 applicant or licensee shall be given an opportunity for a
29 hearing. Such hearing shall be conducted by the Director or by
30 an employee of the Department designated in writing by the
31 Director as Hearing Officer to conduct the hearing. On the
32 basis of any such hearing, or upon default of the applicant or
33 licensee, the Director shall make a determination specifying
34 his findings and conclusions. In case of a denial to an

1 applicant of a permit to establish a hospital, such
2 determination shall specify the subsection of Section 6 under
3 which the permit was denied and shall contain findings of fact
4 forming the basis of such denial. A copy of such determination
5 shall be sent by registered mail or served personally upon the
6 applicant or licensee. The decision denying, suspending, or
7 revoking a permit or a license shall become final 35 days after
8 it is so mailed or served, unless the applicant or licensee,
9 within such 35 day period, petitions for review pursuant to
10 Section 13.

11 (c) The procedure governing hearings authorized by this
12 Section shall be in accordance with rules promulgated by the
13 Department and approved by the Hospital Licensing Board. A full
14 and complete record shall be kept of all proceedings, including
15 the notice of hearing, complaint, and all other documents in
16 the nature of pleadings, written motions filed in the
17 proceedings, and the report and orders of the Director and
18 Hearing Officer. All testimony shall be reported but need not
19 be transcribed unless the decision is appealed pursuant to
20 Section 13. A copy or copies of the transcript may be obtained
21 by any interested party on payment of the cost of preparing
22 such copy or copies.

23 (d) The Director or Hearing Officer shall upon his own
24 motion, or on the written request of any party to the
25 proceeding, issue subpoenas requiring the attendance and the
26 giving of testimony by witnesses, and subpoenas duces tecum
27 requiring the production of books, papers, records, or
28 memoranda. All subpoenas and subpoenas duces tecum issued under
29 the terms of this Act may be served by any person of full age.
30 The fees of witnesses for attendance and travel shall be the
31 same as the fees of witnesses before the Circuit Court of this
32 State, such fees to be paid when the witness is excused from
33 further attendance. When the witness is subpoenaed at the
34 instance of the Director, or Hearing Officer, such fees shall
35 be paid in the same manner as other expenses of the Department,
36 and when the witness is subpoenaed at the instance of any other

1 party to any such proceeding the Department may require that
2 the cost of service of the subpoena or subpoena duces tecum and
3 the fee of the witness be borne by the party at whose instance
4 the witness is summoned. In such case, the Department in its
5 discretion, may require a deposit to cover the cost of such
6 service and witness fees. A subpoena or subpoena duces tecum
7 issued as aforesaid shall be served in the same manner as a
8 subpoena issued out of a court.

9 (e) Any Circuit Court of this State upon the application of
10 the Director, or upon the application of any other party to the
11 proceeding, may, in its discretion, compel the attendance of
12 witnesses, the production of books, papers, records, or
13 memoranda and the giving of testimony before the Director or
14 Hearing Officer conducting an investigation or holding a
15 hearing authorized by this Act, by an attachment for contempt,
16 or otherwise, in the same manner as production of evidence may
17 be compelled before the court.

18 (f) The Director or Hearing Officer, or any party in an
19 investigation or hearing before the Department, may cause the
20 depositions of witnesses within the State to be taken in the
21 manner prescribed by law for like depositions in civil actions
22 in courts of this State, and to that end compel the attendance
23 of witnesses and the production of books, papers, records, or
24 memoranda.

25 (Source: P.A. 93-563, eff. 1-1-04; 94-242, eff. 7-18-05.)

26 ARTICLE 99. EFFECTIVE DATE

27 Section 99-99. Effective date. This Act takes effect
28 January 1, 2007.