**Section 1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

a) Submission of Application for Exemption

Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.

b) Application for Exemption

The application for exemption is subject to approval under Section 1130.560 and shall include the information required by Section 1130.500 and the following information:

1) *Key terms of the transaction,* including the:

A) *names of the parties;*

B) *background of the parties,* which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application;

C) *structure of the transaction;*

D) name of *the person who will be the licensed or certified entity after the transaction;*

E) list of *the ownership or membership interests in such licensed or certified entity both prior to and after the transaction,* including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons*;*

F) *fair market value of assets to be transferred; and*

G) *the purchase price or other forms of consideration to be provided for those assets.* [20 ILCS 3960/8.5(a)]

HFSRB NOTE: If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.

2) affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section;

3) if the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction;

4) a statement as to the anticipated benefits of the proposed changes in ownership to the community;

5) the anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;

6) a description of the facility's quality improvement program mechanism that will be utilized to assure quality control;

7) a description of the selection process that the acquiring entity will use to select the facility's governing body;

8) a statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility; and

9) a description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.

c) Application for Exemption Among Related Persons

When *a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership.* [20 ILCS 3960/8.5(a)]

d) Opportunity for Public Hearing

*Upon a finding* by HFSRB staff *that an application for a change of ownership is complete,* the State Board staff *shall publish a legal notice on one* *day* *in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on one day. The applicant shall pay the cost incurred by the Board in publishing the change of ownership notice in the newspaper as required under this subsection. The legal notice shall also be posted on* *Health Facilities and Services Review Board web site and sent to the State Representative and State Senator of the district in which the health care facility is located.* [20 ILCS 3960/8.5(a)] This legal notice shall provide the following:

1) Name of applicants and addresses;

2) Name of facility and address;

3) Description of the proposed project and estimated total cost;

4) Notice of request for public hearing;

5) Notice of tentative HFSRB meeting and location; and

6) Notice of tentative release of the State Board Staff Report and the time to comment on the State Board Staff Report. See HFSRB website (www.hfsrb.illinois.gov).

e) Completion of Projects with Outstanding Permits

1) A permit or exemption cannot be transferred.

2) *In connection with a change of ownership, the State Board may approve the transfer of an existing permit without regard to whether the permit to be transferred has yet been obligated, except for permits establishing a new facility or a new category of service.* (see 20 ILCS 3960/6(b).)

3) If the requirements of this subsection (e) are not met, any outstanding permit will be considered a transfer of the permit and results in the permit being null and void.

(Source: Amended at 40 Ill. Reg. 14647, effective October 14, 2016)