

## **Charity Care and "Safety Net" Services**

- 46) In addition to other requirements or conditions that may be applied to the approval of applications, the CON Board may include reasonable conditions or stipulations agreed to by the applicant that are directly related to the application being considered and that address health resource needs identified through the comprehensive health planning process to be established under the reform. These may include the establishment of time frames for compliance with such conditions and the establishment of reporting requirements.
- 47) Policies and procedures of the CON Board shall take into consideration the priorities and needs of medically underserved areas and other health care services identified through the comprehensive health planning process, giving special consideration to the impact of the projects it reviews on access to "safety net" services.
- 47a) "Safety net services" should be defined as services provided by organizations that deliver health care services to persons with barriers to mainstream health care due to factors such as lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation.
- 47b) Composition of the safety net varies by community, but has regional and statewide factors. Safety net services can be provided by hospitals and private practice physicians that provide charity care, school-based health centers, migrant health clinics, rural health clinics, federally qualified health centers, community health centers, public health departments, community mental health centers and others.
- 48a) CON review standards must include a requirement for applicants to provide a "Safety Net Impact Statement," which shall be filed with an application for a certificate of need and shall be considered with "general review criteria" within the meaning of Section 1110.230 of the current rules promulgated by IHFPB. This Statement shall describe the project's potential impact on safety net services in the community, to the extent feasible. Safety Net Impact Statements should be filed by all applicants which are "health care facilities" as defined under Section 3 of the Act (20 ILCS 3960/3), when they are proposing a substantive project or when they are proposing to discontinue a category of service. This requirement does not apply to skilled

and intermediate long term care facilities licensed under the Nursing Home Care Act.

- 48b) Upon the filing of an application for a certificate of need and accompanying Safety Net Impact Statement with the IHFPB, the Agency shall provide notice of such filing by publishing a notice in a newspaper having general circulation within the area affected by the application. If no such newspaper has a general circulation within the area, then the notice shall appear in a newspaper having general circulation within the county and by posting such notice in 5 conspicuous places within the proposed area.
- 48c) Any person, community organization, provider or health system or other entity wishing to comment upon or oppose the application for certificate of need may file a "Safety Net Impact Statement Response" with the IHFPB which provides additional information concerning the project's impact on safety net services in the community.
- 48d) The applicant shall have an opportunity to reply to any Safety Net Impact Statement Responses that are submitted.
- 49a) Safety Net Impact Statements, as developed by the applicant, should describe what material impact, if any, a proposed facility or service may have on essential safety net services, including the impact of a project on the ability of another provider or health system to cross-subsidize safety net services and the impact of the discontinuation of a facility or service on the remaining safety net providers in a given community.
- 49b) Since "charity care" is currently defined as "care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer" under Section 3 of the Act (20 ILCS 3960/3), Safety Net Impact Statements should include a certification for the three fiscal years prior to the application to the Illinois Health Facilities Planning Board of the amount of charity care provided by the applicant. Such amounts should be calculated by hospital applicants in accordance with the reporting requirements for charity care set forth in Section 20 (a)(3) of the Community Benefits Act, 210 ILCS 76/20 (a)(3), i.e., the actual cost of services provided, based on the total cost to charge ratio derived from the hospital's Medicare cost report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient Ratios), not the charges for the services. Non-hospital applicants should also report charity care at cost rather than charges in accordance with an appropriate methodology specified by IHFPB.

- 49c) Safety Net Impact Statements should include a certification for the three fiscal years prior to the application to the Illinois Health Facilities Planning Board of the amount of care provided to Medicaid patients. Such amounts should be reported by hospital applicants by providing the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" and published by IDPH in the Annual Hospital Profile.
- 49(d) In addition to data provided on charity care and care provided to Medicaid patients, the applicant may provide in its Safety Net Impact Statement information regarding teaching, research and any other service provided by the applicant that it believes is directly relevant to the safety net.
- 49(e) The State Agency Report shall include a statement as to whether a Safety Net Impact Statement was filed by the applicant and whether it included the information described in paragraphs 49(b), 49(c) and 49(d) above, the names of the parties submitting Responses and the number of Responses and Replies, if any, that were filed.