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**STATE OF ILLINOIS**

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**OFFICE OF THE AUDITOR GENERAL**

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**PERFORMANCE AUDIT  
OF THE  
HEALTH FACILITIES AND SERVICES  
REVIEW BOARD**

**NOVEMBER 2017**

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**FRANK J. MAUTINO**

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**AUDITOR GENERAL**

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SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887  
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:  
MICHAEL A. BILANDIC BLDG. • SUITE S-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006  
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

*To the Legislative Audit Commission, the  
Speaker and Minority Leader of the House of  
Representatives, the President and Minority  
Leader of the Senate, the members of the  
General Assembly, and the  
Governor:*

This is our report of the performance audit of the Health Facilities and Services Review Board and the Certificate of Need processes.

The audit was conducted pursuant to the Illinois Health Facilities Planning Act at 20 ILCS 3960/19.5 (enacted by Public Act 96-031 and amended by Public Act 99-527). This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

FRANK J. MAUTINO  
Auditor General

Springfield, Illinois  
November 2017





STATE OF ILLINOIS  
OFFICE OF THE  
**AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**REPORT DIGEST**

**PERFORMANCE  
AUDIT**

**Release Date:  
November 2017**

Audit performed in  
accordance with  
**Public Act 96-031**

Office of the Auditor General  
lles Park Plaza  
740 E. Ash Street  
Springfield, IL 62703

Phone: (217) 782-6046  
TTY: (888) 261-2887

The full audit report is available  
on our website:  
[www.auditor.illinois.gov](http://www.auditor.illinois.gov)

**EXECUTIVE SUMMARY**

**Health Facilities and Services Review Board and the  
Certificate of Need Processes**

The Illinois Health Facilities Planning Act at 20 ILCS 3960/19.5 (enacted by Public Act 96-031 and amended by Public Act 99-527) required the Office of the Auditor General to conduct a performance audit of the Health Facilities and Services Review Board (HFSRB or Board) and the Certificate of Need processes. Specifically, the audit was to determine:

- Whether changes to the Certificate of Need (CON) processes are being implemented effectively, as well as their impact, if any, on access to safety net services (i.e., services in low-income or rural areas); and
- Whether fines and settlements are fair, consistent, and in proportion to the degree of violations.

A performance audit was also conducted of the HFSRB as required by the Illinois Health Facilities Planning Act (Planning Act) and released in May 2014. The May 2014 performance audit contained seven recommendations and included, in addition to the above, an assessment of the Center for Comprehensive Health Planning (Center). However, in July 2016, Public Act 99-527 was signed into law which, effective January 1, 2017, repealed the requirement for the Illinois Department of Public Health to establish the Center; therefore, the two related recommendations from the May 2014 audit are not repeated. Two additional recommendations are not repeated and three are repeated as recommendations in this report.

The audit found:

- Board members were not reviewed annually by the Board Chairman as required by the Planning Act. Additionally, attendance records for Board members were not reported to the General Assembly as required by the Planning Act.
- In 9 of 39 projects, Board members did not provide rationale when voting on an item at a State Board meeting as required by a change to the Planning Act.
- All 30 projects in our sample which required a Safety Net Impact Statement submitted one; however, 5 of the 30 statements did not contain all the required elements. Also, 4 of the legal notices published by the HFSRB did not include the required statement about the filing of a Safety Net Impact Statement.
- Ten fines and settlement agreements had starting fines which were not calculated correctly, likely due to not accounting for a 30-day period, or fraction thereof, as required by the Planning Act.

Generally, we found that changes made to the Planning Act and CON process since July 1, 2013, have been implemented effectively and the only changes that appear to potentially impact access to safety net services are limited to projects applying for exemptions as opposed to CON permits. While we found it difficult to make comparisons among projects due to the many factors influencing the size of the fine or settlement, we concluded that, with the exception of limited inconsistencies and given their respective circumstances, most settlements did not appear unreasonable.



## AUDIT SUMMARY AND RESULTS

The Illinois Health Facilities Planning Act at 20 ILCS 3960/19.5 (enacted by Public Act 96-031 and amended by Public Act 99-527) required the Office of the Auditor General to conduct a performance audit of the Health Facilities and Services Review Board (HFSRB or Board) and the Certificate of Need processes. Specifically, the audit was to determine:

- Whether changes to the Certificate of Need (CON) processes are being implemented effectively, as well as their impact, if any, on access to safety net services (i.e., services in low-income or rural areas); and
- Whether fines and settlements are fair, consistent, and in proportion to the degree of violations.

A performance audit was also conducted of the HFSRB as required by the Illinois Health Facilities Planning Act (Planning Act) and released in May 2014. The May 2014 performance audit contained seven recommendations and included, in addition to the above, an assessment of the Center for Comprehensive Health Planning (Center). However, on July 8, 2016, Public Act 99-527 was signed into law which, effective January 1, 2017, repealed the requirement for the Illinois Department of Public Health to establish the Center; therefore, the two related recommendations from the May 2014 audit are not repeated. Two additional recommendations are not repeated and the remaining three are discussed and included as recommendations in this report. (page 1)

### Certificate of Need (CON) Process

We were asked to determine whether changes to the CON process are being implemented effectively, as well as their impact, if any, on access to safety net services. The most substantive changes were in the following areas: general clarifications, change of ownership exemptions, discontinuations, administrative rules, post decision/permit, and fines. Generally, we found that changes made to the Planning Act and CON process since July 1, 2013, have been implemented effectively. The only changes that appear to potentially impact access to safety net services are limited to projects applying for exemptions as opposed to CON permits. (pages 20-23, 27-28)

We sampled 40 of 195 CON permit applications and 25 of 115 exemption applications received by HFSRB during FY14-16. CON permit and exemption testing showed some areas of noncompliance with the Planning Act or the HFSRB’s administrative rules:

- Board members did not always provide rationale when voting on an item at a State Board meeting as required by an August 2014 change to the Planning Act. Of the 39 projects subject to the Public Act 98-1086 changes, 9 of the projects, when voted upon by the Board members, were missing voting rationale for one or more members. We made a recommendation in this area.
- HFSRB staff received written responses to State Board Staff Reports and written comments regarding project applications after deadlines established by Board rules. We found 11 projects which received

**Generally, we found that changes made to the Planning Act and CON process since July 1, 2013, have been implemented effectively.**

**CON permit and exemption testing showed areas of noncompliance with the Planning Act or the Board’s administrative rules such as Board members not always providing rationale when voting on a project.**

public comments after the Board’s 20-day deadline and 6 projects which received written responses to the State Board Staff Report after the Board’s 10-day deadline. While these communications were posted on the Board’s website, they were received outside of the public comment process and therefore, according to Board rules, these communications should be considered *ex parte* communications. The Board’s administrative rules state that *ex parte* communications should be filed in a separately identified section for the subject project and reported to the General Assembly. The responses/comments in question were not identified on the website as *ex parte* communications and were not reported to the General Assembly. We made a recommendation in this area. (pages 23-25)

- Safety Net Impact Statement testing showed areas of noncompliance with the Planning Act. All 30 projects in our sample which required a Safety Net Impact Statement submitted one; however, 5 of the 30 statements did not contain all the required elements. Also, 4 of the legal notices published by the HFSRB did not include the required statement about the filing of a Safety Net Impact Statement. We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit. (pages 28-29)

**We found that, with the exception of limited inconsistencies, given their respective circumstances, most settlements did not appear unreasonable.**

### **Fines and Settlements**

The second determination asked us to determine whether fines and settlements are fair, consistent, and in proportion to the degree of violations. While we found it difficult to make comparisons among projects due to the many factors influencing the size of the fine or settlement, we concluded that, with the exception of limited inconsistencies and given their respective circumstances, most settlements did not appear unreasonable.

We tested 24 of 36 settlement agreements and 5 of 11 fines and found the following:

- Twelve (8 of 24 settlement agreements and 4 of 5 fines) had starting fines which were not calculated correctly. Ten of these 12 were likely due to not accounting for a 30-day period, or fraction thereof, as required by the Planning Act.
- For settlement agreements, we found one instance in which there was only one fine assessed despite multiple violations within the same violation category.
- Prior to a July 23, 2015 change to the Planning Act, HFSRB staff were not consistent in the end date used in calculating a fine’s accrual; however, after July 23, 2015, the HFSRB was in compliance with this requirement.

We made a recommendation in this area. (pages 31-37)

HFSRB staff made significant improvements, compared to the performance audit released in 2014, in improving the timeliness of identifying violations and moving through the compliance process. The 2014 audit recommended that HFSRB staff should identify violations and initiate and complete the fines process in a timely manner and testing of 24 settlements showed

**Ten starting fines were not calculated correctly, likely due to not accounting for a 30-day period, or fraction thereof, as required by the Planning Act.**



improvements in the current process. Based on these improvements, the recommendation from the May 2014 audit will not be repeated. (pages 37-38)

### **Duties and Requirements of the Board and its Staff**

The Board has been tasked with various duties and requirements by the Planning Act. Some of these requirements were completed and some are required on an ongoing basis. One of the ongoing requirements is to publish various reports on its website; however, the Board staff did not post all reports on its website as required. We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit. (pages 9-12)

Board members were not being reviewed annually by the Board Chairman as required by the Planning Act. Additionally, attendance records for Board members were not reported to the General Assembly as required by the Planning Act. We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit. (pages 12-13)

### **RECOMMENDATIONS**

The audit report contains six recommendations. The Health Facilities and Services Review Board agreed with all six of its recommendations. Appendix E to the audit report contains the agency responses.

This performance audit was conducted by staff of the Office of the Auditor General.

**SIGNED ORIGINAL ON FILE**

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AMEEN DADA  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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## Chapter One

# INTRODUCTION AND BACKGROUND

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The Illinois Health Facilities Planning Act at 20 ILCS 3960/19.5 (enacted by Public Act 96-031 and amended by Public Act 99-527) (see Appendix A) required the Office of the Auditor General to conduct a performance audit of the Health Facilities and Services Review Board (HFSRB or Board) and the Certificate of Need processes. Specifically, the audit was to determine:

- Whether changes to the Certificate of Need (CON) processes are being implemented effectively, as well as their impact, if any, on access to safety net services; and
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## REPORT CONCLUSIONS

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The Board has been tasked with various duties and requirements by the Planning Act. One of the ongoing requirements is to publish various reports on its website; however, the Board staff did not post all reports on its website as required. We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit.

Board members were not being reviewed annually by the Board Chairman as required by the Planning Act. Additionally, attendance records for Board members were not reported to the General Assembly as required by the Planning Act. We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit.

### **Certificate of Need (CON) Process**

CON permit and exemption testing showed some areas of noncompliance with the Planning Act or the HFSRB's administrative rules:

- HFSRB staff received written responses to State Board Staff Reports and written comments regarding project applications after deadlines established by Board rules. While these communications were posted on the Board's website, they were received outside of the public comment process and therefore, according to Board rules, these communications should be considered ex parte communications. The Board's administrative rules state that ex parte communications should be filed in a separately

identified section for the subject project and reported to the General Assembly. The responses/comments in question were not identified on the website as ex parte communications and were not reported to the General Assembly. We made a recommendation in this area.

- Board members did not always provide rationale when voting on an item at a State Board meeting as required by an August 2014 change to the Planning Act. We made a recommendation in this area.
- Safety Net Impact Statement testing showed areas of noncompliance with the Planning Act. All 30 projects in our sample which required a Safety Net Impact Statement submitted one; however, not all the statements contained all the required elements. Also, not all the legal notices published by the HFSRB included the required statement about the filing of a Safety Net Impact Statement. We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit.

We were asked to determine whether changes to the CON process are being implemented effectively, as well as their impact, if any, on access to safety net services. Generally, we found that changes made to the Planning Act and CON process since July 1, 2013, have been implemented effectively. The only changes that appear to potentially impact access to safety net services are limited to projects applying for exemptions as opposed to CON permits.

### **Fines and Settlements**

We tested 24 of 36 settlement agreements and 5 of 11 fines and found the following:

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- For settlement agreements, we found one instance in which there was only one fine assessed despite multiple violations within the same violation category.
- Prior to a July 23, 2015 change to the Planning Act, HFSRB staff were not consistent in the end date used in calculating a fine's accrual; however, after July 23, 2015, the HFSRB was in compliance with this requirement.

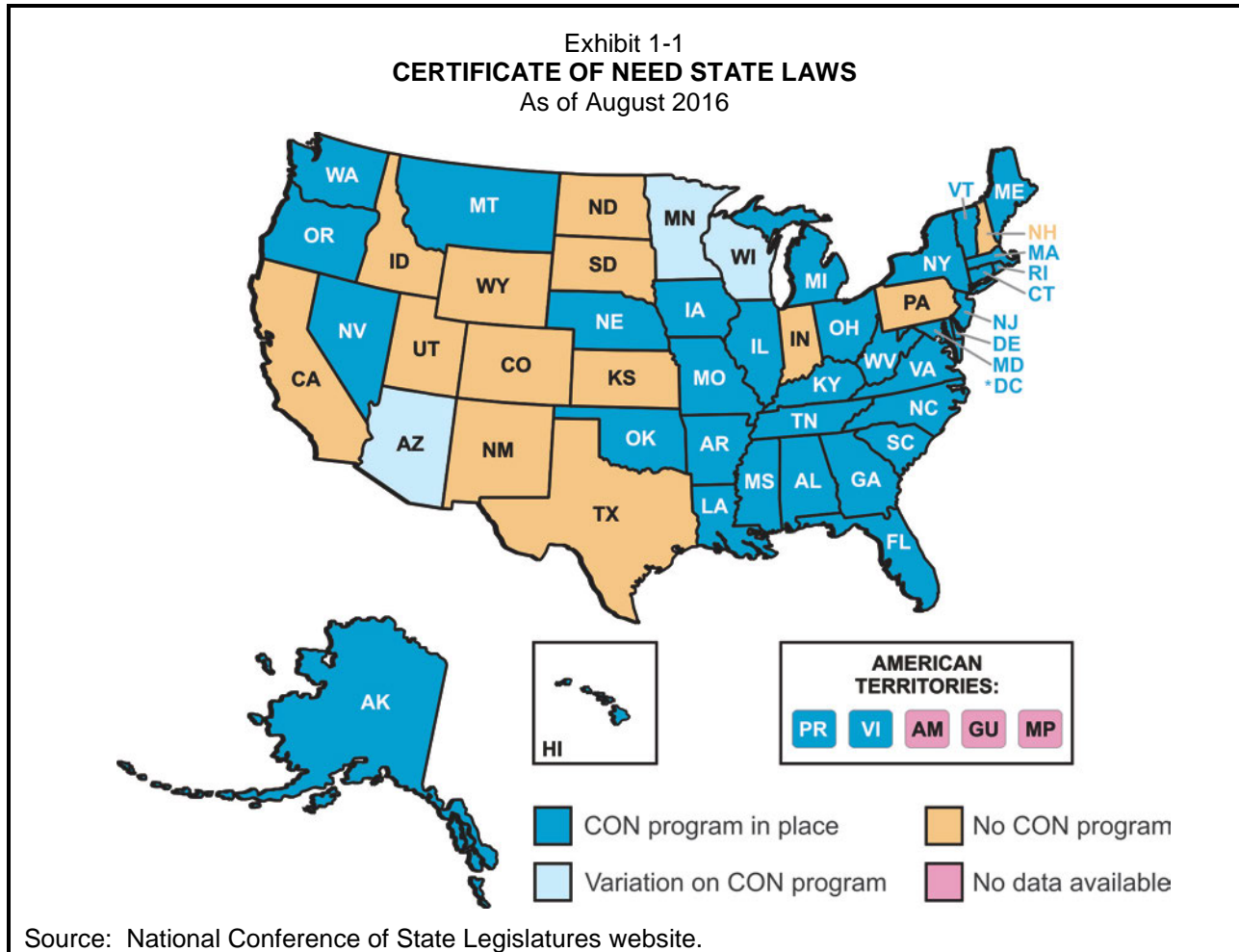
We made a recommendation in this area.

HFSRB staff made significant improvements, compared to the performance audit released in 2014, in improving the timeliness of identifying violations and moving through the compliance process. The 2014 audit recommended (Recommendation 7) that HFSRB staff should identify violations and initiate and complete the fines process in a timely manner; however, testing of 24 settlements showed improvements in the current process. Based on these improvements, the recommendation from the May 2014 audit will not be repeated.

The second determination asked us to determine whether fines and settlements are fair, consistent, and in proportion to the degree of violations. While we found it difficult to make comparisons among projects due to the many factors influencing the size of the fine or settlement, we concluded that, with the exception of limited inconsistencies and given their respective circumstances, most settlements did not appear unreasonable.

## CERTIFICATE OF NEED

In 1974, the federal government passed a law mandating that all 50 states establish a review process that requires approval from a state health planning agency before beginning any major capital projects at health care facilities. This federal mandate lasted 13 years and was repealed in 1987; however, 34 states still have some form of a CON program. The basic assumption underlying CON regulation is that excess capacity stemming from overbuilding health care facilities results in health care price inflation. Exhibit 1-1 provides a map of states which have a CON program in place or no CON program based on analysis by the National Conference of State Legislatures.



## CERTIFICATE OF NEED IN ILLINOIS

The Illinois Health Facilities Planning Act (20 ILCS 3960) created the Health Facilities and Services Review Board in 1974. The purpose of the Planning Act and Illinois' CON program, which is administered by the HFSRB, is to establish a procedure that:

- Requires a person establishing, constructing, or modifying a health care facility to have the qualifications, background, character, and financial resources to adequately provide a proper service for the community;
- Promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and
- Promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs.

The Planning Act is intended to accomplish the following objectives:

- To improve the financial ability of the public to obtain necessary health services;
- To establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public;
- To maintain and improve the provision of essential health care services and increase the accessibility of those services to the medically underserved and indigent;
- To assure that the reduction and closure of health care services or facilities is performed in an orderly and timely manner, and that these actions are deemed to be in the best interests of the public; and
- To assess the financial burden to patients caused by unnecessary health care construction and modification.

**Board Composition**

The Planning Act describes the Board composition and requirements of the Board members. Exhibit 1-2 summarizes Board member requirements and whether statutory requirements for Board composition were met. Exhibit 1-3 provides a list of the Board members as of May 2017.

The Board is appointed by the Governor, with the advice and consent of the Senate. The Board is to consist of nine voting members, five constituting a quorum. As of May

Exhibit 1-2 <b>BOARD MEMBER REQUIREMENTS</b> As of May 2017	
Statutory Requirement	Requirement met?
Nine voting members appointed by the Governor	No
Members serving additional terms (beyond initial appointment) are to be reviewed and reapproved every 3 years by the Governor	No
All residents of Illinois with four members residing outside the Chicago Metropolitan Statistical Area	Yes
No more than five members from same political party	Yes
At least one nonprofit health care consumer advocacy organization represented	Yes
All must possess reasonable knowledge of health care delivery systems in Illinois	Yes
At least five members must be knowledgeable about health care delivery systems, planning, finance, and management	Yes
No members (or relatives) can have interests in facilities subject to the Planning Act	Yes
Source: Health Facilities Planning Act and OAG analysis.	



2017, one voting member position was vacant. According to Board officials, the vacancy was filled in December 2016, but during the Board member training process, it was discovered that the individual who had been appointed had a conflict and therefore could not be on the Board.

All members are to be residents of Illinois and at least four must reside outside the Chicago Metropolitan Statistical Area (the counties of Cook, DeKalb, DuPage, Kane, Kendall, Grundy, Lake, McHenry, and Will). Consideration is to be given to potential appointees who reflect the ethnic and cultural diversity of the State. Neither Board members nor Board staff can be convicted felons or have pled guilty to a felony.

Each member is required to have a reasonable knowledge of the practice, procedures, and principles of the health care delivery system in Illinois, including at least five members who are knowledgeable about health care delivery systems, health systems planning, finance, or the management of health care facilities currently regulated under the Planning Act. One member shall be a representative of a non-profit health care consumer advocacy organization. A spouse, parent, sibling, or child of a Board member cannot be an employee, agent, or under contract with services or facilities subject to the Planning Act. Additionally, no more than five can be from the same political party. As shown in Exhibit 1-3, as of May 2017, the maximum number from any one political party was four.

In addition to the nine voting members, there are three ex-officio, non-voting members: the Secretary of the Department of Human Services, the Director of the Department of Healthcare and Family Services, and the Director of the Department of Public Health (or their designated representatives).

Board members receive actual and necessary travel and subsistence expenses while serving away from their places of residence. The Board members are not paid, nor are they eligible for hardship allowances for loss of income while engaged in the business of the Board.

Exhibit 1-3 <b>ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD</b> As of May 2017				
<b>Voting Members</b>	<b>County</b>	<b>Political Party</b>	<b>First Appointed</b>	<b>Term Expires</b>
Kathryn J. Olson - Chairman	Ogle	Independent	June 2, 2011	July 1, 2018
J. Bradley Burzynski	Ogle	Republican	April 17, 2015	July 1, 2017
Deanna J. Demuzio	Macoupin	Democratic	August 31, 2012	July 1, 2014
Jonathan Ingram	Sangamon	Republican	December 19, 2016	July 1, 2019
Joel K. Johnson	Cook	Independent	April 27, 2015	July 1, 2017
John McGlasson	Livingston	Republican	November 23, 2015	July 1, 2018
Marianne E. Murphy	Cook	Republican	December 19, 2016	July 1, 2019
Richard H. Sewell	Cook	Democratic	July 2, 2011	July 1, 2014
Vacant				
<b>Ex-Officio Non-Voting Members</b>				
Bill Dart - Illinois Department of Public Health				
Arvind K. Goyal, M.D. - Illinois Department of Healthcare and Family Services				
Vacant - Illinois Department of Human Services				
<b>Board Administrator</b>				
Courtney R. Avery - HFSRB				
Source: HFSRB and Governor's Appointment websites.				

### **Term Limits**

The terms of the Board members are three years, subject to review and reapproval at the end of a term. The Board members can serve a maximum of three terms. The initial terms were staggered; therefore, the reappointments are staggered. Members serve until a member is appointed and qualified. Each term commences on July 1. As can be seen in Exhibit 1-3, two members' Board terms expired in 2014. Board officials noted that all appointments and reappointments are made by the Governor.

### **Conflict of Interest**

Prior to appointment and in the course of service on the Board, members of the Board are required to disclose the employment or other financial interest of any other relative of the member, if known, in service or facilities subject to the Planning Act. Members of the Board are

required to declare any conflict of interest that may exist with respect to the status of those relatives and recuse themselves from voting on any issue for which a conflict of interest is declared. No person should be appointed or continue to serve as a member of the Board who is, or whose spouse, parent, sibling, or child is, a member of the Board of Directors of, has a financial interest in, or has a business relationship with a health care facility. While the appointment responsibility lies with the Governor’s Office, the Board, through its orientation process, is able to verify that the individual does not have any conflicts, such as a spouse who works for a health care facility under the jurisdiction of the Planning Act. This check has revealed conflicts and resulted in Board members being ineligible to serve on the Board.

**Statement of Economic Interest**

Board members are also required by the Illinois Governmental Ethics Act to submit Statements of Economic Interest. The statements, which are filed with the Illinois Secretary of State, require disclosure of, among other things, ownership in an entity doing business in the State of Illinois, leadership positions held in professional organizations, and close economic associations with lobbyists. The statements for Board members were reviewed for calendar years 2013 to 2016. Economic interest statements were filed as required in all but one instance (1 out of 40). In this case, the Board remedied this situation promptly upon notification.

**Board Revenues and Expenditures**

The Board is funded by the Illinois Health Facilities Planning Fund. The Illinois Health Facilities Planning Fund (Fund 238) is a special State fund created to record the receipt of all fees and fines collected pursuant to the Planning Act. Monies in the fund are subject to appropriation and are to be used for expenses incurred to administer the Planning Act. Exhibit 1-4 provides a breakdown of revenues and expenditures for FY14-16. Exhibit 1-5 provides details for the Board’s expenditures for FY16.

Exhibit 1-4 ILLINOIS HEALTH FACILITIES PLANNING FUND REVENUES AND EXPENDITURES FY14-16			
	FY14	FY15	FY16
Beginning Balance	\$6,242,385	\$6,470,765	\$2,504,841
Revenue	\$2,054,339	\$1,728,714	\$2,009,568
Expenditures	\$1,812,958	\$1,935,638	\$1,745,263
Statutory transfers (out)	\$13,000	\$3,759,000	\$23,182
Ending Balance	\$6,470,765 <sup>1</sup>	\$2,504,841	\$2,745,965 <sup>1</sup>
Note: <sup>1</sup> Numbers do not add due to rounding.			
Source: Comptroller reports.			

HFSRB received an appropriation of \$3.7 million from the Illinois Health Facilities Planning Fund each of the three fiscal years (FY14-16). Each fiscal year, HFSRB spent less than \$2.0 million. According to HFSRB financial data, fees made up the majority of revenue. Permit application fees (both initial and calculated) accounted for over 84 percent of the revenue collected for FY14-16. Late penalty fees accounted for another 8 percent and exemption fees for another 6 percent. Exhibit 1-6 shows the HFSRB processing fee structure.

Exhibit 1-5 EXPENDITURE DETAIL FOR THE BOARD FY16	
Salaries	\$853,585
Fringe	\$635,014
Contractual services	\$228,523
Travel	\$15,234
Telecom	\$10,108
Prompt payment interest	\$2,259
Purchase of investments <sup>1</sup>	\$499
Equipment	\$42
<b>Total Expenditures<sup>2</sup></b>	<b>\$1,745,263</b>
Notes: <sup>1</sup> According to Board officials, this was miscoded and should be included in contractual services. <sup>2</sup> Numbers do not add due to rounding. Source: Comptroller data summarized by OAG.	

Exhibit 1-6 APPLICATION PROCESSING FEES		
	Estimated Project Cost	Fee
Exemption		\$2,500
CON	\$0 - \$1,249,999	\$2,500
	\$1,250,000 and above	0.22% of the estimated project costs (maximum fee: \$100,000)
Modification of an application for permit <sup>1</sup>		\$2,000 if it requires an additional notification of opportunity for public hearing
Request for extension of financial commitment		\$500 plus additional \$500 if request is made less than 45 days prior to the permit financial commitment date
Permit renewal		\$500 plus additional \$500 if request is made less than 45 days prior to the expiration date of the permit
Post-permit alterations		\$1,000 plus additional \$500 if request is made less than 45 days prior to the expiration date of the permit
Request for relinquishment		\$1,000
Note: <sup>1</sup> If the modification results in an increase in the estimated project cost, the CON application processing fee will be recalculated based on the revised cost. Source: 77 Ill. Adm. Code 1130.230(h).		

### Duties and Requirements of the Board and its Staff

The Board has been tasked with various duties and requirements by the Planning Act. Some of these requirements were completed and some are required on an ongoing basis.

In accordance with the Planning Act, the Board has in place **rules, regulations, standards, criteria, and procedures for application review** which are required to carry out the provisions and purpose of the Planning Act. These reviews vary according to the purpose for which a particular review is being conducted or the type of project reviewed. The Planning Act requires that the Board’s policies and procedures take into consideration the priorities and needs of medically underserved areas and other health care services, giving special consideration to the impact of projects on access to safety net services.

The Board also, in accordance with the Planning Act, has:

- **developed criteria and standards for health care facilities planning;**
- **conducted statewide inventories of health care facilities;**
- **maintained an updated inventory on the Board’s website** reflecting the most recent bed and service changes and updated need determinations when new census data become available or new need formulae are adopted; and

- **developed health care facility plans** which shall be utilized in the review of applications for permit under the Planning Act (20 ILCS 3960/12(1) & (4)). These criteria form “the basis for the plan of the State to deal most effectively with statewide health needs in regard to health care facilities.”

The Planning Act requires the Board to appoint members to the Long-Term Care Facility Advisory Subcommittee (LTC Subcommittee). The purpose of the LTC Subcommittee is to provide continuous review and commentary on policies and procedures relative to long-term care and the review of related projects. The Board and the LTC Subcommittee were required to study new approaches to the LTC bed need formula and Health Service Area boundaries and submit recommendations to the Chairman of the Board by January 1, 2017 (20 ILCS 3960/12(15)). The LTC Subcommittee presented a report to the Board in January 2017 to comply with the statutory reporting requirement.

There are many ongoing requirements of the Board, its staff, or the LTC Subcommittee per the Planning Act:

- The Board must **conduct statewide inventories of health care facilities.**
- The Board is required to **maintain an updated inventory on the Board’s web site** reflecting the most recent bed and service changes and updated need determinations when new census data become available or new need formulae are adopted.
- The Board must **develop health care facility plans** which must be utilized in the review of applications for permit under the Planning Act (20 ILCS 3960/12(1) & (4)).
- The Board is required to **meet at least every 45 days**, or as often as the Chairman deems necessary. The Board could also meet upon request of a majority of the members. There were 5 instances out of 23 total meetings in FY14-16 in which there were more than 45 days between Board meetings. The meetings were between 3 and 46 days beyond the 45 day threshold. According to HFSRB officials, these were the result of canceling meetings due to inclement weather and/or lack of projects. The median number of days between meetings was 42 days.
- The Board must **require each health care facility to submit a report of all capital expenditures in excess of \$200,000** (annually adjusted for inflation) made by the health care facility during the most recent year. The capital expenditure minimum is currently \$350,000. The Board has been requiring each health care facility to submit lists of capital expenditures in excess of the minimum; therefore, the Board is in compliance with the Planning Act’s capital expenditure reporting requirements.
- The LTC Subcommittee is required, beginning in January 2016, to **make LTC recommendations to the Board every January.** There was no documentation of the subcommittee making formal recommendations to the Board by January 1, 2016; however, the subcommittee did submit a report and give a presentation at the January

<p><b>On an ongoing basis, the Board must:</b></p> <ul style="list-style-type: none"> <li>• Conduct statewide inventories of health care facilities;</li> <li>• Maintain an updated bed need inventory;</li> <li>• Develop health care facility plans;</li> <li>• Meet at least every 45 days;</li> <li>• Require each health care facility to submit a report of all capital expenditures in excess of the established minimum;</li> <li>• Make LTC recommendations to the Board every January; and</li> <li>• Publish various reports on its website.</li> </ul>
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2017 Board meeting. Additionally, the subcommittee was meeting and having documented discussions regarding long-term care issues.

- The Board staff must **publish various reports on its website** (20 ILCS 3960/12.2(2.1)). Exhibit 1-7 provides a list of reports and whether or not the reports were posted on the website as required.

Exhibit 1-7 REPORTS REQUIRED TO BE POSTED TO BOARD WEBSITE FY14-16			
Required Report Posted to the Board Website	FY14	FY15	FY16
An annual accounting, aggregated by category, of fees, fines, and other revenue collected as well as expenses incurred, in the administration of the Planning Act.	Y	N <sup>1</sup>	N <sup>1</sup>
An annual report that summarizes all settlement agreements entered into with the Board that resolve an alleged instance of noncompliance with Board requirements under this Act.	Y	Y	Y
A monthly report that includes the status of applications and recommendations regarding updates to the standard, criteria, or the health plan as appropriate.	N	N	N
Board reports showing the degree to which an application conforms to the review standards, a summation of relevant public testimony, and any additional information that staff wants to communicate.	N/A	N <sup>2</sup>	N <sup>2</sup>
Notes: <sup>1</sup> Upon our inquiry, Board officials posted these reports. <sup>2</sup> Board reports were prepared but not posted for all project types.			
Source: Board website.			

The Board staff did not post all reports on its website as required by the Planning Act. This was also a recommendation in the May 2014 performance audit (Recommendation 4).

The Planning Act requires an annual accounting of revenues and expenses to be posted on its website. The FY14 annual accounting was posted, but not the FY15 and FY16 annual accountings. Upon inquiry of these missing reports, Board officials posted the reports on the website.

The Planning Act requires a monthly report that includes the status of applications and recommendations regarding the updates to the standard, criteria, or the health plan as appropriate. According to HFSRB officials, project information for all applications is updated on the website on a continuous basis and can be obtained by the public by clicking on the specific project name and number. HFSRB officials contend that this process is more transparent and easier for the public to track. While this might be true, the monthly report is a requirement of the Planning Act.

While HFSRB reports, called State Board Staff Reports, are prepared for projects, they were not always posted on the Board’s website for FY15 and FY16. According to HFSRB staff, due to data space limitations of its website, HFSRB has not posted State Board Staff Reports prepared for projects that are approved by the Chairman or for Declaratory Rulings; however, the reports are available upon request. We were unable to determine if the State Board Staff Reports had been posted for FY14 projects. State Board Staff Reports for projects approved prior to October 2014 are no longer posted on the website due to website space limitations. Despite no longer being posted on the website, we were able to review requested reports.

**State Board Staff Report**  
 Report prepared by HFSRB staff that describes the project and how it compares to criteria in statute and rules.

<b>REQUIRED WEB REPORTS</b>	
<b>RECOMMENDATION NUMBER</b>  <b>1</b>	<i>The staff of the Health Facilities and Services Review Board should post all required web reports on its website as required by the Illinois Health Facilities Planning Act (20 ILCS 3960/12.2) to ensure the transparency intended by the State statute.</i>
<b>Health Facilities and Services Review Board Response</b>	In order to ensure transparency, and as required by the Illinois Health Facilities Planning Act (20 ILCS 3960/12.2), HFSRB staff will post all required web reports on its website.

**Required Board Member Performance Reviews and Attendance Reporting**

Board members are not being reviewed annually by the HFSRB Chairman as required by the Planning Act. The Chairman is required to annually review Board member performance. Board member evaluations were prepared in January 2014 and reviewed with members in February and March 2014. The next member evaluations were prepared in November 2016 and most were reviewed with members in January 2017; however, two of these November 2016 evaluations were reviewed with the Board members in June 2017.

Attendance records for Board members were not reported to the General Assembly as required by the Planning Act. The Chairman is to report the attendance record of each Board member to the General Assembly. Although the attendance records were available, the attendance records had not been sent to the General Assembly; however, upon inquiry by auditors, the attendance record for each Board member was subsequently reported to the General Assembly.

This was also a recommendation in the May 2014 performance audit (Recommendation 5). Failure to review Board member performance and provide information to the General Assembly results in noncompliance and limits General Assembly oversight information.



<b>REQUIRED BOARD MEMBER PERFORMANCE REVIEWS</b>	
<b>RECOMMENDATION NUMBER</b>  <b>2</b>	<i>The Chairman of the Health Facilities and Services Review Board should annually review Board member performance and report the attendance record of each Board member to the General Assembly.</i>
<b>Health Facilities and Services Review Board Response</b>	The HFSRB Chairman will annually review Board member performance and report the attendance of each member to the General Assembly. In order to ensure compliance, each member will be evaluated on their individual anniversary date.



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## Chapter Two

# CERTIFICATE OF NEED PROCESS

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## CHAPTER CONCLUSIONS

Auditors were asked to determine whether the changes to the Certificate of Need (CON) process are being implemented effectively, as well as their impact, if any, on access to safety net services. There were many changes to the CON process via changes to the Illinois Health Facilities Planning Act (Planning Act) and the Administrative Code that have taken effect since July 1, 2013. The most substantive changes were in the following areas: general clarifications, change of ownership exemptions, discontinuations, administrative rules, post decision/permit, and fines. Generally, we found that changes made to the Planning Act and CON process since July 1, 2013, have been implemented effectively.

CON permit and exemption testing showed some areas of noncompliance with the Planning Act or the Health Facilities and Services Review Board's (HFSRB or Board) administrative rules.

- We sampled 40 of 195 CON permit applications received by HFSRB during FY14-16.
- We also tested 25 of 115 exemption applications.
- For both CON permit and exemption samples, we tested written response/comment deadlines, timeliness of the application process, Safety Net Impact Statements, and other statutory and administrative rule requirements.

HFSRB staff received written responses to State Board Staff Reports and written comments regarding project applications after deadlines established by Board rules. While these communications were posted on the Board's website, they were received outside of the public comment process and therefore, according to Board rules, these communications should be considered *ex parte* communications. The Board's administrative rules state that *ex parte* communications should be filed in a separately identified section for the subject project and reported to the General Assembly. The responses/comments in question were not identified on the website as *ex parte* communication and were not reported to the General Assembly.

Out of 40 CON permit projects and 25 exemption permits, we found 11 projects which received public comments after the 20-day deadline and 6 projects which received written responses to the State Board Staff Report after the 10-day deadline. We made a recommendation in this area.

Board members did not always provide rationale when voting on an item at a State Board meeting as required by a change to the Planning Act. On August 26, 2014, Public Act 98-1086 went into effect, which amended the Planning Act and requires Board members to provide their rationale for voting on items.

- Of the 39 projects subject to the Public Act 98-1086 changes, 9 of the projects, when voted upon by the Board members, were missing voting rationale for one or more members.
- The voting rationale was missing for 1 or 2 members in 7 of the 9 projects.

- There was one CON permit project for which no Board member provided rationale and one exemption application project for which only 1 of 6 members provided a rationale. Immediately after the vote, legal counsel reminded the members they needed to explain their votes. We made a recommendation in this area.

We tested applications from two types of hospitals that could be considered safety net service providers: critical access hospitals (CAHs) and disproportionate share hospitals (DSHs). All 8 CON permit applications and 12 exemption applications for disproportionate share hospitals or critical access hospitals were approved.

Safety Net Impact Statement testing showed areas of noncompliance with the Planning Act. We tested Safety Net Impact Statements from 23 CON permit projects and 7 exemption projects.

- All projects in our sample which required a Safety Net Impact Statement submitted one; however, not all the statements contained all the required elements.
- Not all the legal notices published by the HFSRB included the required statement about the filing of a Safety Net Impact Statement.
- We made a recommendation in this area. This was also a recommendation in the May 2014 performance audit.

In response to a recommendation in the May 2014 performance audit (Recommendation 6), a public act passed which allows the use of in-kind services instead of or in combination with the imposition of a fine. This was a practice already in use by the Board, but now is properly authorized by the Planning Act.

We were also asked to determine whether changes to the CON process have had an impact on access to safety net services. The only changes that appear to potentially impact access to safety net services are limited to projects applying for exemptions as opposed to CON permits.

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## CERTIFICATE OF NEED

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The Board, per the Planning Act, issues CON permits for construction or modification projects proposed by or on behalf of healthcare facilities, and for the acquisition of major medical equipment. The Planning Act applies to private and public (including State-operated) hospitals, ambulatory surgical treatment centers, long-term care facilities, end stage renal disease facilities, birth centers, freestanding emergency centers, and facilities used for outpatient surgical procedures that are leased, owned, or operated by or on behalf of an out-of-state facility.

A CON permit or exemption is required for construction of new buildings, additions to existing facilities, and modification projects for which cost exceeds the capital expenditure minimum. The Planning Act established capital expenditure minimums and a means by

Exhibit 2-1 CON CAPITAL EXPENDITURE MINIMUMS As of July 1, 2016	
Hospitals	\$12,950,881
Long-term care facilities	\$7,320,061
All other applicants	\$3,378,491
Source: HFSRB.	

which to adjust these minimums annually to reflect the increase in construction costs due to inflation. As shown in Exhibit 2-1, as of July 1, 2016, the capital expenditure minimum was \$12,950,881 for hospital projects, \$7,320,061 for applicants for projects related to skilled and intermediate care long-term care facilities licensed under the Nursing Home Care Act, and \$3,378,491 for projects by all other applicants.

The Board issues exemptions, which means the project does not have to go through the Certificate of Need permit review process, but is instead reviewed under the HFSRB exemption procedures and requirements. When all information required by the Board’s rules is submitted, the Board must approve the exemption.

**Projects eligible for exemption:**

- Change of ownership
- Discontinuation of a category of service
- Discontinuation of a health care facility (other than a health care facility maintained by the State or any agency or department or nursing home maintained by a county)

Projects eligible for exemption include, but are not limited to, change of ownership of a health care facility, discontinuation of a category of service, and discontinuation of a health care facility (other than a health care facility maintained by the State or any agency or department or a nursing home maintained by a county). As with CON permits, the community has the opportunity to provide input by submitting written public comments or by participating in a public hearing on the project.

To obtain a CON permit, a person must justify that a proposed project is needed and financially and economically feasible, in addition to satisfying other criteria established in the Board’s administrative rules. The opportunity for public comments and a public hearing that provides for community input into the process is included in the application review.

Failure to obtain a CON permit or exemption when required may result in a fine, which is discussed in Chapter Three. HFSRB also has the power to revoke a permit for failure to comply with requirements of the Planning Act or Administrative Code.

The Planning Act requires the Board approve and authorize the issuance of a permit if it finds:

1. That the applicant is fit, willing, and able to provide a proper standard of health care service for the community with particular regard to the qualification, background and character of the applicant;
2. That economic feasibility is demonstrated in terms of effect on the existing and projected operating budget of the applicant and of the health care facility; in terms of the applicant’s ability to establish and operate such facility in accordance with licensure regulations promulgated under pertinent state laws; and in terms of the projected impact on the total health care expenditures in the facility and community;
3. That safeguards are provided which assure that the establishment, construction or modification of the health care facility or acquisition of major medical equipment is consistent with the public interest; and
4. That the proposed project is consistent with the orderly and economic development of such facilities and equipment and is in accord with standards, criteria, or plans of need adopted and approved pursuant to the provisions of Section 12 of the Planning Act which lays out powers and duties of the Board (20 ILCS 3960/6(d)).

Projects are classified as emergency, substantive, or non-substantive. An emergency review classification applies only to those construction or modification projects that affect the inpatient or outpatient operation of a health care facility and are necessary because an imminent threat to the structural integrity of the building or an imminent threat to the safe operation and functioning of the mechanical, electrical or comparable systems of the building. Emergency project applications may be made verbally, as well as written and electronically, and may have verbal approval by the Chairman. According to Board officials, there were no emergency project applications during our test period of FY14 to FY16.

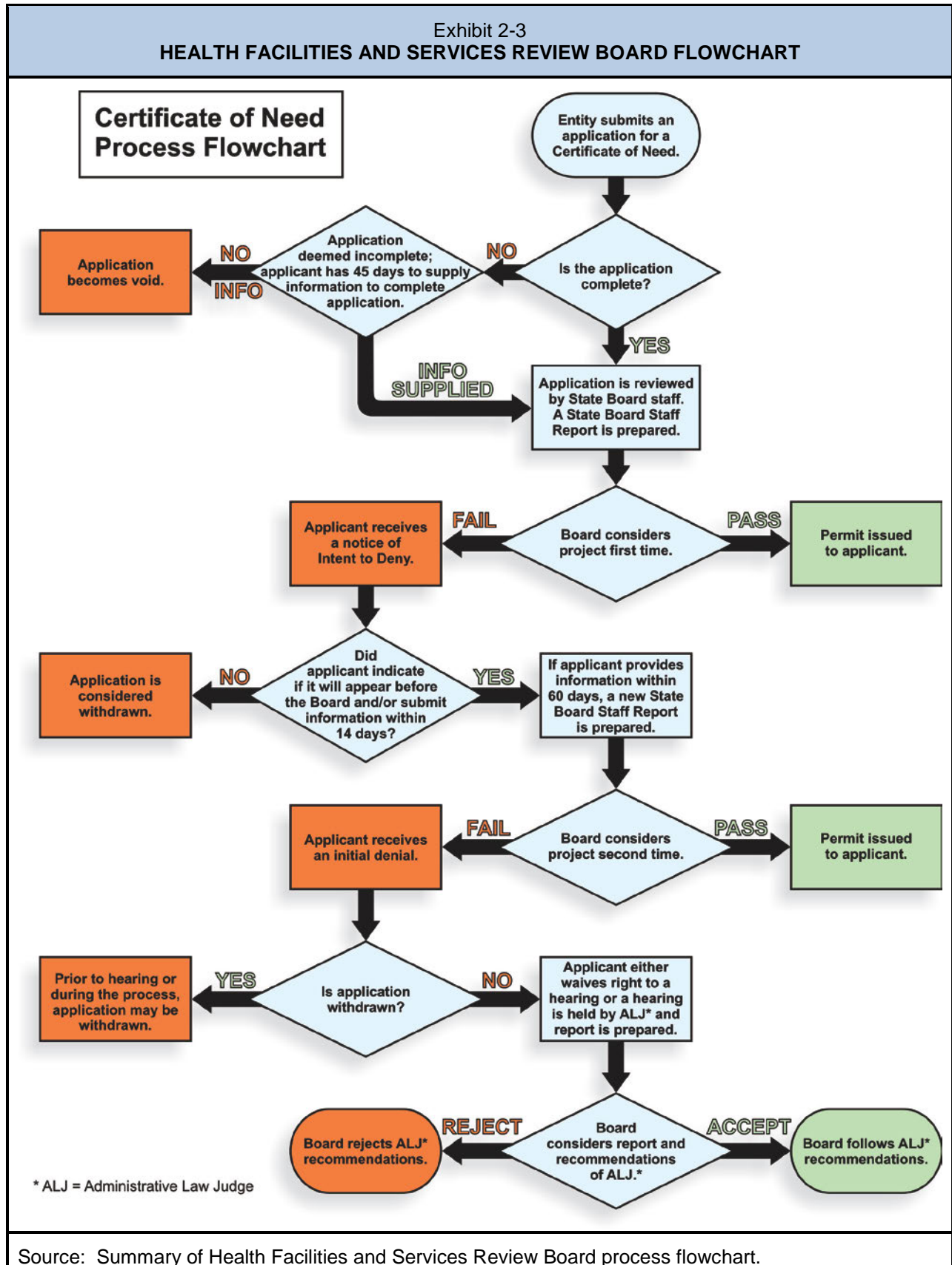
The Planning Act sets limits for what type of projects can be considered substantive. Exhibit 2-2 provides the specific requirements for substantive projects and their associated review period. All remaining projects are considered non-substantive for the Board’s review purposes. Each type of project has its own set of applicable review criteria.

All substantive applications, after they are deemed complete, must be reviewed within 60 days or 120 days, depending on the type of project as shown in Exhibit 2-2. Non-substantive projects must be reviewed within 60 days. During the review period, staff will evaluate the application for compliance with the applicable review criteria and prepare a written report describing the findings. Applications that meet all criteria and are unopposed can either be approved by the Chairman or referred by the Chairman to the full Board for review and action. Applications will then be sent to the Board, which will approve, deny, or defer the decision to another meeting.

The Planning Act lays out in significant detail the process for the Board to approve or deny applications for a certificate of need. The Board also has detailed rules that deal with operations, criteria for project need, and criteria for financial and economic feasibility. Although there were several changes to the Planning Act, the general process for an applicant has remained fairly similar for the last several years.

An application is submitted and reviewed by Board staff for completeness and compared to established criteria. Board staff prepare a State Board Staff Report that describes the project and how it compares to criteria in statute and rules. Modifications may be made to an application only during the review period. The Board considers the project and either approves it or issues an intent to deny. If a project receives an intent to deny, the applicant can make changes to its proposal or provide additional supporting information. If the applicant does this, the Board considers the project again for a second time and again may approve the project or issue a denial. If the project is denied this second time, the applicant can still request a review through administrative hearing and, if applicable, may appeal the denial to the courts. Exhibit 2-3 provides a flowchart of the Certificate of Need process.

Exhibit 2-2 <b>SUBSTANTIVE PROJECTS DEFINED</b>
<ul style="list-style-type: none"> <li>• Projects to construct a new or replacement facility located on a new site or a replacement facility located on the same site as the original facility that exceeds the capital expenditure minimum.                             <ul style="list-style-type: none"> <li>✓ Maximum review period: 120 days</li> </ul> </li> <li>• Projects proposing a new category of service or discontinuation of a service within an existing health care facility.                             <ul style="list-style-type: none"> <li>✓ Maximum review period: 60 days</li> </ul> </li> <li>• Projects proposing a change in bed capacity of more than 20 beds, or more than 10% of total bed capacity (whichever is less) by increasing the total number of beds, a redistribution of beds among categories of services, or a relocation of beds from one site to another.                             <ul style="list-style-type: none"> <li>✓ Maximum review period: 120 days</li> </ul> </li> </ul>
<p>Source: Illinois Health Facilities Planning Act (20 ILCS 3960/12(8)).</p>





If an applicant or a party that was adversely affected by a Board decision desires a written decision, a request must be made within 15 days after the Board meeting in which a final decision to approve or deny a project has been made. The written draft of the final decision must be considered for approval no later than the next scheduled Board meeting and must identify the applicable criteria and factors listed in the Planning Act and the Board's regulations that were taken into consideration by the Board when coming to a final decision. For example, if the Board denies or fails to approve an application for permit or exemption, the Board must include in the final decision a detailed explanation as to why the application was denied and identify what specific criteria or standards the applicant did not fulfill.

### **Post Permit Applicant Report Submittal**

After undergoing a CON review, permit holders must submit the following post-permit reports to the Board:

- Annual progress reports no earlier than 30 days before and no later than 30 days after each anniversary date of the Board's approval of the permit until the project is completed; and
- A final completion and cost report for the project within 90 days after the approved project completion date or extension date.

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## **CHANGES TO THE PLANNING ACT AND CON PROCESS**

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Auditors were asked to determine whether the changes to the CON process are being implemented effectively, as well as their impact, if any, on access to safety net services. There were many changes to the CON process via changes to the Planning Act and the Administrative Code that have taken effect since July 1, 2013. There were a total of 10 public acts with effective dates during FY14-16 that made various changes to the Planning Act and an additional 3 public acts with effective dates after FY16. The most substantive changes to the Planning Act and the HFSRB's administrative rules are listed in Appendix C. Below is a discussion of testing conducted related to the significant changes. Generally, we found that changes made to the Planning Act and CON process since July 1, 2013, have been implemented effectively.

### **Testing related to Significant Changes to the CON Process:**

- State Board Staff Reports prepared for required application types
- Change of ownership applications
- Discontinuation applications
- Notice of closure information submitted to the Board
- Written decisions
- Fines for exemptions
- Dates used for calculating fines

### **General Clarifications**

There were various general changes or clarifications to the Planning Act. Two public acts clarified whether certain facilities were or were not subject to the Planning Act and therefore the CON process (P.A. 98-257 and P.A. 98-1086). The Planning Act does not apply to certain dialysis facilities or dialysis units which are only providing training, support, and related services to individuals receiving home dialysis. Also exempt from the Planning Act are facilities maintained or operated by State agencies (except in the case of a State agency discontinuing a health care facility) and intermediate care facilities for persons with developmental disabilities



licensed under the ID/DD Community Care Act. We did not encounter any applications for permit that violated these exemptions from the Planning Act.

A public act also clarified which types of applications required the preparation of a State Board Staff Report (P.A. 98-1086). A State Board Staff Report is required for the following applications: 1) permit or exemption, 2) permit renewal, 3) extension of an obligation period, 4) requesting a declaratory ruling, or 5) applications under the Health Care Worker Self-Referral Act. During FY14-16, there were only two extensions of obligation periods which were prior to the effective date of the public act and there were no applications under the Health Care Worker Self-Referral Act. Generally, Board staff were preparing a State Board Staff Report as required. There was one instance in which a State Board Staff Report was not prepared for a declaratory ruling we requested; instead, a letter from the Board's General Counsel was felt to be sufficient and that no State Board Staff Report was necessary.

### **Change of Ownership Exemptions**

One public act made changes to the exemption process for a change of ownership and streamlined the exemption process for change of ownership among related persons effective July 28, 2015 (P.A. 99-154). Change of ownership among related persons exemptions must be acted on by the Board Chairman within 45 days of the application being deemed complete. The same public act prohibited the Board from imposing any conditions, obligations, or limitations other than those required by statute on any change of ownership exemption.

According to HFSRB officials, the only change of ownerships that qualified for an exemption prior to July 28, 2015, were those for which the applicant had a bond rating of A or better. After July 28, 2015, however, all change of ownerships are to be reviewed as exemptions. We found only one application for change of ownership which was processed as a CON permit instead of an exemption as required. This application was received less than a month after the new requirement took effect. According to HFSRB officials, the applicant had sought technical assistance months before filing the application and it was the Board's position that this transaction would be best handled as a CON application. All other change of ownership applications were processed as exemptions as required.

The processing time of change of ownership applications decreased after July 28, 2015. Prior to this date, a change of ownership application took an average of 59 days from when the application was received to approval and 16 percent of applications were approved by the Chairman. The processing time for change of ownership applications received after July 28, 2015, was 45 days and 60 percent of applications were approved by the Chairman.

There were two exemption applications for change of ownership among related persons received after July 28, 2015, identified in our sample. Both of these were approved within 45 days of the application being deemed complete and were therefore in compliance with the July 28, 2015 change to the Planning Act. Also, we found no instances of conditions or stipulations being placed on exemptions after the effective date of this public act (July 28, 2015).

### **Discontinuations**

Discontinuations were addressed by three public acts (P.A. 99-154, P.A. 99-551, and P.A. 99-527). The most significant change entailed the applicant filing an application for exemption as opposed to an application for a CON permit when discontinuing a health care facility or category of service. We tested discontinuations to ensure this was the practice in use after July

28, 2015, the effective date of the public act. Testing showed that discontinuations were going through the exemption process in accordance with the change to the Planning Act.

Allowing discontinuations to be processed as exemptions instead of applications for permits significantly decreased the application processing time. The two applications for the discontinuation of health care facilities that were processed as CON permits (prior to July 28, 2015) took an average of 88 days from when the application was received to when it was approved versus an average of 54 days for the three applications processed as exemptions (after July 28, 2015). Applications for the discontinuation of a category of service took an average of 93 days for 16 CON permits and 60 days for 4 exemptions.

Two changes went into effect in FY17 during the course of this audit affecting discontinuations. As of July 15, 2016, upon a finding that an application to close a health care facility was complete, an applicant was required to provide notice of closure to the local media that the health care facility would routinely notify about facility events. Additionally, effective January 1, 2017, an applicant discontinuing a health care facility or category of service is required to submit a statement to the Board within 90 days of the discontinuation, certifying the discontinuation is complete. The Board's administrative rules previously required applicants proposing to discontinue a facility or category of service to file with the Board a final notice of completion within 90 days; however, the change as of January 1, 2017, made this a statutory requirement of applicants.

### **Administrative Rules**

The changes to the Planning Act required the Board to establish a separate set of rules and guidelines for facilities licensed under the Specialized Mental Health Rehabilitation Act of 2013. The Board accomplished this requirement by adding a new section to the Board's administrative rules (77 Ill. Adm. Code 1126). The Board also reiterated information from the Planning Act (20 ILCS 3960/5.4) regarding the Safety Net Impact Statement in its administrative rules (77 Ill. Adm. Code 1110.230(b)).

### **Post Decision/Permit**

Changes were also made related to actions that take place after the Board has rendered a decision or issued a permit. Due to changes to the Board's administrative rules, as of June 1, 2015, permit holders may request one extension of time to financially commit at least 33 percent of the total project costs (77 Ill. Adm. Code 1130.730). Previously, total project costs had to be financially committed. Also, an 18-month financial commitment period requirement was changed to 24 months. We did not encounter any projects that violated these new requirements.

Previously, the Board had to issue a written decision upon request of the applicant or an adversely affected party to the Board within 30 days of the meeting in which a final decision was made. An applicant must now request a written decision within 15 days after a Board meeting in which a final decision was made. Additionally, the Board has to consider, for approval, the written decision no later than the next scheduled Board meeting (P.A. 98-414). There was only one written decision approved during FY14-16. The written decision was requested within 15 days and the written decision was approved at the next scheduled Board meeting as required.

### **Fines**

One public act made three changes to the Planning Act related to fines (P.A. 99-114). Effective July 23, 2015, the Board can assess fines for failure to get an exemption for a change of

ownership or failure to obtain an exemption for any applicable project including discontinuation of a facility or category of service. The public act also clarified that fines would accrue until the earlier of the date the matter was referred by the Board to the Board’s legal counsel or the date the health care facility becomes compliant with the Act. Previously, for most violation categories, per the Planning Act, the fine could accrue until the violation was resolved. Testing showed that the accrual end date used most often was either the date the case was referred to the Board’s legal counsel or the date a report was received resolving the violation. More detailed testing related to fines can be found in Chapter Three.

In response to a recommendation in the May 2014 performance audit (Recommendation 6), the public act also allows the use of in-kind services instead of or in combination with the imposition of a fine. This was a practice already in use by the Board, but now is properly authorized by the Planning Act.

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## CON PERMIT AND EXEMPTION TESTING

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CON permit and exemption testing showed some areas of noncompliance with the Planning Act or the HFSRB’s administrative rules. We sampled 40 of 195 CON permit applications received by HFSRB during FY14-16. We also tested 25 of 115 exemption applications. For both CON permit and exemption samples, we tested written response/comment deadlines, timeliness of the application process, Safety Net Impact Statements, and other statutory and administrative rule requirements.

### Ex Parte Communications

HFSRB staff received written responses to State Board Staff Reports and written comments regarding project applications after deadlines established by Board rules. While these communications were posted on the Board’s website, they were received outside of the public comment process and therefore, according to Board rules, these communications should be considered ex parte communications. HFSRB administrative rules state, “*Any communication, written or oral, received from a member of the public, news media, interested persons, legislators, or other persons regarding any matter, other than the status of an application, that is not authorized by the public comment process specified in 77 Ill. Adm. Code 1130 is ex parte or extra-record communication and is prohibited*” (2 Ill. Adm. Code 1925.780(h)).

#### Ex Parte Communication

Any communication, written or oral, received from a member of the public, news media, interested persons, legislators, or other persons regarding any matter, other than the status of an application, that is not authorized by the HFSRB public comments process is ex parte and is prohibited. (2 Ill. Adm. Code 1925.780(h))

The public comment process specified in 77 Ill. Adm. Code 1130 is as follows:

- Members of the public are allowed up until 10 days before the meeting of the State Board to submit any written response to the State Board Staff Report. This is also authorized by the Planning Act. According to an HFSRB official, HFSRB staff allow responses up until the Monday the week before the meeting (which is typically 8 days before the meeting).
- All public comments regarding an application must be received by HFSRB staff no later than 20 days prior to the Board meeting at which the project will be considered.

Out of 40 CON permit projects and 25 exemption permits, we found 11 projects which received public comments after the 20-day deadline and 6 projects which received written responses to the State Board Staff Report after the 10-day deadline.

According to HFSRB officials, after the Planning Act was rewritten in 2009, in the interest of transparency, Board staff were instructed to put everything on the HFSRB website. As a result, Board staff felt like ex parte was not applicable to comments and responses sent to Board staff and received after the deadlines. HFSRB officials noted that direct communications to Board members are considered ex parte and Board members are instructed to inform HFSRB staff of any direct communication.

The Board’s administrative rules require that any ex parte or extra-record communication should be available to the public which is met when posting the information online. However, the Board’s rules also require that ex parte communications should be filed in a separately identified section for the project and reported to the General Assembly. The responses/comments in question were not identified on the website as ex parte communications and were not reported to the General Assembly.

<b>EX PARTE COMMUNICATIONS</b>	
<b>RECOMMENDATION NUMBER</b>  <b>3</b>	<i>The Health Facilities and Services Review Board should identify ex parte communications and report them to the General Assembly in accordance with its administrative rules (2 Ill. Adm. Code 1925.780) or revise its administrative rules regarding the classification of written comments and responses received after the established deadlines as ex parte communications.</i>
<b>Health Facilities and Services Review Board Response</b>	HFSRB will identify and report ex parte communications to the General Assembly in accordance with its administrative rules. In addition, HFSRB staff will discuss with members the possibility of amending its Administrative Rules regarding the deadlines for written comments and responses as well as the classification of those comments and responses if received after the established deadlines.

### **Rationale for Voting**

Board members did not always provide rationale when voting on an item at a State Board meeting as required by a change to the Planning Act. On August 26, 2014, Public Act 98-1086 went into effect, which amended the Planning Act and requires Board members to provide their rationale for voting on items.

Fourteen of 65 applications (10 of the 40 CON permit applications tested and 4 of the 25 exemption applications) were voted on prior to the effective date of Public Act 98-1086. Additionally, another 12 exemptions were approved by the Chairman and therefore a vote was not taken. Of the 39 applications voted on by the Board after the effective date of the change, 9 of the projects, when voted upon by the Board members, were missing voting rationale for one or more members.

- In seven of the nine projects, the voting rationale was missing for one or two members.

- There was one (of the nine) CON permit project for which no Board members provided rationale; and
- There was one exemption application project for which only one of six members provided a rationale after which legal counsel reminded the members they needed to explain their votes.

<b>RATIONALE FOR VOTING</b>	
<b>RECOMMENDATION NUMBER  4</b>	<i>The Health Facilities and Services Review Board should provide its rationale when voting on an item before it at a State Board meeting in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(10.5)).</i>
<b>Health Facilities and Services Review Board Response</b>	In accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(10.5)), HFSRB members will continue to provide its rationale when voting on items before it at State Board meetings.

### **Timeliness**

The CON and exemption permits in our samples were generally reviewed in a timely manner. HFSRB administrative rules establish maximum project review lengths for CON permits and exemptions. All 25 exemptions and 37 of 40 CON permits were reviewed in a timely manner. Three of 40 CON permits took longer than the maximum review period; these projects exceeded the maximum days by 12 to 29 days.

A public hearing was requested and held for 8 of 40 CON permit projects and 3 of 25 exemption projects. Public hearings were not held in a timely manner for 2 (1 CON permit and 1 exemption) of 11 projects. Public hearings are required to be held within 90 days of the CON permit application being deemed complete. One of 8 CON permit public hearings was held 7 days beyond the 90 day maximum. For exemptions, public hearings are required to be held between 15 and 30 days after the legal notice publication. One of the 3 exemption public hearings was held 4 days beyond the 30 day maximum. According to HFSRB officials, this was likely due to a Board member not being available to attend a hearing (as required by the Planning Act) within the prescribed timeframe.

### **Safety Net Impact Statements**

Safety Net Impact Statements were required for 23 CON permit projects and 7 exemptions. However, in 5 of the 30 projects, we found that the Safety Net Impact Statement was not filled out appropriately; in other words, the statements did not include all information required by the Planning Act. These deficiencies are discussed in more depth in the following Safety Net Impact Statement testing section.

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## **SAFETY NET SERVICES AND THE SAFETY NET IMPACT STATEMENT**

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In addition to whether changes to the CON process were being implemented effectively, auditors were also asked to determine if any of these changes had any impact on access to safety net services. The Planning Act defines safety net services as services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream

health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. Safety net service providers include, but are not limited to, 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, and community health centers.

**Safety Net Services**

Services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. (20 ILCS 3960/5.4(b))

The Planning Act (20 ILCS 3960/12(1)) requires the Board’s policies and procedures to take into consideration the priorities and needs of medically underserved areas and other health care services, giving special consideration to the impact of projects on access to safety net services. Safety Net Impact Statements are required to be included with all applications for substantive projects or when the application proposes to discontinue a category of service or facility. Skilled and intermediate long-term care facilities licensed under the Nursing Home Care Act are exempt from providing a Safety Net Impact Statement.

Safety Net Impact Statements require an applicant to state how the project, for which a CON or exemption is being sought, could materially impact essential safety net services in the community or the ability of another provider to cross-subsidize safety net services. For discontinuation of a facility or service, the applicant must state how the discontinuation might impact the remaining safety net providers in the community.

The Safety Net Impact Statement must also provide information regarding the amount of charity care and amount of care provided to Medicaid patients the applicant has provided in the last three fiscal years. Charity care means 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.

The Board must publish, in a newspaper having general circulation within the area affected by the application, a notice that an application accompanied by a Safety Net Impact Statement has been filed. If no newspaper has a general circulation within the county, the Board must post the notice in five conspicuous places within the proposed area.

**Safety Net Service Provider Testing**

We tested applications from two types of hospitals that could be considered safety net service providers: critical access hospitals and disproportionate share hospitals. During project testing, we found that both categories of hospitals had their projects approved by the Board for FY14-16.

Critical access hospitals (CAHs) are rural hospitals with no more than 25 inpatient beds, such as the Abraham Lincoln Hospital in Lincoln or the Gibson Community Hospital in Gibson City. According to the Illinois Department of Public Health, as of April 2017, there were 51 critical access hospitals in Illinois.

**CAH hospitals**

**Critical access hospitals (CAHs)** are rural hospitals with no more than 25 inpatient beds.

**DSH hospitals**

**Disproportionate share hospitals (DSHs)** are hospitals that serve a disproportionate share of low-income patients.

Disproportionate share hospitals (DSHs) are hospitals that serve a disproportionate share of low-income patients as determined by comparison with the Medicaid inpatient utilization rate in

Illinois or if the hospital’s low-income utilization rate exceeds 25 percent. These hospitals are often located in urban neighborhoods (such as Mount Sinai in Chicago) and rural communities (such as Hardin County General in Rosiclare). The number of disproportionate share hospitals can change from year to year based on changing Medicaid utilization rates and low-income utilization rates. As of October 2016, there were 54 disproportionate share hospitals.

Of the 40 CON permit applications tested, 8 were for disproportionate share or critical access hospitals (5 DSH, 3 CAH). All 8 projects were approved. One project’s status as a critical access hospital was mentioned as rationale for voting for the project. In addition to this project, there was discussion for three additional projects at State Board meetings regarding the applicants’ CAH/DSH status or issues related to CAH/DSH status, such as service to underserved and low-income populations.

<b>CAH/DSH applications</b>	
8 CON permit applications approved	➤ 4 had CAH/DSH status mentioned
12 Exemption applications approved	➤ 5 had CAH/DSH status mentioned

We also tested 12 disproportionate share or critical access hospital exemption applications. All 12 exemptions were approved. Four were approved by the Chairman after meeting all exemption criteria and being unopposed, leaving 8 which were voted on by the Board. Seven of the 8 CAH/DSH exemption applications were for a change of ownership. For 4 of the 7 change of ownership exemption applications, there was discussion at the State Board meeting regarding the applicants’ critical access hospital status or issues related to being a critical access hospital such as distance to a nearby hospital and access to care. One example is when a critical access hospital was merging with a larger health care system. During the Board discussion, there were questions about changes to services that would occur. An official from the health care system stated that the hope was to improve or increase the level of service through increased specialty availability.

<b>Example of Board Discussion of Critical Access Hospital Exemption Application</b>
For a change of ownership exemption there was Board discussion about changes to services that would occur when the CAH merged with a larger health care system. An official from the health care system stated that the hope was to improve or increase the level of service through increased specialty availability.

One exemption approved by the Board was for the discontinuation of a hospital (as opposed to a change of ownership). The disproportionate share hospital discontinuation exemption was heard and approved at the November 17, 2015 meeting. Effective July 28, 2015, Public Act 99-154 required that the Board issue an exemption if Board staff finds that the exemption application is complete and the requested information is provided. Therefore, despite some voiced apprehension about discontinuing the hospital and the effect it would have on the community, the Board approved the project based on the Board staff’s finding that the exemption application met the criteria.

**Changes to the CON Process and Their Effect on Safety Net Services**

We were asked to determine whether changes to the CON process have had an impact on access to safety net services. The only changes that appear to potentially impact access to safety net services are those related to projects applying for exemptions as opposed to CON permits. The extent of the impact is difficult to determine as discussed below. Many of the other FY14-



16 changes to the Planning Act and the CON process had little to no impact on access to safety net services.

If an exemption is filed and the applicant submits all of the Board’s required information, the Board is required to approve the project. For example, as discussed previously, a safety net hospital filed an exemption to discontinue the facility and several Board members voiced apprehension about the closure and its impact on the community. However, the Board was required to approve the project based on the Board staff’s finding that the exemption application met the exemption criteria. In this regard, treating the discontinuation as an exemption as opposed to a CON permit, limited the Board’s ability to vote on whether to approve or deny based on concerns about decreasing access to safety net services.

The exemption process could also benefit safety net hospitals/providers. An applicant seeking a change of ownership exemption can now get approval more quickly which could be beneficial in continuing safety net services. If a safety net hospital is struggling and merges with other hospitals or a hospital system, it might be more able to sustain safety net services as opposed to potentially discontinuing a service or hospital. Also, if a safety net hospital needs to discontinue a service in order to keep the hospital more stable financially, it would be able to do so more quickly.

**SAFETY NET IMPACT STATEMENT TESTING**

Safety Net Impact Statement testing showed areas of noncompliance with the Planning Act. We tested Safety Net Impact Statements from 23 CON permit projects and 7 exemption projects. All projects in our sample which required a Safety Net Impact Statement submitted one; however, not all the statements contained all the required elements. Also, not all the legal notices published by the HFSRB included the required statement about the filing of an application which contained a Safety Net Impact Statement. Exhibit 2-4 lists the Planning Act requirements for Safety Net Impact Statements.

Five out of 30 Safety Net Impact Statements (17 percent) did not contain all the required information listed in Exhibit 2-4:

- One exemption and one permit did not have any charity or Medicaid care information.
- Two permits did not have information on the impact on the ability of other providers to cross-

**Exhibit 2-4  
SAFETY NET IMPACT STATEMENT REQUIREMENTS**

- The project’s material impact, if any on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
- The project’s impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
- For a discontinuation, how the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known to the applicant.
- For the three fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant.
- For the three fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients.
- Any information the applicant believes is directly relevant to safety net services, research, and any other service.

Source: Illinois Health Facilities Planning Act (20 ILCS 3960/5.4).



- subsidize safety net services.
- One permit did not have information on cross-subsidizing or the material impact on essential safety net services.

The Board published a Notice of Opportunity for Public Hearing for all projects; however, the notice was insufficient in some instances to satisfy the statutory requirement. The notice for 4 projects (two permits and two exemptions) did not contain a statement as required that an application accompanied by a Safety Net Impact Statement had been filed. Two of these were applications to discontinue a category of service and one was an application to discontinue a facility. If notice of receipt of a Safety Net Impact Statement is not published adequately, then the public might miss an opportunity afforded to them to respond to the Safety Net Impact Statement and provide additional information concerning a project’s impact on safety net services in the community. This was also a recommendation in the May 2014 performance audit (Recommendation 3).

<b>SAFETY NET IMPACT STATEMENTS</b>	
<b>RECOMMENDATION NUMBER</b>  <b>5</b>	<i>The Health Facilities and Services Review Board should ensure that Safety Net Impact Statements contain all elements required by the Illinois Health Facilities Planning Act (20 ILCS 3960/5.4). Additionally, a notice should be published, in a newspaper having general circulation within the area affected by the application, for all projects for which an application accompanied by a Safety Net Impact Statement has been filed.</i>
<b>Health Facilities and Services Review Board Response</b>	HFSRB staff will ensure that Safety Net Impact Statements contain all elements as required by the Illinois Health Facilities Planning Act (20 ILCS 3960/5.4). In addition, HFSRB will ensure that public notices are published in a newspaper having general circulation within the area affected by the application for all projects for which an application accompanied by a Safety Net Impact Statement has been filed.



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## Chapter Three

# FINES AND SETTLEMENTS

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## CHAPTER CONCLUSIONS

During FY14-16, there were 36 settlement agreements with final orders executed and an additional 11 fines assessed by the Board that did not end in or were not a part of a settlement agreement. We tested the timeliness of identifying the violation, the timeliness of the fine and settlement process, and, to the extent possible, tried to determine whether the fines and settlements were fair, consistent, and in proportion to the degree of the violations.

We tested 24 of 36 settlement agreements and 5 of 11 fines and identified the following:

- Twelve (8 of 24 settlement agreements and 4 of 5 fines) had starting fines which were not calculated correctly. Ten of these 12 miscalculated fines were likely due to not accounting for a 30-day period, or fraction thereof, as required by the Illinois Health Facilities Planning Act (Planning Act).
- For settlement agreements, we found one instance in which there was only one fine assessed despite multiple violations within the same violation category.
- Prior to a July 23, 2015 change to the Planning Act, HFSRB staff were not consistent in the end date used in calculating a fine's accrual; however, after July 23, 2015, the HFSRB was in compliance with this requirement.

The Planning Act allows the Board to impose fines to resolve matters of noncompliance.

We made a recommendation in this area.

Compared to the performance audit released in 2014, HFSRB staff made significant improvements in improving the timeliness of identifying violations and moving through the compliance process. The 2014 audit recommended that HFSRB staff should identify violations and initiate and complete the fines process in a timely manner. Based on improvements shown in testing of 24 settlement agreements, the recommendation from the May 2014 audit is not repeated.

The second determination asked us to determine whether fines and settlements are fair, consistent, and in proportion to the degree of violations. While we found it difficult to make comparisons among projects due to the many factors influencing the size of the fine or settlement, we concluded that, with the exception of limited inconsistencies and given their respective circumstances, most settlements did not appear unreasonable.

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## FINES AND SETTLEMENTS

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The second determination asks us to determine whether fines and settlements are fair, consistent, and in proportion to the degree of violations. Both fines and settlement agreements are the result of a matter of noncompliance and are entered into to resolve the alleged instance of noncompliance with the Planning Act or the Board's administrative rules.

The Planning Act allows the Board to impose fines to resolve matters of noncompliance. When there has been a potential violation, the available information is summarized and the

matter is formally referred by the Board (by vote) to legal counsel. HFSRB will then typically send the facility a Notice of Intent to Impose a Fine (Notice of Intent).

A facility can choose to pay the fine, negotiate a settlement agreement, or appear before the Board. Facilities also have the right to request an administrative hearing to adjudicate the alleged fine before an administrative law judge. Settlement agreements are entered into to resolve an alleged instance of noncompliance with Board requirements. Any settlement agreements are approved by the Board after which a written consent agreement is drawn up and sent to the facility. Once a fine is paid or a settlement agreement is reached, a final order dismissing the matter is approved by the Board.

Some fines are assessed and collected without having to negotiate a settlement agreement. Collected fines are to be deposited into the Illinois Health Facilities Planning Fund. Fines can be imposed for the following:

- Acquiring major medical equipment without a permit or in violation of the terms of the permit;
- Establishing, constructing, modifying, or changing ownership of a health care facility without a permit or exemption or in violation of the terms of a permit;
- Violating any provision of the Planning Act or any rule adopted under the Planning Act;
- Failing to provide information requested by the Board or the Illinois Department of Public Health within 30 days after a formal written request for the information; or
- Failing to pay any fine imposed within 30 days of its imposition.

Exhibit 3-1 provides the fine (dictated by statute) associated with each violation. Fines accrue for these violations until the earlier of the date the matter is referred by the Board to the Board's legal counsel or the date that the health care facility becomes compliant with the Act. It is the HFSRB staff's practice to start a fine at the maximum allowed by statute and negotiate from that point.

As recommended in our May 2014 audit of the Board (Recommendation 6), the Board is now authorized by the Planning Act to accept in-kind services instead of or in combination with the imposition of a fine; however, the use of in-kind services is limited to cases where the noncompliant individual or entity has waived the right to an administrative hearing or opportunity to appear before the Board regarding the noncompliant matter.

Exhibit 3-1 STATUTORY FINES FOR VIOLATIONS	
Violation	Fine
Failed to comply with the requirements of maintaining a valid permit (20 ILCS 3960/14.1(b)(1))	An amount not to exceed 1% of the approved permit amount plus an additional 1% of the approved permit amount for each 30-day period, or fraction thereof, that the violation continues
Altered the scope of an approved project or project costs exceeded the allowable permit amount without first obtaining approval from the Board (20 ILCS 3960/14.1(b)(2))	An amount not to exceed the lesser of \$25,000 or 2% of the approved permit amount, plus an additional \$20,000 for each additional million, or fraction thereof, in excess of the approved permit amount
Failed to comply with the post-permit and reporting requirements (20 ILCS 3960/14.1(b)(2.5))	An amount not to exceed \$10,000 plus an additional \$10,000 for each 30-day period, or fraction thereof, that the violation continues
Acquired major medical equipment or established a category of service without first obtaining a permit or exemption (20 ILCS 3960/14.1(b)(3))	An amount not to exceed \$10,000 for each acquisition or category of service established, plus an additional \$10,000 for each 30-day period, or fraction thereof, that the violation continues
Constructed, modified, established, or changed ownership of a health care facility without first obtaining a permit or exemption (20 ILCS 3960/14.1(b)(4))	An amount not to exceed \$25,000, plus an additional \$25,000 for each 30-day period, or fraction thereof, that the violation continues
Discontinued a health care facility or a category of service without first obtaining a permit or exemption (20 ILCS 3960/14.1(b)(5))	An amount not to exceed \$10,000 plus an additional \$10,000 for each 30-day period, or fraction thereof, that the violation continues
Failed to provide information requested by the Board or the Illinois Department of Public Health within 30 days of a formal written request (20 ILCS 3960/14.1(b)(6))	An amount not to exceed \$1,000 plus an additional \$1,000 for each 30-day period, or fraction thereof, that the information is not received
Source: Illinois Health Facilities Planning Act (20 ILCS 3960/14.1).	

### Fines and Settlements Testing

There were 36 settlement agreements with final orders executed during FY14-16. In addition, there were 11 fines assessed by the Board that were not part of a settlement agreement.

We tested 5 of the 11 fines files and 24 of 36 settlement agreements. We tested the timeliness of identifying the violation, the timeliness of the fine and settlement process, and, to the extent possible, tried to determine whether the fines and settlements were fair, consistent, and in proportion to the degree of the violations. Exhibit 3-2 provides a summary of fines and settlements tested by violation category.

Exhibit 3-2 FINES AND SETTLEMENTS TESTED BY VIOLATION CATEGORY			
Violation category	# of Violations Tested		Examples of Violations
	Fines	Settlements	
(b)(1)		6	Failure to complete project by the date specified in the permit
(b)(2)		5	Cost overrun
(b)(2.5)	2	9	Failure to submit or late submittal of required reports
(b)(4)		1	Established facility without a permit
(b)(5)	1	2	Discontinued health care facility without a permit
(b)(6)	2	9	Failure to respond to the Board's request for information

Note: The exhibit violation totals more than the number sampled because some settlements involved two violation categories.  
Source: OAG summary of fines and settlements testing.

Exhibit 3-3 provides the number and dollar values of fines and settlements. The percent collected represents the fines collected and the value of the in-kind services provided as negotiated in the settlement agreements. Two fines were deemed to be uncollectable based on bankruptcy or large amounts of debt demonstrated by the facility. The only in-kind services not yet completed are for three settlement agreements which have in-kind services that were scheduled to be completed in the future.

Exhibit 3-3 NUMBER AND DOLLAR VALUES OF FINES AND SETTLEMENTS TESTED			
	Count of Type	Total Assessed	Percent Collected
<b>Fines</b>			
Fines	5	\$227,000	52% <sup>1</sup>
<b>Settlements</b>			
Fines	13	\$160,000	100%
In-Kind Services	1	\$26,400	100%
Combination	9	Fines \$57,950 In-Kind \$331,358	100% 64% <sup>2</sup>
Application for permit	1	No fine – cost of permit	No fine – cost of permit
<b>Settlements Total</b>	<b>24</b>	<b>\$575,708</b>	<b>79%</b>
Notes: <sup>1</sup> Two fines were found to be uncollectable.			
<sup>2</sup> Uncollected in-kind services are result of three settlement agreements that were scheduled to be completed in the future.			
Source: OAG summary of fines and settlements testing.			

As noted in the May 2014 performance audit, it was difficult to make comparisons among projects due to the many factors influencing the size of the fine or settlement including: 1) were there financial hardships to consider, 2) are there special “in-kind” services that could be beneficial to a particular community, and 3) did the fine include more than one violation and/or project. Also complicating the comparison was that projects within the same violation categories also vary in size (for example, a \$31 million project vs. a \$2 million project), facility type (hospital vs. long-term care facility vs. ambulatory surgical treatment center), and scope of services provided. We found that, with the exception of the limited inconsistencies noted below, given their respective circumstances, most settlements did not appear unreasonable.

**Inconsistencies in Fines and Settlements**

We found an inconsistency between two fines for late long-term care (LTC) questionnaires. One fine was assessed and paid which included the base fine and accrual while, for the other, HFSRB accepted the base fine amount only and did not receive accrual. While not receiving the full fine amount is common and acceptable for settlement agreements as a result of negotiations, fines are cases in which the assessed amount was paid and did not have to go through negotiations. According to HFSRB officials, because the fine was paid and the questionnaire was submitted, they chose to close the compliance matter.

For settlement agreements, we found one instance in which there was only one fine assessed despite multiple violations within the same violation category. In this case, there was more than one late report (which falls under the (b)(2.5) violation category). Prior legal counsel

based the health facility’s initial fine only on the larger of the violations. According to HFSRB officials, the final assessed fine amount was the amount agreed to by the Board based on settlement discussions with the respondent. Just over a month after this case was referred to legal counsel, another case was referred to legal counsel with three late reports (multiple violations within the same violation category). The initial fine for the facility in this case included all three late reports. We followed up with HFSRB and it is the position of the current legal counsel that each missing report is to be treated as a separate and distinct violation of the Act and rules and could lead to accrual of fines for each missing report.

Prior to a change in the Planning Act, HFSRB staff was not consistent in the end date used in calculating a fine’s accrual. Effective July 23, 2015, a change to the Planning Act clarified that fines would accrue until the earlier of the date the matter was referred by the Board to the Board’s legal counsel or the date the health care facility becomes compliant with the Act. Previously, for most violation categories, per the Planning Act, the fine could accrue until the violation was resolved; however, this was not consistently used as the accrual end date prior to July 23, 2015. Testing showed that the date the case was referred to the Board’s legal counsel was also frequently used as the accrual end date. After July 23, 2015, the HFSRB was in compliance with this requirement.

**Initial Fine Calculation**

We found that 8 of 24 settlement agreements and 4 of 5 fines had starting fines which were not calculated correctly. When HFSRB legal counsel determines that a health facility violated the Planning Act, the facility is sent a Notice of Intent to Impose a Fine (Notice of Intent). It is HFSRB’s practice that the initial fine (which is the fine amount listed on the Notice of Intent) is the maximum allowable under the Planning Act. A facility may choose to pay the fine without negotiation or may choose to begin negotiating a settlement agreement for either a lower fine amount or a combination of a fine and in-kind services.

In all 8 settlement cases and in 2 of the 4 fines cases, it appears as though the initial fine calculation errors were a result of miscalculating the accrual period. The Planning Act requires that accrual of fines be calculated based on each **30-day period, or fraction thereof** (20 ILCS 3960/14.1(b)). For example, if a fine started accruing on September 30, 2011, and stopped accruing on September 27, 2012, it would appear to have 12 months accrual. However, there are actually 12.1 30-day periods. The fraction of a month would require a fine calculation based on 13 months. Based on the type of violations, an additional month could be as little as \$1,000 or hundreds of thousands of dollars in the case of violations based on one percent of the approved permit amount. While this is only a starting figure and, in many cases, not the actual amount paid, it remains important to calculate the initial fine in a consistent manner and in compliance with the Planning Act. For most of these cases, HFSRB did not have documentation to support or explain how the fine was calculated.

**Example of “30-day period” and “or fraction thereof” calculation**

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“30-day period”  
 Fine accrual start date – 9/30/2011  
 Fine accrual end date – 9/27/2012  
 Less than 12 full months (363 days)  
 $363 \div 30 = 12.1$  30-day periods

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“or fraction thereof”  
 The fraction of a 30-day period (0.1) would require a fine calculation based on 13 months.

The initial fine for one of the two remaining cases did not include any accrual (previously discussed as an inconsistency). For the other remaining case which had incorrectly calculated

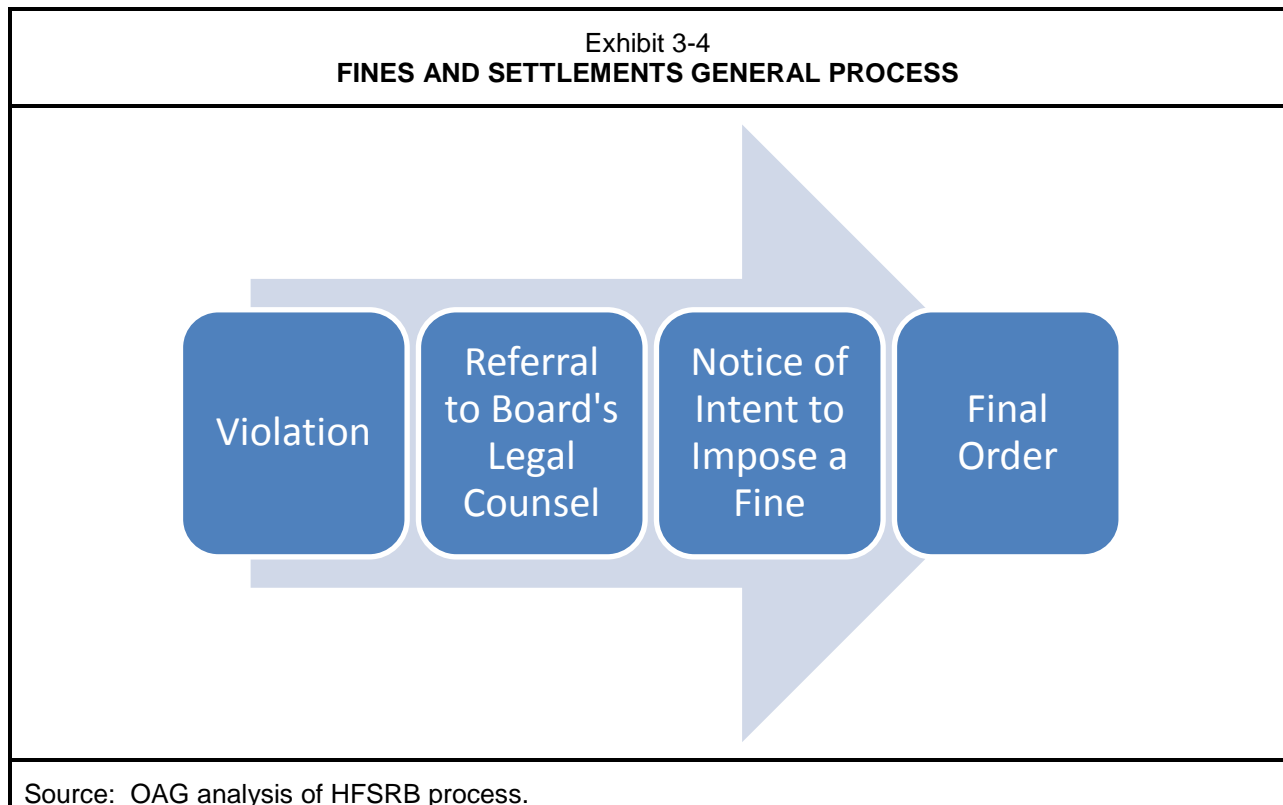


initial fines, HFSRB officials did not have documentation to support or explain how the initial fine was calculated.

<b>MISCALCULATION OF ACCRUAL OF FINES</b>	
<b>RECOMMENDATION NUMBER</b>  <b>6</b>	<i>The Health Facilities and Services Review Board should calculate the accrual of fines in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/14.1(b)).</i>
<b>Health Facilities and Services Review Board Response</b>	HFSRB will ensure that all fines are calculated in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/14.1(b)).

**Timeliness**

HFSRB staff made significant improvements, compared to the performance audit released in 2014, in improving the timeliness of identifying violations and moving through the compliance process. The 2014 audit recommended (Recommendation 7) that HFSRB staff should identify violations and initiate and complete the fines process in a timely manner. Testing of 24 settlements with final orders in FY14-16 showed improvements in the process. When a violation is identified, it generally moves through the process shown in Exhibit 3-4 by first being referred to the Board’s legal counsel. Typically, then, a Notice of Intent is sent to the facility. After a facility agrees to pay the imposed fine or negotiates a settlement agreement, a final order (approving the fine or settlement arrangement) is voted on and approved by the Board.



On average, the process from violation date to final order took 2.7 years for settlement agreements for FY14-16. Our 2014 audit reported an average of 3.5 years for FY12-13 settlement agreements. There were two settlement agreements that took over 10 years from the violation dates to the final orders. Excluding these two settlement agreements, the remaining 22 settlement agreements took an average of 1.4 years from violation date to the final order with 12 taking less than a year. Also, there were 15 settlements for violations which occurred during FY14-16. The average time from violation to final order for these 15 settlements was 290 days (0.8 years). Based on these improvements, the recommendation from the May 2014 audit that the Board should identify violations and initiate and complete the process in a timely manner will not be repeated.

For our sample of settlements, we found the following:

- From violation to referral to legal counsel took an average of 474 days (or 1.3 years). Ten of 24 settlements took less than 90 days to be referred to legal counsel after the violation.
- The remainder of the process (from legal counsel referral to the final order) took an average of 529 days (or 1.4 years) with 13 of the 24 taking less than 180 days.
- Excluding the two settlements that took over 10 years, the averages drop from 474 days to 302 days from violation to referral to legal counsel and 529 days to 194 days from legal counsel referral to the final order.

The two settlement agreements that took over 10 years were both initiated in 2007 despite violation dates as early as 2000. One of these was the subject of ongoing litigation and administrative hearings from 2010 to 2015. HFSRB officials noted that legal counsel had to wait for the matter to go through the administrative and court process. For the other, we saw no documentation between 2010 and a proposed settlement agreement in 2014 that might explain the delay. According to the HFSRB officials, a settlement was negotiated as early as 2013, but there was no documentation indicating why there were further delays.

We also tested fines that were paid by the facility as opposed to entering into negotiations and then a settlement agreement. The average for 4 of 5 fines tested (a final order date was not available for one fine) was 1.2 years from violation date to final order, ranging from 200 days to 696 days (or 1.9 years).

**APPENDIX A**  
**Excerpts from the Illinois Health Facilities Planning Act**  
**Requiring Audit**



**Excerpts from the Illinois Health Facilities Planning Act (20 ILCS 3960/)**

**Requiring Health Facilities and Services Review Board Performance Audit**

(20 ILCS 3960/19.5)

(Text of Section **before amendment** by P.A. 99-527)

(Section scheduled to be repealed on December 31, 2019 and as provided internally)

Sec. 19.5. Audit. Twenty-four months after the last member of the 9-member Board is appointed, as required under this amendatory Act of the 96th General Assembly, and 36 months thereafter, the Auditor General shall commence a performance audit of the Center for Comprehensive Health Planning, State Board, and the Certificate of Need processes to determine:

(1) whether progress is being made to develop a Comprehensive Health Plan and whether resources are sufficient to meet the goals of the Center for Comprehensive Health Planning;

(2) whether changes to the Certificate of Need processes are being implemented effectively, as well as their impact, if any, on access to safety net services; and

(3) whether fines and settlements are fair, consistent, and in proportion to the degree of violations.

The Auditor General must report on the results of the audit to the General Assembly.

This Section is repealed when the Auditor General files his or her report with the General Assembly.

(Source: P.A. 96-31, **eff. 6-30-09.**)

(Text of Section **after amendment** by P.A. 99-527)

(Section scheduled to be repealed on December 31, 2019 and as provided internally)

Sec. 19.5. Audit. Twenty-four months after the last member of the 9-member Board is appointed, as required under this amendatory Act of the 96th General Assembly, and 36 months thereafter, the Auditor General shall commence a performance audit of the State Board and the Certificate of Need processes to determine:

(1) (blank);

(2) whether changes to the Certificate of Need processes are being implemented effectively, as well as their impact, if any, on access to safety net services; and

(3) whether fines and settlements are fair, consistent, and in proportion to the degree of violations.

The Auditor General must report on the results of the audit to the General Assembly.

This Section is repealed when the Auditor General files his or her report with the General Assembly.

(Source: P.A. 99-527, **eff. 1-1-17.**)



**APPENDIX B**  
**Audit Scope and Methodology**





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## Appendix B

# AUDIT SCOPE AND METHODOLOGY

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This performance audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit's objectives are stated in the Illinois Health Facilities Planning Act at 20 ILCS 3960/19.5 (see Appendix A for Planning Act excerpt) which requires the Auditor General to conduct a performance audit of the Illinois Health Facilities and Services Review Board (HFSRB) and the Certificate of Need (CON) processes.

We reviewed risk and internal controls related to the Health Facilities and Services Review Board, the CON process, and related issues as they related to the audit's objectives. We also reviewed the performance audit of the Health Facilities and Services Review Board released in May 2014 by the Auditor General and followed up on the recommendations in the audit. A risk assessment was conducted to identify audit areas that needed closer examination. This audit identified some issues of noncompliance which are discussed in this report.

We interviewed representatives of the Health Facilities and Services Review Board. We also attended and observed a Board meeting. We reviewed Board composition and member requirements. We also reviewed Statements of Economic Interest for Board members to ensure the forms were being filed as required by the Illinois Governmental Ethics Act and to confirm there were no disclosures relevant to the audit.

We sampled 40 of 195 **CON permit** applications received by HFSRB during fiscal years 2014 through 2016. We chose to begin with FY14 because our prior audit presented information through FY13. (There were a total of 202 applications received during FY14-16; however, 6 were withdrawn before being considered by the Board and one project was still in progress as of May 2017.)

- We tested all applications for projects to construct a new hospital (4) or long term care (LTC) facility (11). These tend to have high average project costs and capture significant attention within a community or surrounding communities.
- We also tested all applications received in FY14-16 for projects which were denied (6 - 2 of which were included by virtue of being a project which was constructing a new

### CON Permit Testing Types:

- LTC facility
- Hospital
- Denied projects
- End Stage Renal Dialysis (ESRD)
- Modernize hospital patient areas
- Medical office building
- Ambulatory Surgical Treatment Center (ASTC)
- Emergency medical services building
- Rehabilitation
- Obstetrics
- Acute Mental Illness (AMI)
- Community based residential rehabilitation

LTC facility). Because we sampled all LTC and hospital projects which proposed to construct a new facility and all denied projects, these results can be projected to the population.

The remaining 21 projects were chosen to include projects of all sizes and types such as:

- projects classified as substantive or non-substantive;
- project type (such as new facility, new category of service, discontinuation of a facility or category of service);
- facility type (such as hospital, end-stage renal dialysis, ambulatory surgical treatment center);
- project size (projects ranged from \$0 to \$407 million); and
- project location (throughout Illinois).

The 21 projects were not chosen using a statistically valid method utilizing confidence intervals and confidence levels; therefore, results in this audit have not been, and should not be, projected to the population.

We sampled 25 of 115 **exemptions**, 1 of which was withdrawn. We selected exemptions to have a mix of the various types of exemptions. We selected 8 non change of ownership, 7 exemption applications which were not related to other exemptions, and 10 exemptions which were related to other exemptions (for example, a change of ownership of a health system might trigger a change of ownership exemption for 3 different hospitals). Within these areas, we judgmentally selected types of projects to ensure a mix of exemptions: approved by the Chairman versus approved by the Board; located in various cities; various facility types; and some designated as Critical Access Hospitals or Disproportionate Share Hospitals (safety net service providers). The 25 projects were not chosen using a statistically valid method utilizing confidence intervals and confidence levels; therefore, results in this audit have not been, and should not be, projected to the population.

For our CON permit and exemption application sample(s), we reviewed the application, State Board Staff Reports, and any other necessary documents associated with each application such as meeting minutes or correspondence between Board staff and the applicant. We used this information to confirm general information such as project cost, location, outcome, and project description. We reviewed the CON permit and exemption application process including the inclusion and completeness of a safety net impact statement (if applicable), whether Board members provided rationale when voting, and general compliance with statutory requirements including timeliness requirements. We found that the Board was generally in compliance with the applicable statutes and administrative rules regarding certificate of need projects submitted. However, there were instances of noncompliance which are discussed in this report. Results from this testing are presented in Chapter Two.

We reviewed settlement agreements and fines files that were finalized during FY14-16. We reviewed compliance tracking and fines and settlements tracking reports provided by HFSRB for FY14-16. We analyzed the reports and established a population of 11 fines assessed by the Board that did not end in or were not a part of a settlement agreement. HFSRB posted lists of settlement agreements by fiscal year on its website as required by the Planning Act. According to the settlement lists posted on the HFSRB website, there were 36 settlement agreements with final orders executed during FY14-16. We reviewed compliance and fines and

settlements tracking reports provided by HFSRB to confirm that the lists posted on the website were inclusive of all HFSRB settlements.

We reviewed 24 of 36 settlement agreements and 5 of 11 fines files that were finalized during FY14-16 to determine whether the fines and settlements were fair, consistent, and in proportion to the degree of the violation. We found there was a wide variation in the type, size, and violations covered by these fines and settlement agreements, making a direct comparison among them complicated. We found that, with the exception of the limited inconsistencies noted, given their respective circumstances, most settlements did not appear unreasonable based upon our review of the available information. Results from this testing are presented in Chapter Three. The fines and settlements were not chosen using a statistically valid method utilizing confidence intervals and confidence levels; therefore, results in this audit have not been, and should not be, projected to the population.

HFSRB waived an exit conference.



**APPENDIX C**  
**Significant Changes to the Certificate of Need Process**  
**(Changes that took effect between July 1, 2013 and January 1, 2017)**



## Appendix C

# SIGNIFICANT CHANGES TO THE CERTIFICATE OF NEED PROCESS

	Public Act/ Admin. Code	Effective Date
<b>General Clarifications</b>		
1. State Board Staff Reports are required for the following applications: <ul style="list-style-type: none"> <li>• permit or exemption,</li> <li>• permit renewal,</li> <li>• extension of the obligation period,</li> <li>• requesting a declaratory ruling, or</li> <li>• applications under the Health Care Worker Self-Referral Act.</li> </ul>	P.A. 98-1086	8/26/14
2. State agencies are exempted from the requirements of the [Illinois Health Facilities] Planning Act, except in the case of a State agency discontinuing a health care facility or category of service.	P.A. 98-257	8/9/13
3. The Planning Act does not apply to a dialysis facility that provides only dialysis training, support, and related services to individuals with end stage renal disease who have elected to receive home dialysis. Also, the Planning Act does not apply to a dialysis unit located in a licensed nursing home that offers or provides dialysis-related services to residents with end stage renal disease who have elected to receive home dialysis within the nursing home.	P.A. 98-1086	8/26/14
4. No permit or exemption is required for a facility licensed under the ID/DD Community Care Act (licensure of intermediate care facilities for persons with developmental disabilities).	P.A. 98-1086	8/26/14
<b>Change of Ownership Exemptions</b>		
5. Changes were made to the exemption process for a change of ownership and the change of ownership among related persons process was streamlined and has to be acted on by the Board Chairman within 45 days of the application being deemed complete.	P.A. 99-154 77 Ill. Adm. Code 1130.610	7/28/15 10/14/16
6. The Board is no longer allowed to impose any conditions, obligations, or limitations other than those required by statute on any change of ownership exemption.	P.A. 99-154	7/28/15
<b>Discontinuations</b>		
7. All discontinuations of a health care facility or category of service fill out an application for exemption as opposed to a CON permit.	P.A. 99-154	7/28/15

	<b>Public Act/ Admin. Code</b>	<b>Effective Date</b>
8. Upon a finding that an application to close a health care facility is complete, an applicant is required to provide notice of closure to the local media that the health care facility would routinely notify about facility events.	P.A. 99-551	7/15/16
9. An applicant discontinuing a healthcare facility is required to submit a statement to the Board within 90 days of the discontinuation, certifying the discontinuation is complete.	P.A. 99-527	1/1/17
<b>Administrative Rules</b>		
10. The Board is required to establish a separate set of rules and guidelines for facilities licensed under the Specialized Mental Health Rehabilitation Act of 2013. A new section on Specialized Mental Health Rehabilitation Facilities (SMHRFs) was added to HFSRB's administrative rules.	P.A. 98-651 77 Ill. Adm. Code 1126	6/16/14 5/16/16
11. Reiterated information on the Safety Net Impact Statement from the Planning Act (20 ILCS 3960/5.4).	77 Ill. Adm. Code 1110.230(b)	4/15/14
<b>Post Decision/Permit</b>		
12. Previously, the Board had to issue a written decision upon request of the applicant or an adversely affected party to the Board within 30 days of the meeting in which a final decision was made. An applicant must now request a written decision within 15 days after a Board meeting in which a final decision was made. Additionally, the Board has to consider, for approval, the written decision no later than the next scheduled Board meeting.	P.A. 98-414	1/1/14
13. Permit holders may request one extension of time to financially commit at least 33 percent of the total project costs. Prior to the amendment it was one extension to commit the total project costs. The amendment also changed an 18-month requirement for financial commitment to 24 months. Required documentation for the request was also deleted.	77 Ill. Adm. Code 1130.730	6/1/2015
<b>Fines</b>		
14. Allows fines to be assessed for failure to get an exemption for a change of ownership or failure to obtain an exemption for any applicable project including discontinuation of a facility or category of service.	P.A. 99-114	7/23/15
15. Allows the use of in-kind services instead of or in combination with the imposition of a fine. (This was in response to a recommendation in the May 2014 OAG audit and was a practice already in use by HFSRB.)	P.A. 99-114	7/23/15
16. Fines will accrue until either the date the matter is referred by the Board to the legal counsel or the date the facility becomes compliant with the Planning Act, whichever is earlier.	P.A. 99-114	7/23/15

Source: OAG summary of significant changes to the Planning Act and CON process that took effect between July 1, 2013 and January 1, 2017.



**APPENDIX D**  
**Status of Recommendations from OAG Performance Audit**  
**Released May 2014**



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**Appendix D**

# **STATUS OF RECOMMENDATIONS FROM OAG PERFORMANCE AUDIT RELEASED MAY 2014**

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<b>Rec. #</b>	<b>Recommendation</b>	<b>Status</b>
1	The Governor should appoint a Comprehensive Health Planner as required by State statute.	Not repeated
2	The Department of Public Health should work to establish the Center for Comprehensive Health Planning as required by State statute. The Center and the Comprehensive Health Planner should develop the required plan.	Not repeated
3	The staff of the HFSRB should ensure that Safety Net Impact Statements contain all elements required by the Health Facilities Planning Act. Additionally, a notice should be published, in a newspaper having general circulation within the area affected by the application, for all projects for which an application accompanied by a Safety Net Impact Statement has been filed.	Repeated (see Rec. 5)
4	The staff of the HFSRB should post all required web reports on its website as required by the Health Facilities Planning Act and its administrative rules to ensure the transparency intended by the State statute.	Repeated (see Rec. 1)
5	The Chairman of the HFSRB should conduct annual reviews of Board members' performance and submit them to the General Assembly along with required attendance records as required by the Health Facilities Planning Act.	Repeated (see Rec. 2)
6	The HFSRB should seek legislative change in statute and/or update its administrative rules to specifically authorize the use of "in-kind" services to reduce fines in the negotiation of settlements.	Not repeated
7	The staff of the HFSRB should identify violations and initiate and complete the fines process in a timely manner.	Not repeated

Source: OAG summary of status of recommendations in performance audit released in May 2014.



**APPENDIX E**  
**HFSRB Responses**





STATE OF ILLINOIS  
**HEALTH FACILITIES AND SERVICES REVIEW BOARD**

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October 19, 2017

Tricia Wagner, Audit Manager  
Office of the Auditor General  
Iles Park Plaza  
740 East Ash Street  
Springfield, IL 62703-3154

Via Electronic Mail and Hand Delivery

Dear Mrs. Wagner:

It was a pleasure meeting you, Paul and Megan. On behalf of The Illinois Health Facilities and Services Review Board, (HFSRB) thank you all for your level of professionalism, transparency and guidance during the auditing process.

After reviewing the confidential draft report dated September 27, 2017, HFSRB accepts the report as written and will comply with all recommendations as noted on Attachment A.

Should you have any questions, please contact Courtney Avery at [courtney.avery@illinois.gov](mailto:courtney.avery@illinois.gov) or 312/814-4825.

Sincerely,

**SIGNED ORIGINAL ON FILE**

Kathryn Olson, Chair

Cc: Courtney Avery, HFSRB Administrator

Enclosure: Attachment A

### **REQUIRED WEB REPORTS**

**Recommendation Number 1:** The staff of the Health Facilities and Services Review Board should post all required web reports on its website as required by the Illinois Health Facilities Planning Act (20 ILCS 3960/12.2)) to ensure the transparency intended by the State statute.

***Health Facilities and Services Review Board Response:*** In order to ensure transparency, and as required by the Illinois Health Facilities Planning Act (20 ILCS 3960/12.2), HFSRB staff will post all required web reports on its website.

### **REQUIRED BOARD MEMBER PERFORMANCE REVIEWS**

**Recommendation Number 2:** The Chairman of the Health Facilities and Services Review Board should annually review Board member performance and report the attendance of each member to the General Assembly.

***Health Facilities and Services Review Board Response:*** The HFSRB Chairman will annually review Board member performance and report the attendance of each member to the General Assembly. In order to ensure compliance, each member will be evaluated on their individual anniversary date.

### **EX PARTE COMMUNICATIONS**

**Recommendation Number 3:** The Health Facilities and Services Review Board should identify ex parte communications and report them to the General Assembly in accordance with its Administrative Rules (2 Ill. Adm. Code 1925.780) or revise its Administrative Rules regarding the classification of written comments and responses received after the established deadlines as ex parte communications.

***Health Facilities and Services Review Board Response:*** HFSRB will identify and report ex parte communications to the General Assembly in accordance with its administrative rules. In addition, HFSRB staff will discuss with members the possibility of amending its Administrative Rules regarding the deadlines for written comments and responses as well as the classification of those comments and responses if received after the established deadlines.



## **RATIONALE FOR VOTING**

**Recommendations Number 4:** The Health Facilities and Services Review Board should provide its rationale when voting on an item before it at a State Board meeting in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(10.5)).

***Health Facilities and Services Review Board Response:*** In accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(10.5)), HFSRB members will continue to provide its rationale when voting on items before it at State Board meetings.

## **SAFETY NET IMPACT STATEMENTS**

**Recommendation Number 5:** The Health Facilities and Services Review Board should ensure that Safety Net Impact Statements contain all elements required by the Illinois Health Facilities Planning Act (20 ILCS 3960/5.4). Additionally, a notice should be published, in a newspaper having general circulation within the area affected by the application, for all projects for which an application accompanied by a Safety Net Impact Statement has been filed.

***Health Facilities and Services Review Board Response:*** HFSRB staff will ensure that Safety Net Impact Statements contain all elements as required by the Illinois Health Facilities Planning Act (20 ILCS 3960/5.4). In addition, HFSRB will ensure that public notices are published in a newspaper having general circulation within the area affected by the application for all projects for which an application accompanied by a Safety Net Impact Statement has been filed.

## **MISCALCULATION OF ACCRUAL OF FINES**

**Recommendation Number 6:** The Health Facilities and Services Review Board should calculate the accrual of fines in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/14.1(b)).

***Health Facilities and Services Review Board Response:*** HFSRB will ensure that all fines are calculated in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/14.1(b)).

You can obtain reports by contacting:

Office of the Auditor General  
Iles Park Plaza  
740 E. Ash  
Springfield, IL 62703

217-782-6046 or TTY: 1-888-261-2887

OR

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