Illinois Health and Hospital Association

July 14, 2025

The Health Facilities and Services Review Board (HFSRB) has adopted amendments to the Health Facilities and Services Review Operational Rules (77 Ill. Adm. Code 1130), (June 20 *Illinois Register*, pages 8366 to 8435). The adopted amendments, which are now effective, focus on definitions, technical assistance, fees, extension of financial commitment and permit renewal. Applications for permit or exemption and post-permit transactions received by HFSRB after July 1, will be subject to these rules and fee requirements.

This memo serves as a summary of the key changes adopted.

1130.140 - Definitions
Several definitions were added to this Part, as well as updates to current definitions.

1130.225 – Technical Assistance
HFSRB revised their rules to put Technical Assistance into its own subpart. The language is identical to the previous version of the rules.

1130.230 – Fees
HFSRB has revised the fee structure for many of the application types and processes under its purview. The fee changes are as follows:

- Exemption Applications
  - Exemptions, other than for a change of ownership - $5,000
  - Change of ownership between related persons - $5,000
  - Change of ownership – the greater of $5,000 or .22% of the fair market value of the transaction, not to exceed $150,000.
- Certificate of Need Applications
  - Initial application fee of $5,000
  - After determination of total project costs, the fee of a project up to $2.25 million will be $5,000. Projects costing above $2.25 million will be assessed a fee of .22% of the total project cost, not to exceed $150,000.
  - Application modifications that result in an increased total project cost will be assessed an additional fee commensurate with the change in cost.
  - Should a modification trigger another notification for public hearing, an additional $4,000 fee will be assessed.
  - Notices will be made to applicants via email from dph.hfsrb@illinois.gov, and additional fees must be made within 30 days.
- Extension of Financial Commitment
  - Extension requests received 45 days prior to the financial commitment date will be assessed a fee of $1,000.
  - Extension requests received within 45 days will be assessed an additional $500.
- Permit Renewals
  - Renewal requests received 45 days prior to the project completion date will be assessed a fee of $1,000.
  - Renewal requests received within 45 days will be assessed an additional $500.
- Permit Alterations
  - Alteration requests submitted 45 days prior to the completion date that does not increase the project cost will be assessed a fee of $1,000. Those alterations that do increase the total project cost will be assessed a fee of the greater of $1,000 or .22% of the

increase in the total project cost, not to exceed $50,000.

- Alteration requests submitted within 45 days will be assessed an additional $500.

1130.550, 1130.620, 1130.730, and 1130.740 - Electronic Submission of Applications and Communications
Under the revised rules, larger portions of business between applicants and HFSRB can be done via email, including:

- Notification of incompleteness of an exemption application.
- An application for a certificate of need and any related correspondence to that application.
- Requests for extension of the financial commitment period.
- Requests for permit renewals.

1130.750 – Permit Alteration
The rules adopted in this section make several changes and clarifications to the alteration process.

- Makes clear that any change to a permit may constitute an alteration.
- Permit holders must report any alteration to HFSRB prior to commencement of the alteration.
- Alterations not requiring HFSRB approval must be submitted 10 business days prior to commencement of the alteration, with HFSRB determining within 10 business days whether the alteration requires review and approval.
- Alterations requiring HFSRB approval must be submitted 45 days prior to the project completion date.
- The cumulative effect on alteration cannot exceed the following parameters:
  - Any increase in the square footage up to 10%.
  - Any decrease in the square footage greater than10%.
  - Any increase in the project cost not to exceed 10%.

IHA has long advocated for HFSRB to increase the project cost overrun component, arguing that the continued increases in costs of construction and labor warrant greater flexibility for hospitals without the need to request a permit alteration. The increase in these adopted rules represents a step in the right direction for HFSRB to address this important issue.

1130.930 – Public Hearings
HFSRB has updated the public hearing process for projects in two key areas:

- HFSRB will conduct a public hearing for a project requested by a person even if that person subsequently rescinds the request for a public hearing.
- To avoid duplication of hearings, requests for public hearings made prior to an application being deemed complete or prior to a modification being submitted, shall not be held until the application is deemed complete or the modification has been submitted.

If you have questions, please contact Lance Kovacs at 630-276-5474 or lkovacs@team-iha.org.

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