ADVANCING HEALTH IN YOUR COMMUNITY
The Illinois Health and Hospital Association (IHA) is committed to developing sound healthcare public policy solutions that will broaden healthcare access, make healthcare more affordable and improve the quality of care to all Illinoisans.

Just as IHA is the trusted resource and partner to our members, we are also a trusted resource and partner to government leaders.
EVERY DAY, Illinois hospitals and health systems deliver on the promise of better health and quality care, from saving lives to bringing new life into the world. Open around the clock, they provide essential healthcare services to restore individual well-being, improve the health of those they serve and strengthen local economies across our state.

To meet the needs of all Illinoisans, Illinois hospitals provide a wide range of services, from emergency care and behavioral health to services that extend beyond their four walls, including mobile health services, transportation to appointments, meals on wheels, home health and hospice, all tailored to the needs of their communities.

This local health advocacy agenda is your guide to the key issues impacting healthcare in your community:

- **Access to Care and Coverage**
- **Adequate Funding for Healthcare**
- **Support to Hospitals to Address Community Needs**
- **Addressing Social Determinants of Health**

This agenda is a crucial part of our work to promote policies and legislation at the federal, state and local levels to positively impact the health of all individuals and communities in Illinois.

By joining us in spreading the messages outlined in the following pages, together we can **advance health in communities across Illinois**.

A.J. Wilhelmi  
President & CEO
Illinois Cities and Towns with a Hospital
Ensure Access to Care and Coverage

HEALTHCARE REFORM

Access to health insurance is critical for a healthier, more productive Illinois. The Affordable Care Act (ACA), while in need of improvements, has provided health insurance coverage to more than 20 million previously uninsured individuals, including more than one million Illinoisans. There should be NO repeal without adequate, affordable, meaningful, and simultaneous replacement to ensure access.

If there is no adequate and simultaneous replacement, then Congress should also repeal the Medicare and Medicaid cuts to Illinois hospitals that were included in the ACA to fund coverage expansion. These cuts are already $1.7 billion since 2010 and will be another $10 billion by 2026.

The estimated impact of those losing coverage because of ACA repeal could be devastating.

ACA should not be repealed without an affordable, meaningful replacement

IF ACA IS REPEALED WITHOUT MEANINGFUL REPLACEMENT

ONE MILLION
previously uninsured Illinoisans could lose coverage

650K Medicaid Expansion

350K Health Insurance Exchange

$11.6 – $13.1 BILLION
LOST annual Illinois economic activity

84,000 – 95,000
LOST Illinois jobs

Sources: IHA analysis based on 2016 enrollment from the Illinois Department of Healthcare and Family Services (HFS) and the U.S. Department of Health & Human Services (HHS), rate information from HFS and HHS’ Office of the Assistant Secretary for Planning and Evaluation Office of Health Policy Research, Regional Input-Output Modeling System II (RIMS II), U.S. Bureau of Economic Analysis.
Ensure Access to Care and Coverage CONTINUED

ESTIMATED LOSSES IF ACA IS REPEALED PER ILLINOIS CONGRESSIONAL DISTRICT

- **District 17**
  - Lost Coverage: 51,502
  - Lost Jobs: 4,347

- **District 12**
  - Lost Coverage: 50,709
  - Lost Jobs: 4,292

- **District 13**
  - Lost Coverage: 44,546
  - Lost Jobs: 3,743

- **District 14**
  - Lost Coverage: 40,506
  - Lost Jobs: 3,399

- **District 15**
  - Lost Coverage: 40,506
  - Lost Jobs: 3,399

- **District 16**
  - Lost Coverage: 39,506
  - Lost Jobs: 3,278

- **District 18**
  - Lost Coverage: 35,875
  - Lost Jobs: 2,993

**Chicago & Suburbs (see page 5)**

Notes: Includes data for the Health Insurance Marketplace and Medicaid expansion; excludes ACA enrollees whose Congressional district is unknown.
CHICAGO & SUBURBS

- **District 14**: 46,270 Lost Coverage, 3,686 Lost Jobs
- **District 6**: 42,648 Lost Coverage, 3,404 Lost Jobs
- **District 10**: 42,937 Lost Coverage, 3,480 Lost Jobs
- **District 1**: 70,455 Lost Coverage, 5,932 Lost Jobs
- **District 8**: 50,720 Lost Coverage, 4,110 Lost Jobs
- **District 2**: 67,627 Lost Coverage, 5,750 Lost Jobs
- **District 3**: 54,857 Lost Coverage, 4,509 Lost Jobs
- **District 11**: 43,326 Lost Coverage, 3,547 Lost Jobs
- **District 7**: 82,689 Lost Coverage, 6,935 Lost Jobs
- **District 9**: 61,937 Lost Coverage, 5,059 Lost Jobs
- **District 4**: 67,567 Lost Coverage, 5,589 Lost Jobs
- **District 5**: 60,753 Lost Coverage, 4,912 Lost Jobs
MEDICAID MANAGED CARE

Illinois’ Medicaid program provides essential healthcare to 3.2 million individuals, 47% who are children. Our state’s Medicaid program has contracted with Managed Care Organizations (MCOs) in an effort to achieve the state’s goal of reducing costs and managing the use of health services.

While MCO performance is more transparent thanks to legislation requiring the Department of Healthcare and Family Services (HFS) to publish MCO quality and administrative performance data, much work remains.

Future reporting initiatives should focus on:
- Solvency oversight;
- Network adequacy; and
- Impact of MCOs on health outcomes.

MCO performance in care coordination is below providers’ expectations, limiting MCO partnerships with providers to coordinate care. Providers are performing care coordination activities with limited or no support from MCOs, while being subjected to additional MCO administrative barriers.

MCOs must be accountable for performance. Plans can better assist in care coordination activities.

THE FACES OF ILLINOIS MEDICAID

25% of all Illinoisans are on Medicaid

80% Families with a Worker

47% Children

8% Disabled Adults

6% Seniors

Sources: Illinois Department of Healthcare and Family Services, FY2016 enrollment; U.S. Census Bureau; Kaiser Family Foundation
Ensure Adequate Funding for Illinois Healthcare

**MEDICAID**

Illinois hospitals rely on stable funding from the state and federal governments to be able to develop innovative and cost-efficient strategies to better serve patients and communities. Collectively, the state owes all providers, including hospitals, more than $8 billion for Medicaid and state employee group health. It is critical that the state implement a borrowing plan as authorized by the General Assembly to help pay down this backlog of unpaid bills to ensure access to high-quality healthcare for Illinoisans, especially for Medicaid beneficiaries and state employees and retirees. Illinois’ Medicaid program cannot sustain long payment delays or additional funding cuts without negatively impacting patient care.

**MEDICAID RESTRUCTURING**

Illinois is not well positioned or able to absorb the costs that would be shifted to the states as a result of the federal government capping its commitment to fund Medicaid. Per capita caps or block grants would lock Illinois into low and insufficient federal funding levels, putting the state at a competitive disadvantage compared to other states for years to come.

Protect Medicaid from harmful payment cuts

Hospital payments must be adequate and timely

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**ILLINOIS IS GETTING SHORTCHANGED**

Federal Contribution Per Medicaid Beneficiary | 2015

- Illinois receives **LESS** Federal Funds per Medicaid Beneficiary than **ANY** other state in the U.S.
- Illinois has **ONE OF THE LOWEST** Medicaid matching rates in the country

![Map showing federal contribution per Medicaid beneficiary in Illinois and other states.](source: Illinois Department of Healthcare and Family Services FY2016 Medicaid enrollment (excludes enrollees with Partial benefits))

**U.S. Rank (higher is better)**
- #2 MISSOURI*
- #3 KENTUCKY
- #17 OHIO
- #18 MICHIGAN
- #21 NEW YORK ($4,904)
- #23 IOWA
- #26 PENNSYLVANIA ($4,687)
- NATIONAL AVERAGE $4,578
- #29 WISCONSIN*
- #31 INDIANA
- #33 TEXAS ($4,437)*
- #35 CALIFORNIA ($4,397)
- #48 FLORIDA ($3,629)*
- **#50 ILLINOIS**

*No Medicaid expansion funds included
MEDICAID ENROLLMENT BY REGION - FY 2016

Northwest
- 173,529 Beneficiaries
- 46.23% Children
- 4.38% Seniors

North Central
- 214,862 Beneficiaries
- 44.47% Children
- 4.62% Seniors

West Central
- 147,833 Beneficiaries
- 42.51% Children
- 5.30% Seniors

Metro East
- 144,971 Beneficiaries
- 42.67% Children
- 4.59% Seniors

Chicago Suburbs
- 592,099 Beneficiaries
- 52.94% Children
- 5.44% Seniors

Cook County
- 1,556,260 Beneficiaries
- 46.42% Children
- 7.54% Seniors

East Central
- 184,876 Beneficiaries
- 45.51% Children
- 4.79% Seniors

Southern
- 164,356 Beneficiaries
- 42.45% Children
- 6.26% Seniors

Source: Illinois Dept of Healthcare and Family Services FY2016 Medicaid enrollment
TAX POLICIES

Tax exemption for Illinois’ non-profit hospitals and a tax credit for investor-owned hospitals are two important, effective fiscal policies that help ensure access to care.

Non-profit hospitals provide a significant amount of the state’s charity care. We ask for your support in urging the state to retain statutory language enacted in 2012 that established a fair and reasonable test for property tax exemption.

Investor-owned hospitals provide much-needed healthcare services to low-income and vulnerable communities. Join us as we call on legislators to renew the investor-owned hospital tax credit.

LOCAL GOVERNMENTS

Hospitals have already absorbed huge reimbursement cuts at the state and federal levels, and any increases in fees or taxes from local governments could significantly impact access to care for some of the state’s most vulnerable patient populations.

While IHA recognizes that local governments face serious financial challenges, it is critical that they not balance their budgets on the backs of hospitals and the patients and communities they serve.

IHA urges local governments to invest in healthcare and allow hospitals to continue to serve as significant economic engines in our region.

- Illinois hospitals provide nearly $800 million in charity care alone
- **$5.3 billion** in total community benefits from the 109 reporting hospitals
- **MORE TAXES OR FEES MEANS LESS FUNDING TO PROVIDE HEALTHCARE**

Illinois hospitals provided nearly **$800 MILLION** in charity care alone (in 2015, measured at cost)

*Source: Illinois Department of Public Health Annual Hospital Questionnaire, 2015*
Support Illinois Hospitals to Address Community Needs

HOSPITALS MAKE HEALTHY COMMUNITIES

Illinois hospitals and health systems are major economic engines in their communities, generating $88.8 billion for state and local economies every year. Just as hospitals serve patients by improving individual well-being, they strengthen communities by creating economic ripple effects as a dominant employer.

Illinois hospitals employ more than 260,000 people and generate nearly 500,000 direct and indirect jobs. They spend $40.8 billion in payroll, $40.9 billion in supplies and $7.1 billion in capital expenditures annually.

Source: 2016 IHA Economic Impact Study

DRIVING HEALTHCARE TRANSFORMATION

Illinois hospitals are driving healthcare transformation by improving quality and reducing costs. Three in four Illinois hospitals—156—are engaged in innovative delivery models, including Accountable Care Organizations, Medicare bundled-payment initiatives, Care Coordination Entities, medical homes and other delivery models. Other hospital efforts have produced new infrastructure in new locations, new partnerships, greater efficiencies, lower costs and increased accountability for patient outcomes.

Source: IHA member database
Economic Impact of Illinois Hospitals by Geographic Region* 

Northwest 
$4.5B Economic Impact
23,700 Jobs

North Central 
$7.6B Economic Impact
46,000 Jobs

West Central 
$4.7B Economic Impact
27,500 Jobs

Metro East Area 
$2.5B Economic Impact
16,300 Jobs

Chicago Suburbs 
$15.4B Economic Impact
75,700 Jobs

Cook County 
$45.9B Economic Impact
250,200 Jobs

East Central 
$4.9B Economic Impact
29,800 Jobs

Southern 
$3.3B Economic Impact
23,600 Jobs

TOTALS: 
$88.8 BILLION Economic Impact
492,800 Jobs

* Total Impact on Spending and Total Impact on Jobs  
Source: 2016 IHA Economic Impact Study
Addressing Social Determinants of Health

While Illinois hospitals continue to invest in world-class healthcare, they are also redefining the “H” and expanding their reach beyond the hospital’s four walls and into their communities to address the social determinants of health. Defined as the conditions in which people are born, grow, live, work and age, social determinants of health include:

- Socioeconomic status;
- Education;
- Physical environment;
- Employment; and
- Social support networks.

Hospitals across the state have adopted a population health approach of care to improve patient engagement and health outcomes, while reducing costs. Based on the needs of their communities, they’ve established programs to help patients manage chronic obstructive pulmonary disease, they’ve sent community health workers into communities to teach residents with diabetes how to improve their health and they’ve established crisis intervention services to connect patients to needed social services.

Sodium Reduction Efforts in Rural Communities Combat Cardiovascular Disease

With high-sodium diets linked to high blood pressure—a major risk factor for cardiovascular disease and the leading cause of death in Illinois—small and rural hospitals in Illinois have made sodium reduction a priority for patients, communities and their employees. A collaboration between the Center for Disease Control and Prevention’s Heart Disease and Stroke Prevention Program, Illinois Department of Public Health, IHA and 27 small and rural hospitals in Illinois resulted in significant changes in sodium consumption between 2012 and 2016. These hospitals initiated comprehensive, population-based environmental change strategies, including new food policies about nutrition standards, patient meals and food sold within their hospital. They’ve promoted healthy foods using signs, handouts, social media, cooking demonstrations and community partnerships.
Preventing Violence Before it Occurs

Violence can occur in homes, schools, workplaces and on the streets, which has led hospital leaders to focus on violence prevention, in addition to the mental health of those impacted. Illinois hospitals, both rural and urban, are working to help break the cycle of violence by uniting partners to promote policy and environmental change to prevent violence before it occurs. Hospitals are providing counseling to patients, families and their own employees. They’re also partnering with the religious community and others to address the psychological effects of trauma in their communities.

Partnerships Tackle Food Insecurity

Illinois hospitals are working to keep their communities healthy by addressing food insecurity and promoting healthy eating. They’re planting community gardens to help feed local residents and provide healthy food options to combat chronic disease. Hospitals also are partnering with local food banks to offer residents affordable, convenient fresh fruit and vegetables. Knowing that food habits are established at a young age, hospitals are working with local schools and park districts to introduce healthy foods to children in an engaging way.
What’s at Stake?

With 41% of Illinois hospitals already operating on slim or negative margins, Illinois healthcare providers face enormous operational and financial challenges. Despite these challenges, Illinois hospitals are diligently moving ahead in the transformation of Illinois’ healthcare delivery system to reduce costs and improve outcomes.

The Illinois Health and Hospital Association is committed to advancing healthcare for all individuals in Illinois. Critical to achieving this goal is the viability of our hospitals that play an essential role in building healthy communities and a strong state economy.

Just as lives depend on our hospitals, our hospitals depend on the support of the government and the public.
HIGHLIGHTS ABOUT ILLINOIS HOSPITALS 
AND HEALTH SYSTEMS

OPERATING ON SLIM OR NEGATIVE MARGINS

Northern Illinois 39.5%
Central Illinois 41.7%
Southern Illinois 58.6%
Metro East 33.3%
Chicago & Suburbs 44.7%

223 Hospitals, including:
58 Teaching Hospitals
51 Critical Access Hospitals
38 Safety Net Hospitals

34,027 Staffed Beds
1.5 MILLION Inpatient Admissions
38 MILLION Total Outpatient Visits

Sources: Illinois Department of Public Health Annual Hospital Questionnaire, 2015; Medicare Cost Reports, December 2016 release