



## SB 1763 TOOLKIT



# SUPPORT SENATE BILL 1763

## Hospital Medicaid Rate Increase

Sen. Ann Gillespie, Sen. Dave Syverson, Sen. Julie Morrison, Sen. Linda Holmes, Sen. Sara Feigenholtz  
Sen. Sue Rezin, Sen. Cristina H. Pacione-Zayas, Sen. Donald P. DeWitte, Sen. John F. Curran,  
Sen. Mike Simmons, Sen. Jil Tracy, Sen. Mattie Hunter, & Sen. Javier L. Cervantes

**IHA Position:** IHA strongly supports Senate Bill 1763, which provides the first General Revenue Fund (GRF) Medicaid rate increase for hospitals in 28 years. Without additional state support, access to care will continue to suffer as hospitals are forced to close units, limit services or, in extreme cases, consider closure.

**Background:** Hospitals are facing dire financial distress due to dramatically higher labor, drug and supply costs. Unlike grocery stores and gas stations, hospitals cannot simply raise their prices—Medicaid and Medicare rates are set by law. **The State Medicaid program reimburses hospitals about 80% of what it costs to provide care, while the Medicare program covers about 90% of costs.** Medicaid and Medicare account for 2/3 of hospital inpatient stays and over half of all hospital outpatient services.

### Medicaid Facts – The State’s Investment in Assuring Equitable Access to Hospital Care:

- The GRF hospital inpatient rate is less today than it was in 1995, while hospital costs are up 85%.
- The GRF hospital outpatient rate is less today than when it was established in 2015.
- GRF funds only 18% of hospital Medicaid spending, while the almost \$2 billion assessment tax paid by hospitals funds about 22% of hospital Medicaid spending.
- Today, **Medicaid insures 3.6 million or 3 in 10 Illinoisans**, compared to 1 in 10 Illinoisans in 1995.
- Illinois ranks 48<sup>th</sup> among states in Medicaid spending per enrollee; only GA, SC and NV spend less.
- **To preserve and improve equity in access to care for Medicaid customers, the State should invest in Medicaid hospital rates that are equitable and cover the cost of care.**

### SB 1763 Synopsis – To Preserve and Improve Equity in Funding for Hospital Care:

- A twenty percent (20%) across-the-board increase to hospital Medicaid base rates.
- Doubling of the current Safety Net Hospital add-on payment to provide added consideration for the hospitals serving vulnerable communities.
- Harmonization of current inpatient psych rates to support improved access to care in response to the growing behavioral health crisis.
- Establishment of an emergency room boarding rate to address costs associated with increased patient boarding in hospital ERs.
- A provision to institute an annual inflation update to prevent future Medicaid underfunding and assure equitable access to hospital services.

# PLEASE CO-SPONSOR AND SUPPORT SB 1763