April 2018

Oppose Cuts to Medicaid in FY2019 State Budget

**Issue:** The Governor’s FY2019 state budget proposal includes a 4 percent reduction in Medicaid rates, including hospital rates. This is equivalent to a $300 million cut annualized over a full year.

**IHA Position:** IHA urges the General Assembly to preserve access to quality healthcare for all Illinoisans and oppose cuts to the Medicaid program or hospital funding. We urge the Governor and General Assembly to collaborate to reach agreement on a comprehensive and sustainable state budget for FY2019 that protects the State’s already fragile healthcare delivery system.

**Background:**

Illinois is 50th in the country in federal funding support per Medicaid beneficiary and 49th in Medicaid spending per beneficiary.

More than 40 percent of hospitals across Illinois are struggling to survive, with negative or extremely thin margins. Illinois hospitals have already absorbed more than $1 billion in state Medicaid cuts and more than $5 billion in federal Medicare cuts since 2010. The hospital community cannot sustain any more cuts without impacting patient care.

Over the years, IHA and the Illinois hospital community have been good partners with the State to maximize critical federal Medicaid funding for Illinois, including the recently enacted legislation for a redesigned, modernized $3.5 billion Hospital Assessment Program.

Now is the time for the State to maintain its support for the health and well-being of its residents and the continued viability of the hospital community as critical health providers – and as major employers and economic engines that generate nearly half a million jobs and more than $95 billion in annual economic activity.

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Preserve and Protect Access to Quality Healthcare for All Illinoisans