Work on Reducing Backlog of Unpaid Bills

**Issue:** The State’s current backlog of unpaid bills remains extraordinarily high, with interest penalty payments continuing to grow and healthcare providers negatively affected.

**IHA Position:** IHA and the hospital community urge the General Assembly to continue its efforts to reduce the state’s backlog of unpaid bills. We greatly appreciate the General Assembly’s action in 2017 to authorize an increase in the State’s general obligation debt, enabling the State to pay down about half of its record $16.7 billion backlog, including substantial payments for Medicaid and state employee group health.

**Background:**

As of mid-April, the State’s current backlog of unpaid bills was approximately $8.5 billion.

The backlog includes nearly $1.6 billion in unpaid bills for state employee group health, with payment delays as long as 309 days and interest penalty payments of more than $130 million on these bills alone.

Credit rating agencies continue to rate Illinois’ bond debt at just one notch above “junk”, in large part due to the state’s chronic budget deficits.

Moody’s Investors Service recently stated that its ratings outlook for Illinois remains negative “based on our expectation of continued growth in the state’s unfunded pension liabilities, the state’s difficulties in implementing a balanced budget that will allow further reduction of its bill backlog, and elevated vulnerability to national economic downturns or other external factors.”

Hospitals count on adequate and *timely* payments to support innovative and cost-effective strategies to better serve their patients and communities. In spite of the budget passed last year, hospitals continue to wait months for payments for care provided to Medicaid patients and state employees. With long payment delays, hospitals may be forced to make difficult decisions, e.g., postponing facility/equipment upgrades, eliminating positions, deferring new hires, reducing services.

**Reduce the Backlog of Unpaid Bills**

**Support Critical Healthcare Services**

For more information, please contact David Gross, Senior Vice President, Government Relations | dgross@team-iha.org | 217.541.1161