General Assembly Passes State Budget with No Medicaid Cuts

June 1, 2018

State Advocacy Update

In one of the most collaborative, bipartisan legislative spring sessions in recent memory, the Illinois General Assembly adjourned Thursday evening after passing the state budget for FY2019 – without any Medicaid rate cuts, and with a five-year renewal of the tax credit for investor-owned hospitals.

The collegial tone of the session was set early this year as the bipartisan Legislative Medicaid Work Group worked with IHA, the Department of Healthcare and Family Services and other key stakeholders to develop legislation for the new, redesigned $3.5 billion Hospital Assessment Program (Senate Bill 1773 / PA100-0581) and Medicaid managed care oversight reforms (Senate Bill 1573 / PA100-0580). Both bills passed on overwhelming bipartisan votes in late February and were signed by the Governor in March.

Thanks to the ongoing advocacy of IHA and the hospital community – speaking with a strong, unified voice – together, we achieved several notable successes during the just completed spring session beyond the legislation for the redesigned assessment program. Highlights include:

- FY2019 State Budget (House Bill 109): $38.5 billion appropriations bill with no Medicaid rate cuts; IHA had opposed the Governor’s proposed 4% Medicaid rate cut (equivalent to $300 million over a full year); in addition, the budget includes a $3 million appropriation for the Illinois Poison Center; and it assumes budget savings of nearly $500 million through two public pension buy-out options;
- Medicaid omnibus bill (Senate Bill 1851): Includes the “Gap Payment” plan for continuing Hospital Assessment Program payments to hospitals – to be implemented only in the highly unlikely event that federal CMS neither approves the redesigned assessment program nor extends the current program by July 11. The bill also includes key provisions on Medicaid managed care rate transparency; Department of Children and Family Services (DCFS) reimbursement to psychiatric hospitals for children staying in a hospital beyond medical necessity ("DCFS lockouts"); increased oversight as the state moves children with complex conditions and DCFS wards into Medicaid managed care; and ambulance transports from hospitals and nursing homes (with no financial penalties to hospitals);
- Budget Implementation (BIMP) (House Bill 3342): This bill includes a five-year extension of the tax credit for investor-owned hospitals. There is NO reduction in the prompt pay penalty for late payments of Medicaid and state employee health insurance bills;
- Medicaid telehealth reimbursement (Senate Bill 3049): This bill expands reimbursement for the originating site at the time of service—where the patient is located—to all Medicaid-eligible facilities. The bill also allows licensed clinical psychologists, licensed clinical social workers and advanced practice registered nurses certified in psychiatric and mental health nursing to be reimbursed for delivering behavioral health services via telehealth; and broadens language in the existing Medicaid statute referring to access needed for "telepsychiatry" and "psychiatric mental health services" specifically to "telehealth" and "behavioral and medical services," creating more inclusive language for continued expansion through future legislation or the regulatory process;
- Workers’ compensation (Senate Bill 904): This legislation will allow providers to collect interest for late Workers’ Compensation bill payments; require workers’ compensation insurance companies to send an Explanation of Benefits to providers explaining why they have denied authorization of medical care; and prevent workers’ compensation insurers
from ignoring the law requiring them to use electronic billing for workers’ compensation claims;

- **Certificate of Need Program (House Bill 4645):** This bill extends the Certificate of Need Program for an additional 10 years, through Dec. 31, 2029; and

- **Healthcare worker safety/violence prevention (House Bill 4100):** This legislation includes provisions on training and procedures to protect healthcare employees, such as protocols to be developed between hospitals and law enforcement agencies to provide notice to hospitals when potentially violent prisoners or justice-involved individuals will be presented for medical care, as well as training requirements for law enforcement and corrections personnel related to high-risk prisoners.

In addition, IHA successfully opposed and blocked many bills that would have imposed unnecessary or onerous burdens or requirements on hospitals and health systems, including: metal detectors at hospital entrances (Senate Bill 2334); reduction of prompt pay (Senate Bill 44); limitations on bonus pay for hospital employees (House Bill 5309); requirement for health care cost estimates (House Bill 4933); emergency Electroconvulsive Therapy (House Bill 5557); disruption of Illinois’ current remedy to limit surprise bills (House Bill 4679); requirement for 72-hour advance workforce scheduling notice (House Bill 5046); disruption of healthcare providers’ process to file liens (House Bill 5776); and increase in Department of Corrections’ ability to transfer inmates to private hospitals (House Bill 4438).

While IHA continues to have concerns about the implementation requirements and timelines of legislation (House Bill 5245) to substantially increase the number of Sexual Assault Nurse Examiners (SANEs) statewide, IHA worked with key stakeholders to revise the legislation to make it more workable. We will continue our efforts to improve/streamline the steps needed to implement and operationalize the requirements of the SANEs bill.

We greatly appreciate the strong support and advocacy of our members that enabled IHA and the hospital community to work through the many challenges and issues we faced during the legislative session.

Later this month, IHA will be sending you a more detailed overview of the Spring 2018 legislative session on the many bills that IHA closely tracked and worked on to best represent hospitals and health systems and the patients and communities they serve.