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Pat Quinn, Governor
Julie Hamos, Director

E-news



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Illinois Department of Healthcare and Family Services

Greetings from HFS Director Julie Hamos

Welcome to the first edition of *HFS e-news*.

We hope that you will find something new or important to you regarding our programs. The Department of Healthcare and Family Services (HFS) administers two programs for the public: Medical Assistance (Medicaid and All Kids) and Child Support Services.

The *HFS e-news* will be published periodically to keep you updated on program changes. To register for future *HFS e-news*, please register online at HFS E-News Online Registration or download this for others who might be interested by visiting: hfs.illinois.gov/enews

Thank you,
Julie Hamos, Director

Illinois Medicaid Reform Law Taking Effect

Landmark legislation was the initiative of bipartisan Senate and House Special Committees on Medicaid Reform, with the support of Governor Quinn's administration. Public Act 96-1501 includes numerous provisions that will improve the integrity of the Medicaid program, enhance healthcare for Illinois' children and families, and result in cost savings. If you would like to see, or download, the fact sheet on the new law, go to [Medicaid Reform Fact Sheet for Public Act 96-1501](#).

As of July 1, 2011, the new Medicaid reform law will impose an eligibility cap for the All Kids Program. Only children whose family income is under 300% Federal Poverty Level (about \$55,600 for a family of 3) will qualify. Children whose families have income greater than 300% of poverty may remain on All Kids until June 30, 2012, as long as their premiums are paid and they continue to meet all other requirements.

The new state law also would have required applicants for Medicaid and All Kids to verify one full month's of income and Illinois residency. However, these tighter eligibility verification requirements have not been approved by the federal government, citing a conflict with the "maintenance of effort" (MOE) provisions of the federal *Affordable Care Act*. The state will work with the federal government to develop procedures for electronically verifying this information through data matches with other agencies.

Medicaid Budget for New Fiscal Year Presents Challenges

The FY12 final budget, as adopted by the General Assembly, has a \$1.4 billion unfunded budget gap that will result in a continued pattern of deferring payment of bills, and a potential payment cycle of up to 120 days for many Medicaid providers. We will work hard to make sure that we fulfill our responsibilities to make faster payments for "expedited" providers and practitioners (for whom the court has ordered payments

within 30 days). View a copy of the [Medicaid Budget Update Fact Sheet](#).

New Web Site Shows Medicaid Enrollment by County

In response to new legislation, the *Medicaid Accountability Through Transparency Program*, HFS has created a user-friendly, interactive website that will allow the public, as well as providers, the opportunity to inspect Medicaid provider data by county (with no identifiers that would violate patient privacy). So far, enrollment data is available by county, Congressional district, and zip code. Check out the data on the HFS Web site for [Program Enrollment](#).

Coordinated Care Policy Paper Requesting Comments

The new Medicaid reform law will require the state to enroll 50% of 3 million+ Medical Assistance clients in “coordinated care” by January 1, 2015 — defining “coordinated care” to include a full range of healthcare and support services around the needs of the client, using managed care and other care models. The legislation leaves key operational issues to be analyzed, debated and finalized. The Department has posted a Policy Paper on Coordinated Care, and we are inviting stakeholders to provide written comments by July 1. We also will hold public hearings later in the summer to discuss the responses, focusing particularly on those areas where there is no consensus. All comments and updates will be posted on the [Coordinated Care](#) Web pages on the HFS Website.

Integrated Care Program Launched

As one model of coordinated care, last month we launched the Integrated Care Program to improve care for about 40,000 older adults and adults with disabilities in Suburban Cook, DuPage, Kane, Lake, Kankakee and Will Counties. Under this new program, a team of providers and case managers will work to keep enrollees healthier through more coordinated, better quality care, thereby saving avoidable or unnecessary healthcare costs. For full details and information, see our [Integrated Care Program Fact Sheet](#). The first enrollment packets have been mailed in English and Spanish. You may view a sample of the [enrollment material](#).

Hospital Rate and Nursing Home Rate Reform Initiatives Beginning

HFS has already begun the process for restructuring and modernizing the payment methodology for Medicaid inpatient and outpatient hospital rates. Two public meetings were held, in March and April, to share Illinois hospital data and to introduce rate reform initiatives in other states. Technical review teams will be invited to help the department develop a rate methodology for Illinois. The [Hospital Rate Reform Presentations](#) are available on the HFS Web site.

Under Public Act 96-1530, the current nursing home reimbursement system will expire on July 1, 2012. This summer, HFS will begin to work with the nursing home industry and stakeholders to restructure nursing home rates to implement an “evidence-based payment methodology,” taking into account the new MDS 3.0 Resident Assessment Instrument. With both hospital rate and nursing home rate reform initiatives, we will keep stakeholders informed and involved.

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Please feel free to ask questions or share comments by e-mailing: hfs.webmaster@illinois.gov.