



Illinois Statehouse News

Lawmakers look for wiggle room in tight budget

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By Benjamin Yount Illinois Statehouse News

SPRINGFIELD — Medicaid service providers in Illinois have a tough choice: wait even longer to get paid what they're owed, or get paid less now.

This hard choice is part of the state's plan to get the most bang for its buck — \$33 billion, actually — out of the fiscal year 2012 state budget.

Stretching out the payment cycle to Medicaid providers into next year will allow Gov. Pat Quinn's office to "manage" hundreds of millions of dollars, said state Rep. Sara Feigenholtz, D-Chicago, adding that the state pays \$28 million a day for Medicaid services

"We're not spending over (\$33 billion)," said Feigenholtz. "If there is extra money coming in, we're going to use it to pay down bills."

Howard Peters, vice president of the Illinois Hospital Association, which advocates for local hospitals statewide, said doctors, hospitals and pharmacists chose a later payday over a smaller payday.

"It's very important for us to avoid across-the-board rate cuts," said Peters. State Rep. Patti Bellock, R-Hinsdale, said the governor proposed a 6 percent cut for Medicaid providers, and lawmakers were looking at 12 percent. The General Assembly asserted control over the budgeting process this year, with a goal to keep state spending in line with state tax revenue. Instead of facing cuts, Peters said Medicaid providers chose to wait for payment.

"Some providers are being paid every 30 days," Peters said. In the next budget, "we're looking at a payment cycle between 90 and 100 days."

And Medicaid providers aren't the only groups facing late payments from Illinois. An Illinois Senate panel on Sunday approved a measure that would extend the amount of time the state has to pay its bills from three months to six months. That period, known as

lapse-period spending, covers bills that arrive in Springfield after the end of the budget year, which ends in June. Illinois traditionally would pay those bills by September, but lawmakers want to give the governor until December to send the checks.

Senate President John Cullerton, D-Chicago, said if lawmakers do not give the governor more time, they have to either give him more money or tell businesses and hospitals to sue the state.

"This is not new spending," said Cullerton. "This is giving (the governor) more time to pay the bills."

Quinn's budget spokeswoman, Kelly Kraft, said the governor would prefer that lawmakers "restructure" the state's backlog of bills by borrowing \$6 billion, but the

Quinn administration will take what it can get.

"An extension is something we need to manage the state's cash flow" said Kraft. This past year Illinois' lapse period spending was \$5.4 billion. Kraft expects lapse period spending for this year to be \$5.3 billion.

Republicans in Springfield do not support borrowing \$6 billion, nor do they support the lapse-period extension. State Sen. Dave Syverson, R-Rockford, said taking advantage of "wiggle room" is what created Illinois' multi-billion dollar backlog of unpaid bills.

"At some point we have to make the tough decisions, make the painful cuts, balance the budget and pay our bills, and stay within our payment cycle," said Syverson.

Lawmakers are working on a final spending plan for next year. A vote on a budget is expected before Wednesday.