



Medicaid group strains for \$2.7 billion in cuts

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CHICAGO (AP) — As state leaders push for a prompt agreement on where to cut a breathtaking \$2.7 billion from Illinois' Medicaid program, the two Republicans and two Democrats designated to come up with a deal are confronting fundamental differences, including over a proposal to resurrect a cigarette tax increase as a way to soften the blow.

While a final list of cuts hasn't been determined, coming into focus are possible points of agreement on reductions in spending for the health insurance program for nearly 3 million poor and disabled Illinois residents, according to interviews with committee members and committee background materials obtained by The Associated Press.

The group plans to meet again Tuesday. Under discussion:

—Eliminating tangible benefits such as visits to chiropractors and setting limits on dentures and eyeglasses. For people with incontinence, reducing the monthly ration of diapers.

—More than 26,000 parents with incomes more than 133 percent of the federal poverty level may lose their coverage in a program called Family Care.

—About 180,000 senior citizens may lose state help paying for prescription drugs through Illinois Cares Rx.

Gov. Pat Quinn set the \$2.7 billion target in his Feb. 22 budget address, warning that Medicaid was "on the brink of collapse." He charged a four-member work group with finding a solution. At the time, his administration suggested tightening eligibility, reducing payments to hospitals and doctors and cutting optional benefits to reach the nearly 20 percent spending cut.

Last week, Quinn's administration floated a different proposal that included \$1.3 billion in cuts to Medicaid program spending, with the rest of the \$2.7 billion coming from a \$1-a-pack increase in the cigarette tax and rate cuts to health care providers, according to Sen. Heather Steans, one of the Democrats on the Medicaid committee.

"When you look at what it takes through just cuts to get to \$2.7 billion in one year, it's impractical," Steans said. "It's hard to maintain program integrity."

Rep. Patti Bellock, a Republican on the committee, is pushing for more cuts and doesn't want to raise cigarette taxes or cut payments to providers, she said.

"The governor wanted to come forward with a plan this week and had been encouraged by some of the (legislative) leaders to do that," Bellock said. "I've just been trying to push them more. ... I think we can find some more reforms."

Republican Sen. Dale Righter said a cigarette tax is not the right approach when the goal is to reduce the size of the Medicaid program.

"This problem is bad enough that everything has to be on the table," Righter said. But a cigarette tax is "a way to continue to spend more." He's also resisting severe cuts to provider payment rates.

With or without a cigarette tax or rate cuts to doctors and hospitals, the list of possible cuts to Medicaid programs is long. It includes new ideas suggested by numerous health care groups and the Department of Healthcare and Family Services.

Among the ideas:

—Repeal or suspend a law requiring a palliative care program for dying children to save \$4.5 million.

—Require private insurers in Illinois to cover the cost of all essential medical services for children with special health care needs to save more than \$300 million annually.

—Limit adult eyeglasses to one pair every two years and adult dentures to one set every 10 years.

—Limit diapers for incontinence to 200 per month per patient to save \$5 million.

The Illinois Hospital Association has said cutting payment rates to hospitals and other health care providers should be a last resort and has questioned the size of the target for spending cuts.

"A \$2.7 billion cut in Medicaid would jeopardize patient access to health care and people would suffer," said hospital association spokesman Danny Chun. "We do commend and appreciate that the governor and general assembly are willing to look at revenue options because so much is at stake."

Advocates for the elderly, poor and disabled worry about how the cuts will affect people. David Vinkler of AARP is concerned the committee may equate painful cuts with making responsible budget decisions. He said eliminating some benefits may actually increase other costs.

"You can't just punch seniors in the face and say we saved money," Vinkler said.

Rep. Sara Feigenholtz, a Democrat on the committee, said achieving \$2.7 billion in cuts without "severe rate cuts" to providers will be difficult. She wouldn't comment directly about a cigarette tax. "The potential of lessening the rate cut blow is mitigated by the potential for other revenues. The question is: Are the Republicans going to help us get there?"

Feigenholtz and the other committee members are holding out some hope for an agreement.

"It's still the second inning," she said.

A Quinn administration spokesman said a proposal will be announced "once we have one."

"The status quo is not an option," said Department of Healthcare and Family Services spokesman Mike Claffey. "Saving the Medicaid program is a top priority because if nothing is done, the system will collapse."

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