

Medicaid cuts come with catch

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By Andrew Thomason

SPRINGFIELD — The Illinois Legislature passed the first half of a plan to rein in the skyrocketing costs of Medicaid today — with a catch.

Medicaid would lose \$1.6 billion, or 12 percent, according to the bill's sponsor in the House, state Rep. Sara Feigenholtz, D-Chicago.

The cuts would let the state "continue to take care of the most vulnerable people in the state of Illinois and keep Medicaid afloat because right now I assure you that if we do nothing it will collapse," Feigenholtz said.

But the cuts were contingent on the approval of two different pieces of legislation:

- One that ends the practice of rolling Medicaid costs over from year to year;
- Another that allows the Cook County Medicaid system to raise its income requirements for enrollees.

The second has been a major point of partisan contention.

The Cook County Medicaid changes would move the requirement from 100 percent of the federal poverty level to 133 percent. That change would add at least 100,000 people, but it wouldn't cost the state more, because Cook County, which encompasses Chicago, funds and administers its own Medicaid system.

The Legislature passed Cook County legislation today. The Senate approved ending the practice of rolling over Medicaid costs, and the House is expected to take up the measure Friday.

While Medicaid rolls grow in Cook County, others will be kicked out of the system.

The legislation passed today allows the state to contract with an outside company to compare myriad state and federal databases regarding income with the Medicaid rolls.

Anyone making 100 percent more than the federal poverty level is eligible for Medicaid. Currently, a person need only provide one pay stub to establish that eligibility, making it easy to scam the system, according to legislators working on the legislation.

With a stronger vetting process resulting in many people being removed from the system, the state will save \$350 million annually, according to an Illinois House Republicans' fact sheet.

State Rep. Patti Bellock, R-Hinsdale, said booting ineligible people off the rolls would not only save money but would keep the program afloat for those who truly need it.

"We have to save this program and save the lives of the people in it and do it the best way possible," Bellock said.

Other areas of savings include:

- Eliminating the Illinois Cares Rx Program, a state-only prescription subsidy mainly for senior citizens, a savings of \$72.2 million annually.
- Limiting prescriptions to four per month, unless prior authorization or special drug needs, a savings of \$180 million annually.
- Implementing maximum co-pays for services, an average co-pay of \$3.60, a savings of \$44 million.

The legislation also cuts Medicaid reimbursement rates to hospitals and nursing homes by \$240 million annually. Doctors, 20 safety-net hospitals serving poor communities and 51 hospitals serving rural areas will not see rate cuts.

The \$1.6 billion in cuts in the legislation doesn't get to the \$2.7 billion in cuts Gov. Pat Quinn said were needed to prevent the backlog of Medicaid bills from hitting \$21 billion in 2017.

Instead of deeper cuts, Quinn asked for a cigarette tax increase of \$1 a pack, bringing the total state tax on a pack of cigarettes from 98 cents to \$1.98.

That extra revenue would grow spending on Medicaid from \$6.6 billion last year to at least \$7.3 billion.

A budget that passed out of the Illinois Senate on Wednesday only budgets to spend \$6.6 billion on Medicaid. State Sen. Heather Steans, D-Chicago, sponsored most of the budget legislation and said if a cigarette tax is passed, the General Assembly will appropriate that money later in the year.