

Illinois lawmakers pass pieces of a Medicaid overhaul

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SPRINGFIELD — The Illinois House and Senate Thursday passed pieces of a Medicaid overhaul, a key part of next year's state budget.

The House voted overwhelmingly to cut \$1.6 billion in Medicaid spending. The Senate is debating the bill tonight. If the legislation passes, it will go to Gov. Pat Quinn.

Representatives voted 94-22 to adopt the cuts, which range from outright elimination of some programs — like Illinois Cares Rx, a prescription drug assistance program for seniors — to taking extra steps to ensure that those receiving aid are entitled to it.

“There is nothing about this bill that anyone is completely happy with,” said Rep. Sara Feigenholtz, D-Chicago. “The system was on the brink of collapse.”

The cuts are the product of months of negotiations by lawmakers from both parties. Still, in the days leading up to the vote, some Republicans said the reductions don't go deep enough.

However, House Minority Leader Tom Cross, R-Oswego, called the Medicaid changes “very significant.”

“It is the beginning of a slow trip out of this deep hole,” Cross said.

Hurts neediest

Several minority lawmakers said the cuts will hurt Illinois' neediest people. They said the state instead should eliminate business tax breaks or expand the state sales tax to come up with additional money for Medicaid.

“I don't know where it says (the budget) has to be balanced off the backs of poor people, off the backs of seniors, off the backs of the blind and disabled,” said Rep. Mary Flowers, D-Chicago.

Some opponents warned that the state's costs could actually increase because of the cuts. Under Thursday's measure, Medicaid recipients would be limited to four prescriptions without prior approval from the state. That could force some aid recipients to do without some drugs, possibly leading to their hospitalization.

Thousands of current recipients are expected to be taken off the Medicaid rolls when the state makes an aggressive attempt to ensure everyone who is receiving aid is entitled to it. That's expected to produce \$350 million in savings.

Legislative leaders plan to split up the package into separate pieces with carrots and sticks in each bill, in hopes of shepherding the tough measures through the General Assembly and to Quinn's desk.

Earlier Thursday, the Senate passed another piece, House Bill 5007, on a 35-22 vote. It allows Cook County to enroll more people in the Medicaid program using local and federal funds, but not state funds. That bill was sent to the House, where a vote is expected tonight.

State regulations now bar expansion of the Medicaid rolls. HB5007 creates a waiver that would allow Cook County to start enrolling people who will be eligible in 2014, when President Barack Obama's health care reform plan is scheduled to go into effect. The waiver would expire if the U.S. Supreme Court strikes down the health care law.

Bills linked

In an attempt to appease Republicans, who came under fire from right-wing groups for considering something that helps implement Obamacare, Democrats offered another bill, Senate Bill 3397, that would restrict the number of unpaid Medicaid bills that the state can carry over from year to year. The state would be allowed to carry over only \$700 million to fiscal year 2013 and \$100 million to fiscal year 2014.

Five lame-duck Republicans — state Sens. Shane Cultra of Onarga, John Jones of Mt. Vernon, Tom Johnson of Wheaton, John Millner of Carol Stream and Suzi Schmidt of Lake Villa — voted for the bill, which will go into effect only if two other pieces of the Medicaid package become law.

Those three bills are linked — if one of them fails to pass or isn't signed by the governor, the others also will fail.

Another piece of the package will combine a \$1-per-pack cigarette tax increase and property and sales tax exemptions for hospitals, according to Danny Chun, spokesman for the Illinois Hospital Association.

The final piece of the package, Senate Bill 3261, will include requirements that hospitals provide free care to low-income people if the treatment is medically necessary care, Chun said. Hospitals in urban areas would have to provide such care for people with incomes up to 200 percent of the federal poverty level, or about \$46,000 for family of four. Rural hospitals would have to provide such care for those with incomes of 125 percent of the federal poverty level, which is \$28,812 for a family of four. That measure could get a House vote tonight.