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Quinn says Medicaid cuts were needed to prevent collapse

\$1-a-pack cigarette tax increase included in bills signed by governor

By Monique Garcia and Alissa Groeninger, Chicago Tribune reporters

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Gov. **Pat Quinn** signed a series of bills into law Thursday aimed at saving the state's troubled health care program for the poor through a combination of deep cuts and a \$1-a-pack cigarette tax increase.

The moves are aimed at closing a \$2.7 billion funding gap created by years of overspending, which had saddled the **Medicaid** program with so much debt that the Democratic governor said it was on the brink of collapse.

The new law calls for \$1.6 billion in health care cuts, including the elimination of a discount **prescription drug** program for seniors and stricter eligibility requirements that will leave hundreds of thousands of people without health care coverage.

Dental care for adults will be greatly curtailed, and some hospitals that care for patients will see their reimbursement rates slashed. The state will also beef up efforts to stop fraud and increase co-pays for brand-name prescription drugs and other services.

In all, the reductions represent one of the largest single program cuts in Illinois history, according to an analysis by Democratic lawmakers. Critics say the plan will put some of the state's most vulnerable citizens at risk, while supporters argue that the cuts were necessary to preserve core services for those who most need help.

"There are some sacrifices, and I'm sympathetic to that," Quinn said Thursday in Springfield. "But the bottom line is if we didn't save the system — more than half the babies of Illinois that are born today or tomorrow are under this Medicaid system — there'd be nowhere for them to turn. So we had to make some very tough decisions, difficult but necessary in order to preserve the system."

To offset the need for even deeper cuts, Quinn also signed off on the cigarette tax increase, which will more than double the current tax rate of 98 cents and will hit smokers starting June 24. It is expected that the increase will generate \$700 million, half from the tax itself and the other half from federal matching funds, the governor's office said. Quinn argues that the increase also will encourage people to **stop smoking** and prevent others from starting, though critics say it will simply force smokers to stores across state lines.

The health care cuts go into effect July 1, and the Illinois Department of Healthcare and Family Services already has sent letters to hundreds of thousands people warning that they will no longer qualify for care or face reduced services.

Rep. **Sara Feigenholtz**, a Chicago Democrat who sponsored the legislation to trim Medicaid costs, said the focus now shifts to monitoring the cuts to make sure they are implemented properly and don't cause more harm than good. For example, Feigenholtz said she's worried that cutting adult dental care could cost more in the long run as people turn to emergency rooms for problems that could have been addressed with routine dental care.

"There are a lot of moving parts. This is a very complex and intricate system," Feigenholtz said. "We're going to have to watch it carefully and hope that at the end of the day, we still have a program that protects the most vulnerable in Illinois."

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