Gov. Pritzker Signs Medicaid Overhaul to Expand Health Care Access, Eliminate Application Backlog and Increase Transparency

August 5 2019 2:00 PM

CHICAGO – Ushering in a new era of transparency and effectiveness to the state's health care system, Governor JB Pritzker enacted a Medicaid overhaul today to increase the timeliness of applications, redeterminations and payments to providers and decrease the number of Medicaid claims denials.

“In the past few years, Illinois has seen too many people who qualify for health care coverage needlessly knocked off the system and unable to get medical care,” said Governor JB Pritzker. “Health care is a right for all, not a privilege. Today we are making sure taxpayers are getting more of what they’re paying for, and we are advancing health care for vulnerable people who need it most.”

Crafted by the bipartisan, bicameral Medicaid Legislative Working Group, SB 1321 enables key state agencies – the Dept. on Aging, Dept. of Healthcare and Family Services, Dept. of Human Services and Dept. of Innovation and Technology – to lead one of the most aggressive cross-agency efforts in Illinois history to expand access to health care for low-income Illinoisans and eliminate the application backlog that had grown to more than 120,000 people under the previous administration. Since taking office, the Pritzker administration has already reduced the backlog to 95,000 applications — a 20 percent reduction.

MCO Transparency & Accountability

Taking effect immediately, the new law centralizes claims from providers to Managed Care Organizations (MCOs) in order to increase transparency and accountability. HFS will set up a new claims clearinghouse, allowing the department to collect and analyze data and better adjudicate claims. HFS will also create a dispute resolution process and be the arbiter in disagreements between providers and MCOs about payment disputes.

SB 1321 requires MCOs to make timely payments within 30 days and make expedited payments to health care providers serving large Medicaid populations, including long-term care facilities where more than 80 percent of residents receive Medicaid, exceptional care long-term facilities, safety-net hospitals and government-owned providers.

MCOs will report their Medical Loss Ratio (MLR), which includes premium revenue, benefit expense, direct paid claims and other details on payments and recoveries. They must also continually update their roster of providers within 30 days.

Eligibility Streamlining: Reducing Barriers to Health Care

The new law mandates a full review of the Medicaid redetermination process to identify changes that will allow more patients to be renewed automatically and ensure patients are maintaining the highest continuum of care possible.

HFS will develop and seek federal approval for ex parte determinations and redeterminations utilizing accessible data from eligibility for other public programs, as well as an ACA Medicaid eligibility streamlining policy, altering the reasonable

compatibility standard from 5 percent to 10 percent. Income eligibility for Medicaid will now only require one pay stub. Copays will be relaxed so HFS is not required to charge the maximum copay under current federal standards.

“This will make it easier for seniors, families and people with disabilities to get the healthcare they need,” said House Majority Leader Greg Harris (D-Chicago). “It holds insurance companies accountable, reduces bureaucracy and helps rebuild the financial stability of hospitals, doctors, nursing homes and other providers after the budget impasse.”

“This year’s Medicaid bill is again the product of a dedicated bipartisan work group who listened to a wide range of concerns and suggestions,” said Rep. Tom Demmer (R-Dixon). “Together we worked to find solutions and make progress toward improving the Medicaid program that serves millions of Illinoisans. I appreciate the work from the Governor’s office, state agencies, and my fellow legislators on this important bill.”

“Issues with Medicaid enrollees losing their coverage at renewal came up again and again,” said Sen. Heather Steans (D-Chicago). “We had to make it easier for eligible families to keep their benefits so they can have the peace of mind of dependable health coverage.”

“Several years of work are behind this sweeping reform bill, but it took the leadership that the Governor brought in to DHS and HFS to finally pass this bipartisan, groundbreaking Medicaid reform measure,” said Sen. Dave Syverson (R-Rockford). “As a result of these reforms Illinois will be able to deliver healthcare more seamlessly, leading to better health outcomes.”

The FY20 state budget includes an $80 million increase in funding for mental health and addiction treatment — an 18 percent increase in addiction treatment and prevention funding and a 13 percent increase in funding for mental health services. Both are unprecedented increases in recent state history.

Illinois began the transition to Medicaid managed care starting in 2011, starting with 30 counties and expanding to all 102 counties with the launch of HealthChoice Illinois in January 2018. About 2.1 million of Illinois’ 2.9 million Medicaid members are now in managed care.

As the state’s largest source of health coverage, more than three million Illinoisans rely on Medicaid to meet their health care needs.