



# **Gov. Pritzker Signs Hospital Assessment Legislation Bringing \$250 Million In Additional Federal Funding For Health Care To Illinois**

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*Governor also Signs Health Care Affordability Act Increasing Access to Quality Affordable Health Care*

SPRINGFIELD – Building on efforts to expand quality and affordable health care for all Illinoisans and ensure hospitals are equipped during the ongoing COVID-19 pandemic, Governor JB Pritzker signed SB 2541, renewing the Hospital Assessment Program, and SB 1864, the Health Care Affordability Act, into law. Both laws build upon efforts to provide quality health care to communities across Illinois that have been disproportionately affected by the pandemic.

“The COVID-19 pandemic has only heightened the nation’s critical need for more equitable health care access and delivery, particularly in Black and Brown communities

and for those who are uninsured or underinsured,” said Governor JB Pritzker. “These new laws bring safety net hospitals over \$250 million in additional annual funding – to the tune of \$3.8 billion in payments over the life of the program – while simultaneously uplifting residents on an individual basis through a more responsive Medicaid program, support for increasing diversity in clinical trials, and expanded access to affordable health insurance. I applaud the work of leaders in the General Assembly and the bipartisan, bicameral Medicaid Working Group for coming together to advance a vision of health care as a right, not a privilege, for all of Illinois.”

## **THE HOSPITAL ASSESSMENT PROGRAM**

The Hospital Assessment Program is a \$3.8 billion program that will bring in over \$250 million additional federal dollars to the state. The program consists of \$450 million in additional funding for hospitals since the last assessment four years ago.

The Illinois Department of Healthcare and Family Services (HFS) worked with the General Assembly and stakeholders to distribute funding in a manner that increased funding to all hospitals in Illinois, while prioritizing hospitals that serve a high number of Medicaid patients.

The legislation helps make the Medicaid program more responsive to the needs of individual members on where to seek care. Funding is also reserved to improve access to health care services, including diagnostic and treatment services, in under resourced communities across the state. Payments to hospitals will be more transparent and the billing system will be simplified for some services like laboratory tests performed by hospitals.

### **The Fixed Pool Structure:**

- Safety Net Hospitals (24): Funding increased \$81.4 million
- Critical Access Hospitals (51): Funding increased \$14 million

### **Fixed Rate Structure:**

- High Medicaid Hospitals (30): Funding increased \$86 million
- General Acute Hospitals (69): Funding increased \$62.1 million
- Psych Hospital (10): Funding increased \$2.4 million
- Long Term Acute Care Hospitals (6): Funding increased \$1.2 million
- Rehab Hospitals (4): Funding increased \$2.3 million

To ensure physicians are fairly compensated, the plan increases rates for vital physician services to \$150 million annually. The legislation also clarifies rules and regulations for hospitals by providing the following guidance:

- Simplifying the hospital billing process;
- Requiring HFS to publish all details of the assessment calculation every year within 30 days of completing the calculation;
- Granting HFS rules making authority;
- An application to close a hospital is only complete if the hospital provided 30 day written notice to the local community and local governing bodies and officials;
- If a for-profit general acute care hospital ceases to provide hospital services prior to July 1, 2021 and within 12 months of switching from not-for-profit to investor, they must reimburse HFS for payments received.

"With this forward-looking program, we are advancing our focus on better healthcare and greater health equity," said Illinois Department of Healthcare and Family Services Director Theresa Eagleson. "We are bringing in significant and vital new funding to safety net hospitals and others that serve high percentages of Medicaid members. This is crucial - especially in historically under-served communities of color throughout our state. This renewed program also shifts to more dynamic payments, which means more resources going to the hospitals that our members are choosing for their care. The heroes working in our hospitals and the patients and neighborhoods they serve all need and deserve this critical support."

"This is vitally important now for our hospitals that are struggling valiantly against COVID-19," said House Majority Leader Greg Harris. "The assessment program will bring \$3.9 billion into our Medicaid system to support hospitals and healthcare, particularly high-Medicaid hospitals, at a critical time, where we need as much stability and support for our hospitals as we can get."

"This new assessment program ensures needed rate increases for health care providers, improves the long term viability of our hospitals, and gives medical institutions the power and the funds to repurpose facilities to better meet the needs of their communities," said State Senator Heather Steans. "I want to thank everyone who worked to craft this legislation and the governor for signing it."

"Given the public health challenges facing our state and country, supporting providers in vulnerable and under-served communities was a top priority for my colleagues and I," said State Senator Mattie Hunter. "This assessment system takes a number of steps to bolster the financial health of our hospitals and offers additional tools to fund necessary transformation projects, while ensuring positive gains for every hospital in the state."

“Hospitals serve as the cornerstone of our state’s communities, providing critical care and treatment to Illinois residents in need. Through the hospital assessment program, we can assure that hospitals operating in low-income communities across the state have access to the funding and support they need to continue offering high quality care to every Illinoisan,” said State Senator Dave Syverson.

“The new hospital assessment program will provide critical funds to hospitals to ensure all Illinois residents receive the medical care they need, no matter where they call home,” said State Representative Camille Lilly. “I applaud Governor Pritzker for championing this program and signing legislation into law that will ensure hospitals that serve our state’s underserved communities aren’t left behind.”

“This bill will support and protect access to healthcare for millions of Illinoisans. It’s the product of months of bipartisan effort, and shows a shared commitment to healthcare for many diverse communities across the state. I thank Gov. Pritzker for signing this critical bill today, and I appreciate the collaborative process that led us to this point,” said State Representative Tom Demmer.

“On the occasion of Governor Pritzker signing SB2541 into law, we applaud his leadership in ensuring that the state's safety net and community hospitals receive an increase in Medicaid funding during this time of health crisis," said Greg Kelley, President of SEIU Healthcare Illinois Indiana. "SB 2541 is a crucial step forward in making the formula for allocating Medicaid funding more equitable for the financially-vulnerable hospitals which serve the urban and rural communities with the greatest unmet need for healthcare. The extreme vulnerabilities of these hospitals and especially of the patient populations they serve have been exposed by our current pandemic, with debilitating and often fatal consequences. It is our hope that this first step--vital as it is--is soon followed by additional measures to secure these crucial facilities so that they can better serve the healthcare needs of Illinois' most vulnerable communities."

“The Illinois hospital community commends Governor Pritzker and his administration, including Healthcare and Family Services Director Theresa Eagleson, as well as members of the Legislative Medicaid Work Group, for their outstanding leadership in enacting this bipartisan legislation to provide critically needed healthcare in this very challenging, unprecedented time,” said Illinois Health and Hospital Association President & CEO A.J. Wilhelmi. “The Hospital Assessment Program is a vital source of funding for patients, the healthcare delivery system and community hospitals and health systems. Most importantly, this program helps ensure that Illinoisans – especially the most vulnerable who face health disparities that have been starkly exposed during the COVID-19 pandemic – have access to quality healthcare services that will improve their health and their lives.”

“As safety-net hospitals, we serve as the frontline healthcare providers for low-income and minority communities across our state,” said George Miller, CEO of Loretto Hospital, Board Member of the Association of Safety-Net Community Hospitals. “We know that now, more than ever, it’s critical that our hospitals have the proper resources so they can provide the highest quality care to those who often have no other place to turn. We want to thank Governor Pritzker, the Black and Latino Caucus’, Leader Harris, Senator Steans and the Legislative Medicaid Working Group for their work in ensuring that safety-net hospitals receive the proper funding so that we can continue to make new improvements, upgrades to our infrastructure, equipment and technology, and help create new opportunities in many disadvantaged communities. Many residents of Illinois rely on our hospitals and providers as their only sources of care, and by increasing their resources and ability to serve, we can build a stronger and healthier Illinois.”

The new assessment plan is scheduled to begin July 1, 2020 and continue through December 31, 2022.

SB 2541 takes effect immediately.

## **HEALTH CARE AFFORDABILITY ACT**

The Health Care Affordability Act helps expand access to quality and affordable health care in response to health and economic inequities and challenges heightened by the COVID-19 pandemic. Specifically, the legislation eliminates or loosens requirements on who can access Medicaid through the following actions:

- Provides HFS with the authority to accept an applicant’s or recipient’s attestation of income, incurred medical expenses, residency, and insured status when electronic verification is not available;
- Eliminates resource tests for some eligibility determinations;
- Suspends redeterminations;
- Suspends changes that would adversely affect an applicant’s or recipient’s eligibility;
- Allows phone or verbal approval by an applicant to submit an application in lieu of applicant signature;
- Allows adult presumptive eligibility;
- Allows presumptive eligibility for children, pregnant women, and adults as often as twice per calendar year; and,
- Suspends premium and co-payment requirements.

The legislation also recognizes that families have experienced unique challenges as a result of the pandemic, and helps families enroll and maintain coverage through the Children’s Health Insurance Program (CHIP) and the ALL KIDS Act.

The Health Care Affordability Act also helps address longstanding disparities in health care access and delivery by requiring the Department of Healthcare and Family Services (HFS), in consultation with the Department of Insurance, to explore options to make health insurance more affordable for low-income and middle-income residents. This work will be compiled into a study due to the General Assembly by February 15, 2021.

The new law also supports clinical trials by requiring Medicaid to cover routine care costs for members who participate in medical trials. In addition, the legislation helps expand access to and affordability of home health care and mental and behavioral health care.

“We know that African-Americans are significantly underrepresented among those who participate in clinical trials, meaning we lose out on life-saving opportunities and unanswered questions then remain on the effectiveness of these medications for Blacks,” said State Senator Mattie Hunter. “Because Medicaid recipients are much more diverse, this law will help reduce that disparity for black patients and for low-income white residents, while advancing the overall fight against cancer.”

SB 1864 takes effect immediately.