ILLINOIS DEPARTMENT OF Healthcare and Family Services

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Written Testimony on HB 3840 Amendment # 1

Dear Chairwomen Hunter, Vice Chairman Cunningham, Spokesperson Righter, and Honorable members of the Executive Committee,

I am Theresa Eagleson and have the great honor and responsibility of leading the Department of Healthcare and Family Services. As the Director, I am laser focused on driving better health care and health equity for those we serve through payment incentives and policy.

The issues of health care and reducing health disparities before us today are not only complex but also life sustaining. As the largest purchaser of health care in the state, we are looking at these issues broadly across the health care ecosystem and trying to ensure that better outcomes and holistic care for customers are the focus – no matter if we are talking about a safety net hospital, a managed care organization, or a mental health or substance use provider.

This pandemic has shown us the very real consequences of the healthcare delivery system not doing more to provide preventive care across all communities, including wellness, prevention, and improve care for people who are vulnerable to developing serious health conditions such as diabetes or hypertension. We know – not suspect, not hypothesize, know – that individuals that have these underlying conditions are far more likely to die as a result of the devastating COVID-19 virus. And we know that those underlying conditions are far more prevalent in under-resourced communities, poor communities, and communities of color. The experience in Chicago and disproportionately impacted communities across the state has laid bare the reality that our existing health care delivery system, despite the heroic efforts of countless workers, whether they are doctors, nurses, aids, or other staff, is simply not providing the full continuum of care that the people we serve need.

In response, the Department has worked to maintain coverage and added emergency flexibilities for customers, rapidly added new services, such as telehealth and direct payments from Managed Care entities to providers and community groups, such as behavioral health and home delivered meals, to address social determinants of health. We implemented a pandemic health worker program and worked to ensure millions of dollars were distributed as quickly as possible to providers on the frontlines across the state. This includes direct federal CARES Act payments to hospitals, prioritizing safety net hospitals, FQHCs, nursing homes, and testing centers. The COVID response continues and we anticipate additional needs in a post-COVID period as well.

There are aspects of this legislation that we support. We are emphatically supportive of improving health equity. In fact, we have recently updated the Vision and Mission of the Department to put equity for our customers at the center of everything we do. We need support from the General Assembly to continue evaluating and implementing sustainable mechanisms to address the barriers and gaps in our healthcare system.

The Department has reviewed this legislation in detail and understands the need for and can agree to many of the recommendations in this proposed language. We have provided specific recommendations in writing to the legislative sponsors and caucus staff. There are areas of the bill that we can support with minimal changes, and areas where we can support after offering significant suggestions for change. For example, we recognize the value of doulas as well as increasing the services of community health workers for high need customers in distressed communities.

That said, we have fundamental disagreements with aspects of the legislation, including the elimination or sunset in any way of the Medicaid managed care program. This completely disregards the improvements in quality, access to services, and customer engagement in their healthcare, which have been realized under the managed care programs so far. Gone are the days when Medicaid customers had coverage but not care, because many providers would not accept Medicaid. This represents progress to our customers and to the Department. Now people have choice, which they value. This type of action would be disruptive to the nearly three million Medicaid customers and take away the valued choices they currently have, as well as be devastating to the state budget and funding for the Medicaid program overall.

We agree that managed care accountability is an integral component for both the Department and the Managed Care entities. We invite opportunities for transparency, feedback, and accountability toward achieving our shared goal of delivering quality healthcare for our Medicaid customers. Our existing advisors, such as the Medicaid Advisory Committee (MAC) and other forums for accountability, transparency and feedback can also assist in increasing accountability for Medicaid managed care and providers.

This bill has new services and rates totaling in the range of $2 to 4 billion annually. Additionally, the proposed changes to managed care would have an additional fiscal impact of anywhere between $2 and $10 billion depending on the final language.

We share the basic goals of this proposed legislation. HFS will be pleased to provide additional detail on the impacts and analysis of this proposed legislation. Our team stands ready to work with the legislative sponsors toward developing a more workable approach on this measure.