



LITTLE COMPANY OF MARY
HOSPITAL AND HEALTH CARE CENTERS

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TO: Special Committee on Medicaid Reform

FROM: Dennis Reilly, President, Little Company of Mary Hospital

Thank you for providing us an opportunity to submit our testimony concerning Medicaid reform issues here in the State of Illinois. First a little background about who we are. Little Company of Mary Hospital (“LCMH”) is a 294 bed community acute care hospital in Evergreen Park with an 80-year heritage of providing quality, compassionate care. LCMH and its 2,220 employees deliver technologically advanced services through an acute-care hospital; a Cancer Center affiliated with the Medical Oncology Group of the University of Chicago Hospitals; and 11 satellite facilities.

We will focus our testimony in the context of the basic questions asked by the committee.

What is your role in the Medicaid system?

LCMH’s primary service area includes many southwest Chicago neighborhoods and suburban communities with growing and ethnically diverse populations. LCMH focuses on meeting the needs of all our community members, with an emphasis on women, their families and older adults.

We serve all who are in need, as stated in our mission statement, “In solidarity with the Sisters of the Little Company of Mary, we are entrusted to serve the community through our ministry of Catholic Health Care. We are the empowered laity – the Greater Company of Mary. Rooted in a deep heritage of prayerful support of the sick and dying, we strive to enhance the sacredness of life and human dignity.” Whether a patient relies on Medicaid, Medicare, private pay, or charity care, we serve his/her needs with professionalism, compassion, quality, and responsibility.

One significant area of interaction with Medicaid is deliveries. LCMH is a level 2 perinatal facility, and almost 70% of the days in our neonatal intensive care units are for Medicaid patients. Many of these poor birth outcomes could be prevented or reduced in severity with improved prenatal care.

From your viewpoint, what is the best way to reduce Medicaid costs without severely impacting services?

We believe that better care coordination will bear the greatest benefit. Illinois has started in that direction, but more needs to be done. LCMH operates some programs that have been beneficial for our patients and may offer some opportunity for broader implementation:

- Medical necessity review: Review of Medicare and Medicaid patients per published “Intensity of Service/Severity of Illness” criteria to determine appropriateness of admission and admission status (Inpatient or Observation Service). Managed care companies perform this function through medical necessity reviews of their patients with our hospital Case Managers.
- Disease-specific medical management: Currently, active disease management includes stroke, acute myocardial infarction, pneumonia and congestive heart failure. Management includes using protocols that begin in the Emergency Department to ensure best-practice assessment and treatment across the hospital continuum. These protocols have goals that ensure that required tests (i.e., CT, ECG) are done timely so that appropriate treatment can then follow.
- Hospitalist Program: “Hospitalist” physicians manage acute-care hospitalized patients and make referrals for post-acute care follow-up. The program is efficient in regard to length-of-stay, as well as in ensuring coordinated care and follow-up.
- Physician Partnering Program: Selected physicians are partnered with a Case Manager to ensure patients receive appropriate and efficient care during hospitalization. Post-hospital care is coordinated as well.

The clinical outcomes and costs of these programs are reviewed by a Clinical Outcomes and Resource Committee, with membership that includes physicians, administrators, and department directors. With cost containment in mind, recommendations are made in the areas of enhancement of care and efficient delivery of care.

In addition, we have noticed a problem with the amount of time it takes the State to determine if hospital patients are eligible for Medicaid services. Referred to as the “MANG approval process,” the patient awaiting determination is often labeled “MANG pending.” This is challenging to providers who do not know if they should follow charity protocols or Medicaid protocols when treating the person. We have seen patients remain in “MANG pending” status for months. This should be addressed. Patients seem to be forgotten or overlooked by the State program that is meant to serve them.

We also urge the General Assembly to initiate a review and an update of the current hospital reimbursement system. The inpatient system is almost 20 years out-of-date and the outpatient system was reformed over 10 years ago. Both these systems need to be reviewed together to properly align the incentives and outcomes of the reimbursement system.

What are you doing to maximize federal funding? What else can the State do to capture these funds?

LCMH is not an expert in the area of federal financing. We do know that the Hospital Assessment (HA) program was designed to bring in additional federal dollars through a hospital bed tax. The HA program has brought much needed resources into the State to fund hospitals services, and we are grateful; however, we do not think that this is the most effective way to fund hospitals. We understand the severe fiscal crisis the State faces and acknowledge that this is the best that can be done at this time. We support continuation of some kind of Hospital Assessment program, even though we would like to see the State be able to support the Medicaid program without this tax.

Can you identify any loopholes within state statute or administrative code that has allowed Medicaid fraud?

We do not know of any loopholes that allow Medicaid fraud at this time but will share if any become know to us.

Thank you for your time and consideration of our comments about Medicaid reform. We stand ready to assist you as this important work goes forward.