Fiscal Year 2016 Proposed Medicaid Budget Cuts – Overview and Advocacy Opportunities

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OUR MISSION to improve health outcomes for women, children, and their families is accomplished through advocacy, education, and community empowerment.

VISION

EverThrive Illinois envisions an Illinois that works towards equity and social justice, fosters the development of healthy families, and provides fair access to quality health care – the basic rights of all human beings.

PRIORITY AREAS

- Immunizations across the lifespan
- Health care and health education in schools
- Infant and maternal morbidity and mortality reduction
- The elimination of health disparities among all populations
- Leadership development in maternal and child health field
- Reproductive health
- Healthy lifestyles, nutrition, and cooking education

http://www.everthriveil.org
The mission of the AIDS Foundation of Chicago is to lead the fight against HIV/AIDS and improve the lives of people affected by the epidemic.

Founded in 1985 by community activists and physicians, the AIDS Foundation of Chicago is a local and national leader in the fight against HIV/AIDS. We collaborate with community organizations to develop and improve HIV/AIDS services; fund and coordinate prevention, care, and advocacy projects; and champion effective, compassionate HIV/AIDS policy.
Agenda

• Basic overview of Illinois Medicaid Program

• Overview of bipartisan major healthcare reform legislation passed by the Illinois General Assembly from 2010 through 2014

• FY16 Governor's Proposed Budget Cuts – Illinois Medicaid Program

• Opportunities for Advocacy/Action
Medicaid Overview

1. Number of Medicaid recipients and percent of state population covered

   - As of October 2014, 3.18 Million Illinoisans on Medicaid

   - 25% of the 12.88 Million Illinoisans on Medicaid

(Sources)
http://www2.illinois.gov/hfs/SiteCollectionDocuments/FY2016BudgetBriefing.pdf
http://quickfacts.census.gov/qfd/states/17000.html
# Medicaid Overview

2. Growth in Medicaid enrollment

## Medical Programs Average Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>ACA</th>
<th>Seniors</th>
<th>Other Adults</th>
<th>Adults with Disabilities</th>
<th>Children</th>
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<td>1,185,757</td>
<td>1,416,023</td>
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<td>1,596,975</td>
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<td>FY 2015 Estimated</td>
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<tr>
<td>FY 2016 Projected</td>
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<td>1,416,023</td>
<td>1,504,057</td>
<td>1,596,975</td>
<td>1,657,273</td>
</tr>
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Reflects average annual enrollees
Excludes enrollees in partial benefit programs
3. Medicaid spending trends

**Historical Medical Programs Liability**
**GRF and Related Funds**

**Total Liability in Billions**

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Liability</th>
<th>ACA Newly Eligible Liability</th>
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<tr>
<td>FY2016</td>
<td>$9.1</td>
<td>$1.9</td>
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</table>

Legend:
- **Base Liability**
- **ACA Newly Eligible Liability**
4. **Illinois Medicaid Spending is 3rd lowest in U.S.**

Illinois spends $4,682 per person per year (FY11)
- #49 out of 51
- Range: $11,000 (Massachusetts) to $4,000 (Nevada)
Illinois Healthcare Reform 2010 - 2014

• **2010/2011**
  
  **Medicaid Reform Law** passed mandating that at least 50% of Medicaid clients be moved into Managed Care/Care Coordination by January 2015

• **2012**
  
  **Save Medicaid Access and Resources Together Act (e.g. SMART Act)** passed reducing Illinois Medicaid program budget by $2.7 Billion constituting the largest cut (20%) made in one year to any state Medicaid program

  This law also overhauled the Medicaid eligibility and renewal/redetermination process and led to development of the Illinois Medicaid Redetermination Project (IMRP)

• **2013**
  
  **The Medicaid Expansion bill passed** opening up eligibility for the first time for single adults residing in the country legally and who are in or near poverty (<138% FPL)
Illinois Healthcare Reform 2010 - 2014

- **2014**
  
  **SB741**, a law reforming hospital and nursing home rates as well as clarifying role of Medicaid Managed Care/Care Coordination Entities with regards to enrollment of Medicaid clients in Managed Care/Care Coordination Plans

  This law also restored dental and podiatry services for adults on Medicaid and exempted psychotropic drugs from the 4 prescription policy

- **HB 5412**, the Community Health Worker Law passed establishing CHW Board and definition of CHWs
Illinois Medicaid Managed Care Enrollment is Soaring

- 1.8 million people are now enrolled in Medicaid Managed Care
- Up from 63,000 a year ago

- 1,703,899 ACA adults
- 120,660 Seniors & People w/Disabilities
- 60,684 Medicare & Medicaid
- 200,000 – 400,000 Kids & Families
Is Medicaid Managed Care working?

UIC Evaluation of Integrated Care Program – 2013

- ER costs declined from $390 to $337 (FY 11 vs. FY 13) (per full-member year)
- Costs for hospital admissions dropped from $4,700 to $3,200
- Preventive service utilization increased 7.5 to 8.7 claims per 1,000 member months
- Quality: Aetna improved 10 measures & met 5 pay for performance goals; IlliniCare improved 4 measures and met pay for performance measures on 3
- Challenges with provider network adequacy, administrative hassle, and enrollee satisfaction

Source: https://www2.illinois.gov/hfs/SiteCollectionDocuments/ICPFinalReportFY13.pdf
FY16 Governor's Proposed Budget Cuts - Illinois Medicaid Program

- Rates and services (added back after SMART Act, primarily through SB741 in 98th GA, signed June 2014)

- Cuts to "optional" services and rates

- Program integrity – ensuring timely Medicaid eligibility redeterminations/renewals

- Eligibility reductions

- Proposed changes to hospital static payments
Opportunities for Advocacy/Action

- Pass a Board of Health resolution asking for no cuts that would jeopardize access, quality and integrity of Illinois Medicaid Program
- Support HR253 (State Representative Mary Flowers) - Protect Medicaid Program From Drastic Cuts
- Direct supporters/stakeholders to take action through EverThrive Illinois' "Protect Illinois Medicaid Program" Action Alert
- Op Eds on impact of Medicaid cuts on the public health in Chicago
Questions?

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