

Date: February 14, 2012
To: IMCHC members and stakeholders
From: Kathy Chan, Associate Director/Director of Policy and Advocacy
Re: State policy updates



The Illinois General Assembly began their 2012 legislation session on January 31. The Governor made his [State of the State address](#) on February 1 and will present his recommendations for the FY13 state budget on February 22.

The state primary election takes place on March 20 and the general election on November 6. New legislative district lines were drawn and approved, so all Illinois state Senators and Representatives and U.S. Representatives are up for election this year.

If you're not already registered to vote at your current address, you can find out how to do so at the [Illinois Board of Elections website](#).

Illinois state budget:

In order to address the billions of dollars in liabilities that Illinois faces as a result of decreased revenue and increased pension obligations, legislators and other policymakers will have to face hard decisions this session.

Once again, advocates will be fighting to prevent additional cuts to health care and human services programs in the upcoming state budget, while also ensuring that services in the current state budget (FY12) are funded through the end of the fiscal year. A number of state agencies were underfunded in the budget passed by the General Assembly in 2011. For instance, HFS's Medicaid budget is expected to be at least \$2 billion short of what it needs to meet its obligations through June 2012.

While federal law protects Medicaid and CHIP-funded programs from cuts to eligibility and changes that would make it more difficult to apply or renew coverage, reimbursement rates and coverage of optional services that include pharmacy benefits and adult dental services are not protected. Additionally, eligibility for populations that are not Medicaid or CHIP funded, such as coverage for undocumented children and children in All Kids Premium Level 2 (200-300% FPL) are not protected from cuts under federal law.

More details about the budget will be available in the Governor's budget address on February 22. IMCHC hopes to provide a more comprehensive analysis of maternal and child health programs to our membership shortly after this date.

Rep. Greg Harris, a champion of school health centers and other health care and human services programs, included an analysis of the budget situation in his recent e-newsletter, which we have included below:

Budget Woes

Now for the bad news, while we continue to work on other legislation, the state's budget woes loom large over everything else. This week the House Democrats had a caucus to discuss the current situation and the near-term prospects prior to the Governor's Budget Speech on February 22. While there are signs of hope in the economy, the overall budget picture continues to be clouded by the costs associated with our pension and Medicaid contributions. Here are some key facts and figures to consider:

FY12 Revenue and Expense Projections (as of January, 6 months into the Fiscal Year)

- Individual Income Taxes are coming in slightly higher than projection, while corporate income taxes are slightly lower. (The tax breaks approved for CME and Sears do not take effect until next fiscal year).
- Sales taxes continue to over perform by \$397 million.
- Gaming taxes underperform substantially.
- Federal (mostly Medicaid) sources are \$1.3 billion below projections, causing a drag on the entire budget. This is due to the backlog of unpaid bills.
- We projected total revenue of \$35.033 billion, are now anticipating only \$34.019 billion for FY12.

Pension Obligations

- Our pension obligation for FY12 was \$4.868 billion, and is projected for FY13 to be \$5.825 billion, an increase of \$957 million. A major component of the increase was a \$581 million increase in the actuarial assumptions underlying some of the plans.
- 78% of this cost is for workers who are NOT employed by the State of Illinois (they are employed by local school districts, community colleges and universities, which do not pay their employer share. The taxpayers of the State have paid the employer contributions.)
- The changes to unfunded liability (including actuarial changes and implementation of the 2 Tier pension system is currently projected to be \$57.927 billion by 2045 (including \$10.634 billion in actuarial assumption changes, and investment returns to be \$18.742 billion less than projected. Keep in mind that these numbers are continually changing as the markets and underlying actuarial assumptions change.)

Medicaid Liability (assuming 2% annual growth)

- Medicaid cash spend from the General Revenue Fund (GRF) is expected to grow from \$7.095 billion in FY12 to \$7.315 billion in FY17 (inclusive of federal match)
- Other related fund GRF cash spend (e.g. Healthcare Provider, LTC and Hospital Provider Relief Funds) is expected to decrease from \$2.294 billion to \$1.835 billion (inclusive of federal match)
- Meanwhile, estimated unpaid bills on hand will grown from \$1.772 billion in FY12 to \$21.002 billion in FY17
- Again, changes in eligibility, utilization, rate or federal participation could vastly change these numbers

I am working with a bi-partisan group of legislators on short-term and long-term solutions to our pension problems. As a member of the Joint Medicaid Committee, I will be working with colleagues on both sides of the aisle and in both the House and Senate to address these alarming numbers, as well. The size of the problem on the expense side is so enormous that any solution that we develop will cause substantial hardship for one group or another. There is no way of finding easy or painless solutions. I will try to keep you informed of the various options that are on the table, their potential financial effects and their human toll.

As always, I welcome your thoughts and advice. I can be reached in Chicago at 773 348 3434, at the Capitol at 217-782-3835 or at greg@gregharris.org

Legislation of interest to IMCHC:

[HB 3027](#) – Rep. Camille Lilly - Creates a standard for existing sex ed courses to teach medically accurate, age-appropriate, and compete information; includes information on reducing unintended pregnancies and

STIs, while also stressing abstinence; applies to grades 6-12 in public schools. *Pending House concurrence vote.*

[HB 3968](#) – Rep. Monique Davis – Gives the Illinois Department of Insurance the authority to approve and deny health insurance premium rates increases; decisions would be based on whether the carrier is able to justify increases in premium rates. *Assigned to Insurance – hearing 2/21 @ 2pm.*

[HB 3976](#) – Rep. Karen May – Allows for the creation of health care co-ops to help small businesses leverage better prices for health insurance coverage. *Assigned to Insurance Committee – hearing 2/21 @ 2pm.*

[HB 4017](#) – Rep. Robyn Gabel – Prohibits the use of tanning beds to individuals under the age of 18 years. *Referred to Rules 1/20/12.*

[HB 4141](#) – Rep. Frank Mautino – Establishes the Illinois Health Insurance Exchange; sets forth guidelines for the governing board, conflict of interest provisions, and authority of the governing board. Contains a severability clause. *Assigned to Executive 2/7/12.*

[HB 4467](#) – Rep. Will Davis – Amends Illinois Dental Practice Act to allow for a voluntary collaborative practice agreements between a dentist and up to two dental hygienists to allow the hygienists to provide services in public health settings such as nursing homes, schools, or community clinics. *Assigned to Health Care Licenses – hearing 2/22 @ 9:30am.*

[HB 4506](#) – Rep. JoAnn Osmond – Requires plans that cover flu vaccines, provide coverage that includes the cost of the vaccine and administrative fee, even when administered outside of the physician's office in a school by a local health department, a local physician's office, or other person qualified to administer vaccinations. *Referred to Insurance 2/6/12 – hearing 2/21 @ 2pm.*

[HB 4620](#) – Rep. Robyn Gabel – Increases the participation of Medicaid recipients in care coordination from 50% to 70% by January 1, 2015; provides that the Primary Care Case Management program qualifies as care coordination. *Referred to Rules 2/1/12.*

[HB 4724](#) – Rep. Kelly Cassidy – Creates the Illinois Family Medical Leave Act – Mirrors the federal FMLA, which allows for up to 12 weeks of unpaid leave to those working for employers with 50 or more employees in order to care for a new child or qualified family member with a serious health condition; also applies the provisions to couples in a civil union. *Referred to Rules.*

[HB 4968](#) – Rep. Robyn Gabel – Creates the Hospital Infant Feeding Act that requires all birthing hospitals to adopt an infant feeding policy that promotes breastfeeding, using the Baby Friendly Hospital Initiative's guidelines. Effective January 1, 2013. *Referred to Rules.*

[HB 5013](#) – Rep. Robyn Gabel – Requires public schools to make “publically available” immunization data on or before December 1 of each year; this is the same information that they are already required to report to the Illinois State Board of Education. *Referred to Rules.*

[HB 5363](#) – Rep. Robyn Gabel – Moves maternal and child health programs from IDHS to IDPH. *Filed on 2/8/12.*

[HB5370](#) – Rep. Toni Berrios – Home Birth Safety Act – Provides licensure to Certified Professional Midwives and allows them to bill Medicaid. *Filed on 2/9/12.*

[HB 5373](#) – Rep. Karen May - Prohibits the manufacture, distribution, and use of paper containing bisphenol A for the making of business or banking records. *Filed on 2/9/12*

[HR 696](#) – Rep. Patty Bellock – House resolution that encourages the continued use of vaccines in children, adolescents, and adults to ensure the safety and health of Illinoisans. *Assigned to Health Care Availability and Access – hearing 2/21 @ 4:30pm.*

[SB 2878](#) – Sen. William Delgado – Eliminates dental services from definition of coordinated care. *Assigned to Human Services 2/7/12.*

[SB 3146](#) – Sen. John Cullerton – Eliminates the requirement that a physician be appointed as the Director of the Department of Public Health; instead puts forth requirements that he/she have experience in public health. Provides for the appointment of a Medical Director. *Referred to Assignments 2/1/12*

If you have additional legislation for us to include, please contact Kathy Chan at kchan@ilmaternal.org.