

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

Telephone: (217) 782-1200  
TTY: (800) 526-5812

To: Honorable Members of the Special Investigative Committee  
Illinois House of Representatives

From: Illinois Department of Healthcare and Family Services

Date: December 22, 2008

Re: Additional Information requested by the Special Investigative Committee

Following are additional responses to questions and informational requests in your correspondence dated December 19, 2008 and received by our office yesterday.

*"BLACK*

*- How were premium dollars spent?"*

Premiums are billed according to the level of the program as a fee for monthly participation in the program, for which the individual is eligible based upon family income. Premiums collected are deposited into the General Revenue Fund (GRF), as previously noted in the Department's December 18, 2008 response. Premiums deposited into the GRF are not segregated into specific accounts by the Comptroller, but rather, are combined with revenue from all sources that by law must be deposited into the GRF. Payment for services rendered to individuals covered under the program, as is the case with all such medical programs, are paid from the Department's appropriations associated with medical assistance. This operates in the same manner as All Kids premium plans operated now and before November 2007.

*"MAUTINO*

*-Have to know how you determined which providers were to receive that letter or was the letter sent out to everyone?*

*-Has there been a secondary response back to the providers informing them of payment?*

*-What's the dollar amount on payment to providers?"*

As noted in the Department's December 18, 2008 response to the committee, the communication to providers affected by the April 15, 2008 injunction was included on remittance advices. This language was included on the remittance advices sent to all providers who had claims adjusted to recoup money. Providers received notice both on the claims that were to be recouped and on the claims against which the adjustment was taken. The Department recouped approximately \$300,000. These claims were on schedules sent to the Comptroller but not paid prior to the injunction. It was not possible for the Comptroller to single out the Family Care claims on the

schedules. They were paid and adjusted in order to allow the Comptroller to pay approximately \$39 million in claims on these schedules that were not subject to the April 15, 2008 injunction.

In addition, as noted in the Department's response to the committee on December 18, 2008, since the expansion of Family Care above 185% FPL, the Department has incurred liability of \$6.3 million, of which \$5.3 million has been paid to providers, and \$1 million is pending at the Department as a result of the injunction.

"LANG

- *Lang wants number of people on a monthly basis through December 18, 2008"*  
*The information provided gives the number of people through November 1, 2008.*"

As of December 18, 2008, FamilyCare expansion enrollment is as follows:

- Individuals with incomes above 185% and up to and including 200% FPL, included under pending State Plan Amendments with Federal CMS - 835
- Individual with incomes above 200% and up to and including 400% FPL, not associated with any pending State Plan Amendments – 2,908
- Total Expansion Population – 3,743 persons with income above 185% FPL

Please note:

- Persons enrolled and covered on December 18, 2008, as requested by the committee are based on data run December 22, 2008.
- New enrollments for coverage of persons with income above 185% FPL generally occur prospectively. For example, an individual whose application is processed by the middle of the month is effectively enrolled for coverage the 1st of the next month.
- Therefore, individuals enrolled in the program during November 2007, would have coverage beginning either December 2007 or January 2008, depending on when in November the application was processed.
- Data supplied reflects individuals eligible for medical service coverage on December 18, 2008.
- December enrollment figures are not static, and may not reflect all re-determinations that occur during the month of December. These actions may result in changes in categorization of individuals and result in future adjustments in the figures listed.

"HAMOS

- *How much have been submitted as fee invoices to date on legal fees?*  
*The invoices are through the end of August, not as of December 18, 2008.*"

The Department submitted to the committee all invoices it received as of December 18, 2008.

*"LANG*

- *You had no meetings with Governor's office or other staff?*
  - o *Tami: involved in meetings, wouldn't say who was at meetings but Governor was there. I will look at notes and turn them over."*

As of this date, Ms. Hoffman has not found any notes but will continue to look.

- *"When you had the rule you wanted to propose, who did you give that to?"*
  - o *Tami: don't recall, look at email."*

As of this date, Ms. Hoffman will continue to look at e-mails.

- *"What qualified the rule being promulgated as an emergency?"*
  - o *"Tami: don't recall the reason we used in rule. Will look at notes."*

As stated in 31 Ill. Reg. 15424 published 11-26-07:

"The emergency amendment is necessary to respond to the President's veto of federal legislation reauthorizing the federal State Children's Health Insurance Program (SCHIP). Just before sunset of SCHIP on September 30, 2007, the U.S. Congress sent the President reauthorizing legislation that the President vetoed on October 3, 2007. On October 18, 2007, the U.S. House of Representatives failed to override the President's veto. This federal action puts the healthcare of between 15,000 and 20,000 parents in jeopardy.

In addition, the Department has determined that FamilyCare coverage must be extended immediately to approximately 147,000 parents and other caretaker relatives with income up to 400 percent of the federal poverty level. Many working families in Illinois lack access to affordable health insurance. Numerous studies show that lack of insurance negatively affects the health status of individuals posing a threat to their health and wellbeing. In addition, worker productivity is affected to the detriment of the economy of Illinois. The health care system shifts the cost of the uninsured to those that pay for insurance, increasing costs to Illinois companies that provide insurance to their employees and making them non-competitive in the global economy. The lack of access to insurance has reached a crisis level requiring immediate action.

HFS has examined the relationship between enrollment of children and making coverage available to their parents. The Department has identified a close positive correlation between making coverage available to parents and increasing the enrollment of children. One of the themes emerging from the national debate concerning the reauthorization of SCHIP is that, states may be held accountable for very high performance enrollment targets among children. That is, when SCHIP is eventually reauthorized, it is likely to make some portion of funding contingent on states having very low numbers of uninsured children. It is therefore incumbent upon the State to act now to do all it can, including covering more parents, to enroll all eligible children."

"FRITCHEY

- *Was there a discussion that the SCHIP program gave a window to roll Gov's expansion?*
  - o *Tami: Don't recall."*

Ms. Hoffman has responded to this question.

- *"Who in governor's office did you had conversations with regarding implementing rules for the expansion and SCHIP?*
  - o *Tami: with this specific issue, don't recall"*

Ms. Hoffman has responded to this question.

- *"With the SCHIP and Family Care expansion you delay with legal people but what about policy people?*
  - o *Tami: doesn't remember, will look at notes."*

As of this date, Ms. Hoffman will continue to look at notes.

- *"Who do you deal with from the administration to formulate policies?*
  - o *Maram: Varies from time-to-time. Sat down with legal counsel and outside counsel and privilege keeps him from telling the committee who he spoke with. Doesn't know.*
  - o *Tami: don't remember*
    - *Currie: go look at notes and get back to us*
    - *Maram & Tami: Certainly."*

To the best of Director Maram's and Ms. Hoffman's recollection, the persons dealt with from the administration as policies were being formulated, including healthcare policies, one of the many priorities of Governor Blagojevich's administration, varied from time to time. They have included, but have not been limited to: Sheila Nix, Bob Greenlee, Matthew Summy, Louanner Peters, Bradley Tusk, Andrew Barbeau, John Harris, Governor Blagojevich, and governor's legal and outside counsel from time to time.

- *"Are premiums continuing to be collected today?"*

Yes, the Department continues to collect premiums for participants to whom a premium applies.

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Telephone: (217) 782-1200  
TTY: (800) 526-5812

To: Honorable Members of the Special Investigative Committee  
Illinois House of Representatives

From: Illinois Department of Healthcare of Family Services

Date: December 22, 2008

Re: Documents Requested on December 18, 2008

Attached is a resubmission of documents that have been requested by the Special Investigative Committee which was originally sent to your office on December 18, 2008. The Department of Healthcare and Family Services' Office of the General Counsel has identified certain information that must be redacted in order to protect the confidential nature of the information, as well as to prevent any possible fraudulent use of the information if it is released to the general public. The information redacted consists of provider numbers, payee numbers, federal tax identification numbers and bank account numbers.

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To: Honorable Members of the Special Investigative Committee  
Illinois House of Representatives

From: Illinois Department of Healthcare and Family Services

Date: December 18, 2008

Re: Additional Information requested by the Special Investigative Committee

Attached are documents containing information requested by the Special Investigative Committee during the appearance of Director Barry Maram and Chief of Staff Tamara Hoffman before the committee earlier today. Per the request of the chair, the Department is providing all information requested to all committee members.

The Department was invited to appear before the committee with less than 24 hours notice and, at the hearing today, was subsequently asked to provide information that it did not anticipate the committee would request. This information was gathered immediately. The Department asks that if members are not satisfied that the attached information fulfills requests made at the hearing, please contact the Department.

- Attached is a summary of Joint Committee on Administrative Rules action on previous Family Care expansions.
- As stated in testimony today, the amount of premiums collected since the inception of the FamilyCare expansion is \$1.7 million, and attached are the following:
  1. Sample invoices and statements sent by the Department to FamilyCare participants for premiums due.
  2. Department procedures for billing and collection of premiums, confirming the deposit of premium payments into the General Revenue Fund with the corresponding account receipt code noted.

- Regarding communication to providers, attached is sample remittance advice language sent to affected FamilyCare providers as referred to in Director Maram's testimony and subsequent to the April 15<sup>th</sup>, 2008 injunction concerning the emergency rule.
- Regarding payment for legal services, attached are the interagency agreements between HFS and the Governor's office for the legal representation of Barnes and Thornburg, LLP in *Caro v. Blagojevich, et al*, as well as all invoices to date.
- Regarding communication to caseworkers, attached are Policy Memoranda regarding the FamilyCare expansion at three points in time, November 2007, April 2008 and June 2008.
- Regarding responses to the Freedom of Information Act (FOIA), attached are copies of the Associated Press' FOIA request and the Department's responses.
- Regarding the decision to move forward and the use of the proposed rule to continue the FamilyCare expansion, the expansion was a Governor's office initiative and the Department acted in conjunction with the Governor's office and consistently with the advice of counsel on the issue of the authority to expand the FamilyCare program. There is currently litigation pending regarding the expansion of the FamilyCare program and the Department has no intent to waive any privilege. Therefore, to the extent your questions bear on privileged information, the Department respectively declines to answer.
- Regarding the decision not to submit a separate rule to split the populations (below 185% FPL and above 185% FPL), the expansion of the FamilyCare program was a Governor's office initiative and the Department acted in conjunction with the Governor's office and consistently with the advice of counsel on the issue of the authority to submit one rule regarding the expansion of the FamilyCare program. There is currently litigation pending regarding the expansion of the FamilyCare program and the Department has no intent to waive any privilege. Therefore, to the extent your question bears on privileged information, the Department respectively declines to answer.
- Regarding enrollment in FamilyCare expansion, attached is a table depicting monthly enrollment.
- Regarding the cost of the FamilyCare expansion, as included in Director Maram's written statement, the Department has incurred \$6.3 million in cost to date.
- Also attached is a copy of Director Maram's opening statement to the committee, which contains references to the availability of information on litigation concerning the expansion of the FamilyCare program. Public documents filed in that litigation, *Richard P. Caro, et al v. Hon Rod Blagojevich, et al* may be obtained at the offices of the Clerk of the Circuit Court of Cook County.

If you have questions or require additional information, please contact the Department (217) 782-7755.

**JCAR VOTING HISTORY FOR FAMILYCARE EXPANSIONS UNDER  
CIRCUMSTANCES SIMILAR TO CURRENT EXPANSION**

**Part 120.30:** Pre-expansion coverage – parents covered to flat MANG C standard  
22 Ill. Reg.19875 - Effective Date: 10-30-98

Statutory Authority: Public Aid Code

Federal Funding Authority: Title XIX State Medicaid Plan

JCAR Vote: No Objection; December 15, 1998

JCAR Members in Attendance: Sen. Bradley Burzynski (R), Sen. Beverly Fawell (R),  
Sen. Steve Rauschenberger (R), Sen. Jim Rea (D), Rep. Philip Novak (D), Rep. Coy  
Pugh (D), Rep. Tom Ryder (R), Rep. Dan Rutherford (R)

**Part 120.32:** Expanded coverage above Part 120.30 levels 49% FPL

26 Ill. Reg. 15051 – Effective Date 10-01-02

Statutory Authority: Public Aid Code/Illinois Children's Health Insurance Program Act

Federal Funding Authority: Title XXI\* Per HIFA waiver until 9/30/07, TXIX SPA

pending for coverage beginning 10/1/07

JCAR Vote: No Objection; November 19, 2002

JCAR Members in Attendance: Sen. Bradley Burzynski (R), Sen. Lisa Madigan (D –  
current Illinois Attorney General), Sen. Barack Obama (D – current President-elect), Sen.  
Steve Rauschenberger (R), Rep. Steve Davis (D), Rep. Dan Rutherford (R), Rep. Art  
Tenhouse (R)

**Part 120.32:** Expanded coverage above Part 120.30 levels to 90% FPL

27 Ill. Reg. 10793 – Effective Date: 7-18-03

Statutory Authority: Public Aid Code/Illinois Children's Health Insurance Program Act

Federal Funding Authority: Title XXI\* Per HIFA waiver until 9/30/07, TXIX SPA

pending for coverage beginning 10/1/07

JCAR Vote: No Objection; August 12, 2003

JCAR Members in Attendance: Sen. Bradley Burzynski (R), Sen. Maggie Crotty (D),  
Sen. Steve Rauschenberger (R), Sen. Dan Rutherford (R), Rep. Brent Hassert (R), Rep.  
David Leitch (R), Rep. Rosemary Mulligan (R)





\*\*\*\*\*  
 \*\* THERE IS NO INVOICE OUTPUT FROM KIDCARE TODAY \*\*  
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FamilyCare

ALL KIDS AND FAMILYCARE PREMIUM PLAN

INVOICE

Customer ID	Invoice No.	Total Amount Due
Due Date	Invoice Date	Amount Enclosed

Remit To:

To:

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 \*\* THERE IS NO INVOICE OUTPUT FROM KIDCARE TODAY \*\*  
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If address or phone number has changed, please check box at left and make corrections above.

Enclose this portion in the return window envelope with your payment

Retain this portion for your records.

Customer ID	Invoice No.	Invoice Date	Total Amount Due
Case ID	Description	Due Date	

Children Insured:

Coverage End Date:

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 \*\* THERE IS NO INVOICE OUTPUT FROM KIDCARE TODAY \*\*  
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Current	Prior Balance - Days Past Due			
	1 - 30	31 - 60	61 - 90	Over 90

Please, do not send cash

Make checks payable to: All Kids and FamilyCare Premium Plan.

See reverse side

**PAYMENT OPTIONS**

Choose an option. Where necessary, complete the Payment Information and return the remittance form in the enclosed envelope:

- OPTION 1 (INTERNET PAYMENT)** Visit our E-Pay web site at [www.allkidscovered.com/epay](http://www.allkidscovered.com/epay) or [www.familycareillinois.com/epay](http://www.familycareillinois.com/epay) and follow the on-line instructions.
- OPTION 2 (SEND A CHECK)** Send a check and the completed remittance form in the enclosed envelope.
- OPTION 3 (RECURRING CREDIT CARD CHARGE)** I authorize AllKids and FamilyCare / BFO to charge my credit card on or about the 20th of each month, during my enrollment in the Program, for the Premium due. If the credit card cannot be charged, I understand and accept full responsibility for ensuring that my premium is paid.
- OPTION 4 (SINGLE CREDIT CARD CHARGE)** I authorize the AllKids and FamilyCare Program to charge my credit card for \$ \_\_\_\_\_ or the amount due.

Credit Card Number	Expiration Date	Signature of Card Holder	Date
(VISA OR MASTERCARD ONLY)	Print name as it appears on card	Daytime Phone Number	

Remittance Address

AllKids and FamilyCare / Fiscal Operations  
PO Box 19121  
Springfield, Illinois 62794-9121

To make Credit Card Payments by phone call toll-free 1-877-828-2375. Have your Credit Card Number available when you call.

If You Have a Question:

If you have questions about this notice, or if you need information about your monthly premium, medical coverage, or outstanding balance, call AllKids and FamilyCare toll-free at 1-800-226-0768 (TTY: 1-800-204-1012). Also call this number to report if your children are now covered by private or employer-sponsored health insurance, or if you do not want to continue to receive AllKids and FamilyCare for your children.

You have the right to appeal and be given a fair hearing if you do not agree with the Department's determination that you owe the amounts presented on this document. You must file the appeal with the Department within 60 days following the invoice date shown on the front page of this document. You may represent yourself at this hearing or be represented by anyone else, such as a lawyer, relative or friend. You can ask for an appeal fair hearing by calling 1-800-435-0774 (TTY: 1-312-793-2697 or 1-800-526-0857) or by writing to the Illinois Department of Healthcare and Family Services, Bureau of Administrative Hearings, 401 South Clinton Street, 6th floor, Chicago, IL 60607. You must pay the amounts shown on this document or your child's/children's AllKids and FamilyCare coverage will be terminated. If your appeal is successful, the Department will refund any overpayments you have made.

To apply for free legal help:  
In the City of Chicago - Legal Assistance Foundation of Chicago (312) 341-1070  
Outside the City of Chicago, consult your local directory for the number of the nearest legal services office  
In Cook County - Cook County Legal Assistance Foundation, Inc (Outside the City of Chicago)  
In Northern Illinois - Prairie State Legal Services or West Central Illinois Legal Assistance  
In Southern Illinois - Land of Lincoln Legal Assistance Foundation, Inc

Cancellation of insurance coverage will result in a three month waiting period and repayment of any outstanding amount due PRIOR to re-enrollment.

\*\*\*\*\*  
 \*\* THERE IS NO STATEMENT OUTPUT FROM KIDCARE TODAY \*\*  
 \*\* \*\*\*\*\* \*\*  
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ALL KIDS AND FAMILYCARE PREMIUM PLAN

STATEMENT

Customer ID	Statement Date	Current Amt Due	Past Due Amt	Total Amount Due
				Amount Enclosed

Remit To:

To:

\*\*\*\*\*  
 \*\*  
 \*\* THERE IS NO STATEMENT OUTPUT FROM KIDCARE TODAY \*\*  
 \*\* \*\*\*\*\* \*\*  
 \*\*\*\*\*

\*\*\*\*\*  
 Make checks payable to: All Kids and FamilyCare Premium Plan  If address or phone number has changed, please  
 Please, do not send cash check box at left and make corrections above.

Enclose this portion in the return window envelope with your payment.

Retain this portion for your records.

Customer ID	Case ID	Statement Date	Current Charges Due Date	Total Amount Due
Activity Date	Transaction ID	Coverage Period	Charges/Payments	

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 \*\* THERE IS NO STATEMENT OUTPUT FROM KIDCARE TODAY \*\*  
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Current	Prior Balance - Days Past Due			
	1 - 30	31 - 60	61 - 90	Over 90

An automated system for making credit card payments and checking your account balance is now available 24 hrs a day, 7 days a week at 1-877-828-2375. If you have a question that the automated system does not answer, you may call to speak with a payment operator weekdays 8:30am - 4:30pm. Other payment options are listed on the back of this statement.

PAYMENT OPTIONS

Choose an option. Where necessary, complete the Payment Information and return the remittance form in the enclosed envelope:

- OPTION 1 (INTERNET PAYMENT)** Visit our E-Pay web site at [www.allkidscovered.com/epay](http://www.allkidscovered.com/epay) or [www.familycareillinois.com/epay](http://www.familycareillinois.com/epay) and follow the on-line instructions.
- OPTION 2 (SEND A CHECK)** Send a check and the completed remittance form in the enclosed envelope.
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_____	____/____	_____	____/____/____
Credit Card Number	Expiration Date	Signature of Card Holder	Date
(VISA OR MASTERCARD ONLY)	_____	_____	_____
	Print name as it appears on card	_____	Daytime Phone Number

Remittance Address:

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PO Box 19121  
Springfield, Illinois 62794-9121

To make Credit Card Payments by phone call toll-free 1-877-828-2375. Have your Credit Card Number available when you call.

If You Have a Question:

If you have questions about AllKids and FamilyCare or this notice or if you need information about your monthly premium, insurance coverage or outstanding balance, call 1-800-226-0768 (TTY: 1-877-204-1012).

ATTENTION

You must pay your monthly premium even if your children do not use their AllKids and FamilyCare Identification card to receive medical services.

If your children are now covered by private or employer-sponsored health insurance, or if you do not want to continue to receive AllKids and FamilyCare benefits for your children, you must call 1-800-226-0768 (TTY: 1-877-204-1012).

Cancellation of insurance coverage will result in a three month waiting period and repayment of any outstanding amount due PRIOR to re-enrollment.

## Client Billing and Collecting Processes

### Billing – Invoices and Statements

- Invoices: Initial bill when client enters program
  - Client record received in accounting system via interface from client eligibility system each day when new case established. The client record contains 12 months of eligibility data for client.
  - Paper invoice generated and mailed to client for initial month's charges.
- Statement: Monthly statement of account
  - Statement of account reflecting current month activity, including monthly premium billed and payment(s) since the previous statement.
  - Monthly premium is billed in advance (i.e. December statement is for January coverage) and due by the end of the month billed.
  - Paper statement generated and mailed to the client no later than the 15<sup>th</sup> of each month.

### Premium Collections

- Premiums are due monthly.
- Payments accepted via mail by personal check, money order, cashiers check, credit card and e-check are received by the Bureau of Fiscal Operations at Churchill Road.
- Electronic payments accepted in the form of credit card and e-check are received through the Internet via the Treasurer's E-Pay System or via Interactive Voice Response (IVR) System and telephone operator by the Bureau of Fiscal Operations at Churchill Road as well.
- All payments receipted are deposited with the State Treasurer in Receipt Account Code 478-495-080-0001 (Revenue Source Code 1500) into the State's General Revenue Fund.

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## Family Care Expansion Adjustments

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Voucher Number: 2008112E436

Schedule Date: 4/21/2008

Payee Number: [REDACTED]

Schedule Type: NIPS

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As a result of a recent court order, the Illinois Department of Healthcare and Family Services cannot at this time reimburse providers for certain dates of service for a small number of certain recipients under the Family Care Program. In order to make payment on this previously created voucher, HFS has identified the following listed claims with paid services not previously voided for other reasons that are for recipients covered by the court order. HFS has taken steps to void these claims and recoup the associated payments on this voucher from future vouchers. A special credit adjustment code/reason will appear on a future voucher reflecting the adjustment. HFS will provide a separate notification when the status of these claims change.

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Provider Number	Document Control Number	Service Line
[REDACTED]	200736222114334	01
[REDACTED]	200736222114393	01
[REDACTED]	200736222114393	02
[REDACTED]	200736222114393	03
[REDACTED]	200736222114393	04
[REDACTED]	200736222114404	01

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Voucher Number 2008112E436

Payee Number [REDACTED]

Illinois Department of Healthcare  
and Family Services

2008-02-15

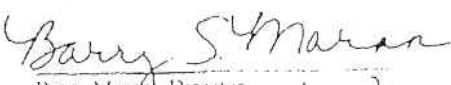
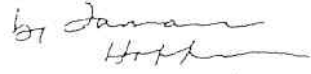
INTERAGENCY AGREEMENT

This Interagency Agreement is entered into between the Office of the Governor and the Illinois Department of Healthcare and Family Services (the "Agency"), pursuant to the "Intergovernmental Cooperation Act" (5 ILCS 220) and in connection with certain professional services provided to the State of Illinois by Barnes and Thornburg, LLP ("Vendor").

1. To assist the Office of the Governor, the Agency, and the officers and employees of the State of Illinois in connection with issues relating to the Agency, Vendor was retained to provide advice, counsel, and, where appropriate, legal representation to the Office of the Governor, the Agency, and officers and employees of the State of Illinois; and perform such other legal services as are requested and as may be contemplated under the terms of the contract between Vendor and the State of Illinois on the matters of Caro v. Blagojevich, et al. and Gidwitz et al. v. Maram. The Office of the Governor has been the Coordinating Agency responsible for the preparation of the underlying contract and other administrative functions in connection with these services (copy of contract attached for reference).
2. The Office of the Governor and the Agency agree that the Agency shall pay an allocable share of the cost of obtaining the services under the contract with Vendor, in furtherance of Section 1 of the "Pricing/Compensation" provisions of the underlying contract, effective December 3, 2007 through June 30, 2008 (see Appendix A for Agency allocable share).
3. This Agreement may be executed in one or more counterparts, all of which shall be considered to be one and the same agreement, binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.
4. The term of this Agreement is effective as of the start date of the underlying contract between the Office of the Governor and Vendor and, unless otherwise terminated by one of the parties, shall continue through June 30, 2008. Notice of termination must be in writing and may be delivered by any means.

Office of the Governor  
  
 Mary Hopting, Fiscal Director

Date 2/15/08

Department of Healthcare and Family Services  
  
 Barry Maram, Director  
 by   
 Jamar Holt, Chief of Staff

APPENDIX A

Legal Services Agreement:

Contract for Services with Barnes and Thornburg, LLP effective December 3, 2007

Agency Allocable Share of Cost:

Illinois Department of Healthcare and Family Services - 50%, but not to exceed \$150,000.

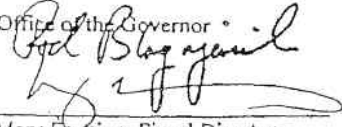


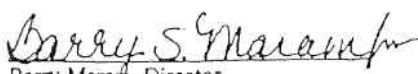
INTERAGENCY AGREEMENT - FY 09

This Interagency Agreement is entered into between the Office of the Governor and the Illinois Department of Healthcare and Family Services (the "Agency"), pursuant to the "Intergovernmental Cooperation Act" (5 ILCS 220) and in connection with certain professional services provided to the State of Illinois by Barnes and Thornburg, LLP ("Vendor").

To assist the Office of the Governor, the Agency and the officers and employees of the State of Illinois in connection with healthcare issues, Vendor was retained to provide advice, counsel, and, if necessary, legal representation to the Office of the Governor, the Agency, and officers and employees of the State of Illinois; and perform such other legal services as are requested and as may be contemplated under the terms of the contract. The Office of the Governor has been the Coordinating Agency responsible for the preparation of the underlying contract and other administrative functions in connection with these services (copy of contract renewal attached for reference).

2. The Office of the Governor and the Agency agree that the Agency shall pay an allocable share of the cost of obtaining the services under the contract with Vendor, in furtherance of Section 1 of the "Pricing/Compensation" provisions of the underlying contract effective April 1, 2008 through June 30, 2008 and renewed for the period of July 1, 2008 through June 30, 2009 (see Appendix A for Agency allocable share). Total compensation under this contract renewal shall not exceed \$350,000.
3. This Agreement may be executed in one or more counterparts, all of which shall be considered to be one and the same agreement, binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.
4. This Agreement is effective as of the start date of the underlying contract renewal, and, unless otherwise terminated by one of the parties, shall continue through June 30, 2009. Notice of termination must be in writing and may be delivered by any means.

Office of the Governor  
  
Mary Faning, Fiscal Director

Department of Healthcare and Family Services  
  
Barry Marant, Director

Date

6/12/08

Date

6/3/08

**INVOICE-VOUCHER  
DEPARTMENT OF PUBLIC AID**

04

PAYMENT OF INTEREST MAY BE AVAILABLE IF THE STATE FAILS TO COMPLY WITH THE ILLINOIS PROMPT PAYMENT ACT 30 ILCS 540.1	2. TAXPAYER IDENTIFICATION NUM. [REDACTED]	ZIP CODE	TYPE CODE 03	4. Voucher No. P1422689
	3. VENDOR OR PAYEE BARNES & THORNBURG LLP 1 N WACKER DR SUITE 4400			5. Voucher Date 06/25/08
	CHICAGO	IL	60606-2833	6. Appropriation Account Code No. 0001-47805-1200-00-00
				7. Invoice No. 1150998
				8. Invoice Date 06/11/08

10. GIVE DESCRIPTION OF ARTICLES/SERVICES RENDERED OR ATTACH ITEMIZED VENDOR INVOICE.	11. QUANTITY	12. UNIT	13. UNIT PRICE	14. AMOUNT
1300 ADVICE, COUNSEL & IF NECESSARY, LEGAL REPRESENTATION FOR SRV'S RENDERED 12/07-31/07 IN THE MATTER OF CARO V. BLAGOJEVICH & GIDWITZ V. MARAM. THE GOV'S OFC HAS A CONTRACT W/BARNES & THORNBURG LLP UNDER CONTRACT #IGOV200075 DHFS SHARE UNDER THE INTERAGENCY AGREEMENT EFF 12/03/07 IS 50% NOT SUBJECT TO STATE INDEMNIFICATION ACT				
				21,516.56
	FT: 12/07/07 / 12/31/07			

18. EXP. OBJ 1244	19. EXP. AMOUNT 21,516.56	COMP USE	15. SUBTOTAL 21,516.56
		22. OBLIGATION NO 8GOMB00010	16. DISCOUNT/DEDUCTION
		23. F/P	17. TOTAL AMOUNT 21,516.56
		24. PAYMENT AMOUNT 21,516.56	
20. TOTAL EXP 21,516.56		25. TOTAL PAYMENT AMOUNT 21,516.56	

26. FOR AGENCY USE ONLY		Certification of Receiving Agency I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget and to define its powers and duties and to make an appropriation", approved April 16, 1969, as amended, have been met.	
APPROVED FOR PAYMENT	4788CF001021		
RECEIVING OFFICER	DATE 06/25/08	CLERK	DATE 06/25/08
HEAD OF UNIT OR AUTHORIZED AGENT	DATE	DATE	AGENCY HEAD (SIGNATURE)

INVOICE VOUCHER

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
201 SOUTH GRAND AVE. EAST, SPFLD IL 62763

Name and Location of State Agency or Institution

PAYMENT OF INTEREST MAY BE AVAILABLE IF THE STATE FAILS TO COMPLY WITH THE ILLINOIS PROMPT PAYMENTS ACT. 30 ILCS 540	2. Taxpayer Identification Number	TIN TYPE	4. Voucher No. <b>8070010 21</b>
	3. Vendor or Payee LAST NAME FIRST NAME MIDDLE INITIAL OR BUSINESS NAME Barnes & Thornburg, LLP One North Wacker Drive, Suite 4400 Chicago, Illinois 60606-2833		5. Voucher Date <b>6-25-08</b>
1.-Comptroller 2.-Agency			6. Appropriation Account Code Number <b>31</b>
Disposition of Copies			7. Invoice Number 1150998
			8. Invoice Date <del>6/18/08</del> <b>6/4/08</b>

10. Give Complete Description of Articles/Services Rendered or Attach Itemized Vendor Invoice	11. Quantity	12. Units	13. Unit Price	14. Amount
ADVICE, COUNSEL, AND, IF NECESSARY, LEGAL REPRESENTATION FOR SERVICES RENDERED DECEMBER 7, 2007 THROUGH DECEMBER 31, 2007 IN THE MATTER OF CARO v. BLAGOJEVICH AND GIDWITZ v. MARAM. THE GOVERNOR'S OFFICE HAS A CONTRACT WITH BARNES & THORNBURG, LLP UNDER CONTRACT #GOV200075. DHFS SHARE UNDER THE INTERAGENCY AGREEMENT EFF 12/03/07 IS 50%.				
INVOICE DATE AMOUNT 1150998 04/18/08 \$43,033.12				\$21,516.56
<i>Not Subject to State Indemnification Act</i>				
			<i>Line</i>	

18. Exp. Obj. <b>1244</b>	19. Exp. Amount	Comp Use Only	20. Total Exp.	21. Obligation No. <b>00478 8860 MB0010</b>	22. Obligation No.	23. F/P	24. Payment Amount	25. Total Payment Amount	15. Subtotal	16. Discoun/Deduction	17. Total Amount
									\$21,516.56		\$21,516.56

26. For Agency Use Only

Approved for Payment  
*Jack B... 6-12-08*  
Receiving Officer Date Clerk

Head of Unit or Authorized Agent  
*Michael G. Casey 06-16-08*  
Date

Certification of Receiving Agency

I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates, and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget and to define its powers and duties to make an appropriation", approved April 16, 1969, as amended, have been met.

Agency Head (Signature)  
*[Signature]*

**From:** Kyong Lee  
**To:** Elvin Lay; Teri Wargo  
**Date:** 6/11/2008 2:31:14 PM  
**Subject:** Re: Barnes & Thornburg invoice (Caro) - December 2007

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 6/11/2008 1:27 PM >>>

> All,

>

> Attached please find the December 2007 detailed invoice from Barnes &

> Thornburg for services rendered on the Caro/Gidwitz matter. This

> invoice has been reviewed and approved for payment. As a reminder,

> only the summary sheet should be sent to the Comptroller. The

> detailed portions of the invoice are privileged and should be kept

> confidential.

>

Please note that a final version of this invoice was not received until  
May 14, 2008, therefore no interest is due to vendor.

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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> then destroy all copies of it. Receipt by unintended recipient does

> not waive attorney-client privilege or attorney work product privilege

> or any other exemption from disclosure. Thank you.

> <<Invoice.BarnesThornburg.Caro.December.2007.pdf>>

**BARNES & THORNBURG LLP**

One North Wacker Drive  
Suite 4400

Chicago, Illinois 60606-2833 U.S.A.

E.I.N. [REDACTED]  
(312) 357-1313

OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
BLK GROVE VILLAGE, ILLINOIS 60007



April 18, 2008

**REVISED** Invoice No. 1150998

Received revised on 5-14-08

Donald J. McNeil

00044434-00003

**PAYABLE UPON RECEIPT**

Fees for Services	\$	42,040.00	✓
Other Charges	\$	993.12	✓
<b>TOTAL THIS INVOICE</b>	<b>\$</b>	<b>43,033.12</b>	✓

To remit payments by check, please return this page with remittance to:  
Barnes & Thornburg LLP, One North Wacker Drive, Suite 4400, Chicago, Illinois 60606-2833 U.S.A.

To remit payments by wire, please indicate invoice number on wire to:  
LaSalle Bank NA, Chicago, IL, Account Number: [REDACTED] ABA [REDACTED] Swift [REDACTED]

INVOICE-VOUCHER  
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

04

PAYMENT OF INTEREST MAY BE AVAILABLE IF THE STATE FAILS TO COMPLY WITH THE ILLINOIS PROMPT PAYMENT ACT 30 ILCS 540.1	2. TAXPAYER IDENTIFICATION NUM. [REDACTED]	ZIP CODE	TYPE CODE 03	4. Voucher No. P1448949
	3. VENDOR OR PAYEE BARNES & THORNBURG LLP 1 N WACKER DR SUITE 4400			5. Voucher Date 07/30/08
	CHICAGO	IL	60606-2833	6. Appropriation Account Code No. 0001-47805-1200-00-00
				7. Invoice No. 1161434
				8. Invoice Date 07/03/08

10. GIVE DESCRIPTION OF ARTICLES/SERVICES RENDERED OR ATTACH ITEMIZED VENDOR INVOICE.	11. QUANTITY	12. UNIT	13. UNIT PRICE	14. AMOUNT
1300 PYMT FOR ADVICE COUNSEL LEGAL REPRESENTATION FOR SRVCS RENDERED 1/1/08-1/31/08 IN MATTER OF CARO V. BLAGOJEVICH & GIDWIZ V. MARAM. GOV'S OFFICE HAS CONTRACT #IGOV200075 DHFS SHARE UNDER INTRAGENCY AGREEMENT EFF 12/3/07 IS 50% NO SUBJECT TO STATE INDEMNIFICATION ACT. DOS: 01/01/08 THRU 01/31/08				
		F/T: 01/01/08 / 01/31/08		21,367.25

18. EXP. OBJ 1244	19. EXP. AMOUNT 21,367.25	COMP USE	15. SUBTOTAL 21,367.25
		22. OBLIGATION NO 8GOMB00002	16. DISCOUNT/ DEDUCTION
		23. F/P	17. TOTAL AMOUNT 21,367.25
20. TOTAL EXP 21,367.25		24. PAYMENT AMOUNT 21,367.25	25. TOTAL PAYMENT AMOUNT 21,367.25

APPROVED FOR PAYMENT 4788CF001185	Certification of Receiving Agency I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 3.1 of "An Act to create the Bureau of the Budget and to define its powers and duties and to make an appropriation", approved April 16, 1969, as amended, have been met. 07/30/08
RECEIVING OFFICER DATE 07/30/08	
HEAD OF UNIT OR AUTHORIZED AGENT DATE	
	AGENCY HEAD (SIGNATURE) DATE

INVOICE VOUCHER

me  
7-30-08

FY08

7-30-08 AMM

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
201 SOUTH GRAND AVE. EAST, SPFLD IL 62763

Name and Location of State Agency or Institution

PAYMENT OF INTEREST MAY BE AVAILABLE IF THE STATE FAILS TO COMPLY WITH THE ILLINOIS PROMPT PAYMENTS ACT 30 ILCS 640	2. Taxpayer Identification Number [REDACTED]	TIN TYPE	4. Voucher No. 8041001185
	3. Vendor or Payee LAST NAME FIRST NAME MIDDLE INITIAL OR BUSINESS NAME Barnes & Thornburg, LLP One North Wacker Drive, Suite 4400 Chicago, Illinois 60606-2833		5. Voucher Date 6. Appropriation Account Code Number CSP
Disposition of Copies 1.-Comptroller 2.-Agency			7. Invoice Number 1161434 8. Invoice Date 05/31/08 7-30-08

10. Complete Description of Article/Services Rendered or Attach Itemized Vendor Invoice	11. Quantity	12. Units	13. Unit Price	14. Amount
<p>Payment for ADVICE, COUNSEL, AND, IF NECESSARY, LEGAL REPRESENTATION FOR SERVICES RENDERED JANUARY 1, 2008 THROUGH JANUARY 31, 2008 IN THE MATTER OF CARO v. BLAGOJEVICH AND GIDWITZ v. MARAM. THE GOVERNOR'S OFFICE HAS A CONTRACT WITH BARNES &amp; THORNBURG, LLP UNDER CONTRACT #IGOV200075. DHFS SHARE UNDER THE INTERAGENCY AGREEMENT EFF 12/03/07 IS 50%.</p> <p>INVOICE DATE AMOUNT 1161434 05/31/08 \$42,734.50</p> <p>not subject to the State Indemnification Act</p> <p>DOES 1-1-08 thru 1-31-08</p>				\$21,367.25

18. Exp. Obj. 1244	19. Exp. Amount 21,367.25	Comp Use Only	20. Total Exp. 21,367.25	21. Subtotal 21,367.25	22. Obligation No. PO 478 8860mB0000 2	23. F/P	24. Payment Amount	15. Subtotal 21,367.25	16. Discount/Deduction	17. Total Amount 21,367.25
--------------------	---------------------------	---------------	--------------------------	------------------------	--	---------	--------------------	------------------------	------------------------	----------------------------

26. For Agency Use Only

Approved for Payment: Jack Rodas 7-10-08

Receiving Officer: [Signature] Date: 7-10-08

Head of Unit or Authorized Agent: Michael J. Casy Date: 07-25-08

Certification of Receiving Agency

I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget and to define its powers and duties to make an appropriation", approved April 18, 1969, as amended, have been met.

Agency Head (Signature): [Signature] Date: 08-29-08

RECEIVED  
08-29-08 P 1:41

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 7/9/2008 2:12:00 PM  
Subject: Re: Barnes & Thornburg invoice (Caro) - January 2008

ok to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 7/3/2008 3:54 PM >>>

> All,

>

> Attached please find the January 2008 detailed invoice from Barnes &

> Thornburg for services rendered on the Caro/Gidwitz matter. This

> invoice has been reviewed and approved for payment. As a reminder,

> only the summary sheet should be sent to the Comptroller. The

> detailed portions of the invoice are privileged and should be kept

> confidential.

>

Please note that the amount to be paid is the handwritten total on the summary sheet; \$42,734.50.

> Please also note that this invoice was not received until May 31,

> 2008, therefore no interest is due to vendor.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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> then destroy all copies of it. Receipt by unintended recipient does

> not waive attorney-client privilege or attorney work product privilege

> or any other exemption from disclosure. Thank you.

> <<Invoice.BarnesThornburg.Caro.January 2008.pdf>>



**BARNES & THORNBURG LLP**

One North Wacker Drive  
Suite 4400  
Chicago, Illinois 60606-2833 U.S.A.  
E.I.N. [REDACTED]  
(312) 357-1313

OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
JAMES R. THOMPSON CENTER, SUITE 16-600  
CHICAGO, IL 60601

May 31, 2008  
Invoice No. 1161434

Donald J. McNeil  
00044434-000003

*pay with  
advance  
\$*

PAYABLE UPON RECEIPT

Fees for Services

\$ ~~39,180.00~~ 38,620

Other Charges

\$ 4,114.50

TOTAL THIS INVOICE

\$ ~~43,294.50~~

\$ 42,734.50

**REMITTANCE**

To remit payments by check, please return this page with remittance to:  
Barnes & Thornburg LLP, One North Wacker Drive, Suite 4400, Chicago, Illinois 60606-2833 U.S.A

To remit payments by wire, please indicate invoice number on wire to:

The Private Bank, Chicago, IL, Account Number: [REDACTED] ABA [REDACTED]

Bank Contact: Kristen Freund 312-564-1268

For International wires, send payment to: Barnes & Thornburg LLP Operating Account

Fifth Third Bank, Indianapolis, IN

Bank Contact: Rita Holden 317-383-2435

Account Number: [REDACTED] SWIFT CODE: [REDACTED]

**INVOICE-VOUCHER**  
**DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES**

04

	2. TAXPAYER IDENTIFICATION NUM. ██████████	ZIP CODE	TYPE CODE 03	4. Voucher No. <u>P1469138</u>
PAYMENT OF INTEREST MAY BE AVAILABLE IF THE STATE FAILS TO COMPLY WITH THE ILLINOIS PROMPT PAYMENT ACT 30 ILCS 540.1	3. VENDOR OR PAYEE BARNES & THORNBURG LLP 1 N WACKER DR SUITE 4400			5. Voucher Date <u>08/20/08</u>
	CHICAGO IL 60606-2833			6. Appropriation Account Code No. <u>0001-47805-1200-00-00</u>
				7. Invoice No. <u>SUPP 7</u>
				8. Invoice Date <u>08/13/08</u>

10. GIVE DESCRIPTION OF ARTICLES/SERVICES RENDERED OR ATTACH ITEMIZED VENDOR INVOICE	11. QUANTITY	12. UNIT	13. UNIT PRICE	14. AMOUNT
1300 ADVICE COUNSEL AND IF NECESSARY LEGAL, REP FOR THE MATTER OF CARO V BLAGOJEVICH GIDWITZ V MARAM. THE GOV'S OFFICE HAS A CONTRACT W/BARNES & THORNBURG LLP UNDER CONTRACT #IGOV200075. DHFS SHARE UNDER THE INTERAGENCY AGREEMENT EFF 12/03/07 IS 50%. NOT SUBJECT TO STATE INDEMNIFICATION ACT. THESE CHARGES WERE OMITTED FROM EARLIER INVOICES				
		F/T: 12/03/07 / 12/31/07		11,900.00
		F/T: 01/01/08 / 01/31/08		11,190.00
		F/T: 02/01/08 / 02/28/08		3,720.00
		F/T: 03/01/08 / 03/31/08		780.00
		F/T: 04/01/08 / 04/30/08		3,651.50
		F/T: 05/01/08 / 05/31/08		5,120.00
		F/T: 06/01/08 / 06/30/08		11,850.00

18. EXP. OBJ 1244	19. EXP. AMOUNT 48,211.50	COMP USE				15. SUBTOTAL 48,211.50
			22. OBLIGATION NO 8GOMB00010	23. F/P	24. PAYMENT AMOUNT 48,211.50	16. DISCOUNT/ DEDUCTION
						17. TOTAL AMOUNT 48,211.50
20. TOTAL EXP FOR AGENCY USE ONLY	48,211.50		25. TOTAL PAYMENT AMOUNT		48,211.50	

<p align="center">4788CF001262</p> <p>APPROVED FOR PAYMENT</p> <p>RECEIVING OFFICER _____ DATE _____ CLERK _____</p> <p>HEAD OF UNIT OR AUTHORIZED AGENT _____ DATE _____</p>	<p align="center"><u>Certification of Receiving Agency</u></p> <p>I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget and to define its powers and duties and to make an appropriation", approved April 16, 1969, as amended, have been met.</p> <p align="right">08/20/08</p> <p align="right">AGENCY HEAD (SIGNATURE) _____</p>
---	---

INVOICE VOUCHER

06 8-19-08

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
201 SOUTH GRAND AVE. EAST, SPFLD. IL 62763

Name and Location of State Agency or Institution

2. Taxpayer Identification Number		TIN TYPE		4. Voucher No. <u>807 1001262</u>																																	
3. Vendor or Payee		5. Voucher Date		6. Appropriation Account Code Number																																	
LAST NAME FIRST NAME MIDDLE INITIAL OR BUSINESS NAME		7. Invoice Number		8. Invoice Date																																	
Barnes & Thornburg, LLP One North Wacker Drive, Suite 4400 Chicago, Illinois 60608-2833		Supp. 1, 2, 3, 4, 5, 6, 7		<u>8/13/08</u>																																	
1-Comptroller 2-Agency		11. Quantity		12. Units																																	
10. Give Complete Description of Articles/Services Rendered or Article Itemized Vendor Invoice		13. Unit Price		14. Amount																																	
<p>ADVICE, COUNSEL, AND, IF NECESSARY, LEGAL REPRESENTATION FOR SERVICES RENDERED 12/3/07 THROUGH 6/30/08 IN THE MATTER OF CARO v. BLAGOJEVICH GIDWITZ v. MARAM. THE GOVERNOR'S OFFICE HAS A CONTRACT WITH BARNES &amp; THORNBURG, LLP UNDER CONTRACT #IGOV200075. DHFS SHARE UNDER THE INTERAGENCY AGREEMENT EFF 12/03/07 IS 50%.</p> <p>THESE CHARGES WERE OMITTED FROM EARLIER INVOICES COVERING DATES OF SERVICE 12/3/07 THROUGH 6/30/08</p> <p><i>Not Subject to State Fund Imposition</i></p> <table border="1"> <thead> <tr> <th>INVOICE</th> <th>DOS</th> <th>AMOUNT</th> <th></th> </tr> </thead> <tbody> <tr> <td>Supplemental #1</td> <td>12/3/07-12/31/07</td> <td>\$23,800.00</td> <td>\$11,800.00</td> </tr> <tr> <td>Supplemental #2</td> <td>1/1/08-1/31/08</td> <td>\$22,380.00</td> <td>\$11,190.00</td> </tr> <tr> <td>Supplemental #3</td> <td>2/1/08-2/28/08</td> <td>\$7,440.00</td> <td>\$3,720.00</td> </tr> <tr> <td>Supplemental #4</td> <td>3/1/08-3/31/08</td> <td>\$1,560.00</td> <td>\$780.00</td> </tr> <tr> <td>Supplemental #5</td> <td>4/1/08-4/30/08</td> <td>\$7,303.00</td> <td>\$3,651.50</td> </tr> <tr> <td>Supplemental #6</td> <td>5/1/08-5/31/08</td> <td>\$10,240.00</td> <td>\$5,120.00</td> </tr> <tr> <td>Supplemental #7</td> <td>6/1/08-6/30/08</td> <td>\$23,700.00</td> <td>\$11,850.00</td> </tr> </tbody> </table>		INVOICE	DOS	AMOUNT		Supplemental #1	12/3/07-12/31/07	\$23,800.00	\$11,800.00	Supplemental #2	1/1/08-1/31/08	\$22,380.00	\$11,190.00	Supplemental #3	2/1/08-2/28/08	\$7,440.00	\$3,720.00	Supplemental #4	3/1/08-3/31/08	\$1,560.00	\$780.00	Supplemental #5	4/1/08-4/30/08	\$7,303.00	\$3,651.50	Supplemental #6	5/1/08-5/31/08	\$10,240.00	\$5,120.00	Supplemental #7	6/1/08-6/30/08	\$23,700.00	\$11,850.00				
INVOICE	DOS	AMOUNT																																			
Supplemental #1	12/3/07-12/31/07	\$23,800.00	\$11,800.00																																		
Supplemental #2	1/1/08-1/31/08	\$22,380.00	\$11,190.00																																		
Supplemental #3	2/1/08-2/28/08	\$7,440.00	\$3,720.00																																		
Supplemental #4	3/1/08-3/31/08	\$1,560.00	\$780.00																																		
Supplemental #5	4/1/08-4/30/08	\$7,303.00	\$3,651.50																																		
Supplemental #6	5/1/08-5/31/08	\$10,240.00	\$5,120.00																																		
Supplemental #7	6/1/08-6/30/08	\$23,700.00	\$11,850.00																																		
15. Subtotal				\$48,211.50																																	
16. Total Exp.		23. P/P		24. Payment Amount																																	
20. Total Exp.		25. Total Payment Amount		17. Total Amount																																	
20. Total Exp.		25. Total Payment Amount		\$48,211.50																																	
26. For Agency Use Only		Certification of Receiving Agency																																			
Approved for Payment		I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates, and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget and to define its powers and duties to make an appropriation", approved April 16, 1969, as amended, have been met.																																			
Receiving Officer		Agency Head (Signature)																																			
Date		Date																																			
8-14-08		8/14/08																																			

EXP. DATE 7/31/08

2008 AUG 14 P 5:21

RECEIVED

**From:** Kyong Lee  
**To:** Elvin Lay; Teri Wargo  
**Date:** 8/13/2008 11:25:00 AM  
**Subject:** Re: Barnes & Thornburg invoice (Caro) - Supplemental December 2007

OK to pay.

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 11:21 AM >>>

> All,

>

> Attached please find a supplemental December 2007 detailed Invoice  
> from Barnes & Thornburg for services rendered on the Caro/Gidwitz  
> matter. This invoice has been reviewed and approved for payment. As a  
> reminder, only the summary sheet should be sent to the Comptroller.  
> The detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was received on August 8, therefore no  
> interest has accrued. Additionally, the total to be paid is the  
> handwritten \$23,800 on the summary sheet.

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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> not waive attorney-client privilege or attorney work product privilege  
> or any other exemption from disclosure. Thank you.  
> <<Invoice.BarnesThornburg.Caro.December.2007.supplemental.pdf>>

*Approved  
nmr  
day w/changes  
JS*

BARNES & THORNBURG LLP  
One North Wacker Drive  
Suite 4400  
Chicago, Illinois 60606-2833 U.S.A.  
E.I.N. [REDACTED]  
(312) 357-1313

OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice # 1  
Period Ending 12/31/07  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending December 31, 2007 as described on the attached detail.

Fees for Services ~~\$25,300.00~~

TOTAL THIS INVOICE ~~\$25,300.00~~

\$ 23,800

To remit payments by check, please return this page with remittance to:  
Barnes & Thornburg LLP, One North Wacker Drive, Suite 4400, Chicago, Illinois 60606-2833 U.S.A.

To remit payments by wire, please indicate invoice number on wire to:  
The Private Bank, Chicago, IL, Account Number: [REDACTED] ABA [REDACTED]  
Bank Contact: Kristen Freund 312-564-1268

For international wires, send payment to: Barnes & Thornburg LLP Operating Account  
Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number [REDACTED] SWIFT CODE: [REDACTED]

**From:** Kyong Lee  
**To:** Elvin Lay; Teri Wargo  
**Date:** 8/13/2008 11:26:16 AM  
**Subject:** Re: Barnes & Thornburg invoice (Caro) - Supplemental January 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 11:22 AM >>>

> All,

>

> Attached please find a supplemental January 2008 detailed invoice from

> Barnes & Thornburg for services rendered on the Caro/Gidwitz matter.

> This invoice has been reviewed and approved for payment. As a

> reminder, only the summary sheet should be sent to the Comptroller.

> The detailed portions of the invoice are privileged and should be kept

> confidential.

>

> Please note that this invoice was received on August 8, therefore no

> interest has accrued.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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> <<Invoice.BarnesThornburg.Caro.January 2008.supplemental.pdf>>

*Approved  
AWP  
May 8*

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Suite 4400  
Chicago, Illinois 60606-2833 U.S.A.  
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OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice # 2  
Period Ending 1/31/08  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending January 31, 2008 as described on the attached detail.

Fees for Services	\$22,380.00 ✓
<b>TOTAL THIS INVOICE</b>	<b>\$22,380.00</b>

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Bank Contact: Kristen Freund 312-564-1268  
For International wires, send payment to: Barnes & Thornburg LLP Operating Account  
Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number [REDACTED] SWIFT CODE: [REDACTED]

**From:** Kyong Lee  
**To:** Elvin Lay; Teri Wargo  
**Date:** 8/13/2008 11:27:12 AM  
**Subject:** Re: Barnes & Thornburg invoice (Caro) - Supplemental February 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 11:22 AM >>>

> All,

>

> Attached please find a supplemental February 2008 detailed invoice  
> from Barnes & Thornburg for services rendered on the Caro/Gidwitz  
> matter. This invoice has been reviewed and approved for payment. As a  
> reminder, only the summary sheet should be sent to the Comptroller.  
> The detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was received on August 8, therefore no  
> interest has accrued. Additionally, the total to be paid is the  
> handwritten \$7,440 on the summary sheet.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

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> <<Invoice:BarnesThornburg.Caro.February-2008.supplemental.pdf>>



*Approved  
omit  
pay w/changes  
js*

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Suite 4400  
Chicago, Illinois 60606-2833 U.S.A.  
E.I.N. [REDACTED]  
(312) 357-1313

OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice # 3  
Period Ending 2/29/08  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending February 29, 2008 as described on the attached detail.

Fees for Services	<del>\$9,040.00</del>
<b>TOTAL THIS INVOICE</b>	<del>\$9,040.00</del> <b>7,440.00</b>

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The Private Bank, Chicago, IL, Account Number: [REDACTED] ABA [REDACTED]

Bank Contact: Kristen Freund 312-564-1268

For International wires, send payment to: Barnes & Thornburg LLP Operating Account

Fifth Third Bank, Indianapolis, IN

Bank Contact: Rita Holden 317-383-2435

Account Number [REDACTED] SWIFT CODE: [REDACTED]

Teri Wargo - Re: Barnes & Thornburg invoice (Caro) - Supplemental March 2008

**From:** Kyong Lee  
**To:** Elvin Lay; Teri Wargo  
**Date:** 8/14/2008 8:41:17 AM  
**Subject:** Re: Barnes & Thornburg invoice (Caro) - Supplemental March 2008

Ok to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 5:13 PM >>>

> All,

>

> Attached please find a supplemental March 2008 detailed invoice from  
> Barnes & Thornburg for services rendered on the Caro/Gidwitz matter.  
> This invoice has been reviewed and approved for payment. As a  
> reminder, only the summary sheet should be sent to the Comptroller.  
> The detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was received on August 8, therefore no  
> interest has accrued.

>

> Please let me know if you have any questions. There will be no  
> additional invoices sent for FY 08 on this matter. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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> <<Invoice:BarnesThornburg.Caro.March-2008.supplemental.pdf>>

*OK'd JB*  
*Approved*  
*MM/12*

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Chicago, Illinois 60606-2833 U.S.A.  
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OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice #4  
Period Ending 3/31/08  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
ICAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending March 31, 2008 as described on the attached detail.

Fees for Services	\$1,560.00
<b>TOTAL THIS INVOICE</b>	<b>\$1,560.00 ✓</b>

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Bank Contact: Kristen Freund 312-564-1268  
For International wires, send payment to: Barnes & Thornburg LLP Operating Account  
Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number [REDACTED] SWIFT CODE: [REDACTED]

**From:** Kyong Lee  
**To:** Elvin Lay; Teri Wargo  
**Date:** 8/13/2008 11:28:07 AM  
**Subject:** Re: Barnes & Thornburg invoice (Caro) - Supplemental April 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 11:23 AM >>>

> All,

>

> Attached please find a supplemental April 2008 detailed invoice from  
> Barnes & Thornburg for services rendered on the Caro/Gidwitz matter.  
> This invoice has been reviewed and approved for payment. As a  
> reminder, only the summary sheet should be sent to the Comptroller.  
> The detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was received on August 8, therefore no  
> interest has accrued.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

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> 312-814-3202 (fax)

>

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*Approved  
Mark  
8/5*

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OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice #5  
Period Ending 4/30/08  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending April 30, 2008 as described on the attached detail.

Fees for Services	\$7,080.00	✓
Other Charges	\$ 223.00	✓
<b>TOTAL THIS INVOICE</b>	<b>\$7,303.00</b>	✓

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Bank Contact: Kristen Freund 312-564-1268  
For International wires, send payment to: Barnes & Thornburg LLP Operating Account  
Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number [REDACTED] SWIFT CODE: [REDACTED]

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 8/13/2008 11:29:17 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - Supplemental May 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 11:24 AM >>>

> All,

>

> Attached please find a supplemental May 2008 detailed invoice from  
> Barnes & Thornburg for services rendered on the Caro/Gidwitz matter.  
> This invoice has been reviewed and approved for payment. As a  
> reminder, only the summary sheet should be sent to the Comptroller.  
> The detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was received on August 8, therefore no  
> interest has accrued.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin  
> Legal Counsel, Office of the Governor  
> JRTC, 100 W. Randolph, Suite 16-100  
> Chicago, IL 60601  
> 312-814-1599  
> 312-814-3202 (fax)

>

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> <<Invoice.BarnesThornburg.Caro.May 2008.supplemental.pdf>>

*Approved  
MRE  
May  
08*

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Suite 4400  
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E.I.N. [REDACTED]  
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TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice #0  
Period Ending 5/31/08  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending May 31, 2008 as described on the attached detail.

Fees for Services \$10,240.00

**TOTAL THIS INVOICE** \$10,240.00 ✓

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Bank Contact: Kristen Freund 312-564-1268

For International wires, send payment to: Barnes & Thornburg LLP Operating Account  
Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number [REDACTED] SWIFT CODE: [REDACTED]

Teri Wargo - Re: Barnes & Thornburg invoice (Caro) - Supplemental June 2008

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 8/13/2008 11:30:12 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - Supplemental June 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 8/13/2008 11:24 AM >>>

> All,

>

> Attached please find a supplemental June 2008 detailed invoice from  
> Barnes & Thornburg for services rendered on the Caro/Gidwitz matter.  
> This invoice has been reviewed and approved for payment. As a  
> reminder, only the summary sheet should be sent to the Comptroller.  
> The detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was received on August 8, therefore no  
> interest has accrued.

>

I will be sending the supplemental March 2008 invoice shortly.

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin  
> Legal Counsel, Office of the Governor  
> JRTC, 100 W. Randolph, Suite 16-100  
> Chicago, IL 60601  
> 312-814-1599  
> 312-814-3202 (fax)

>

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*Approved under  
Play*

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(312) 357-1313

OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
CHICAGO, ILLINOIS 60601

August 8, 2008  
Supplemental Invoice #7  
Period Ending 6/30/08  
Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending June 30, 2008 as described on the attached detail.

Fees for Services \$23,700.00

**TOTAL THIS INVOICE** \$23,700.00 ✓

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Bank Contact: Kristen Freund 312-564-1268

For International wires, send payment to: Barnes & Thornburg LLP Operating Account

Fifth Third Bank, Indianapolis, IN

Bank Contact: Rita Holden 317-383-2435

Account Number [REDACTED] SWIFT CODE: [REDACTED]



INVOICE VOUCHER

**FY08** me

7-30-08

7-30-08 *MM*

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
201 SOUTH GRAND AVE. EAST, SPFLD IL 62763

Name and Location of State Agency or Institution

PAYMENT OF INTEREST MAY BE AVAILABLE IF THE STATE FAILS TO COMPLY WITH THE ILLINOIS PROMPT PAYMENTS ACT 30 ILCS 540	2. Taxpayer Identification Number [REDACTED]	TIN TYPE	4. Voucher No. <b>8C41001184</b>
	3. Vendor or Payee LAST NAME FIRST NAME MIDDLE INITIAL OR BUSINESS NAME Barnes & Thornburg, LLP One North Wacker Drive, Suite 4400 Chicago, Illinois 60606-2833		5. Voucher Date 6. Appropriation Account Code Number <b>CSP</b>
Disposition of Copies 1.-Comptroller 2.-Agency			7. Invoice Number 1165386, 1165527, 1165552, 1165582, 1169720 8. Invoice Date <del>6/24/08, 6/25/08, 6/26/08, 6/27/08, 7/14/08</del> <b>7-17-08</b>

10. Give Complete Description of Articles/Services Rendered or Attach Itemized Vendor Invoice	11. Quantity	12. Units	13. Unit Price	14. Amount
<b>Payment for</b> ADVICE, COUNSEL, AND, IF NECESSARY, LEGAL REPRESENTATION FOR SERVICES RENDERED FEBRUARY 1, 2008 THROUGH JUNE 30, 2008 IN THE MATTER OF CARO v. BLAGOJEVICH AND GIDWITZ v. MARAM THE GOVERNOR'S OFFICE HAS A CONTRACT WITH BARNES & THORNBURG, LLP UNDER CONTRACT #1GOV200075. DHFS SHARE UNDER THE INTERAGENCY AGREEMENT EFF 12/03/07 IS 50%.				
INVOICE DATE AMOUNT				
1165386 06/24/08 \$24,786.53				\$12,393.27
1165527 06/25/08 \$9,212.12				\$4,606.06
1165552 06/26/08 \$25,162.02				\$12,581.01
1165582 06/27/08 \$31,563.71				\$15,781.86
1169720 07/14/08 \$55,643.41				\$27,821.71

not subject to the State Indemnification Act

DOY 2-1-08 thru 6-30-08 here OI

18. Exp. Obj. <b>1244</b>	19. Exp. Amount <b>73,183.91</b>	Comp Use Only	20. Total Exp. <b>73,183.91</b>	21. Subtotal	22. Obligation No. <b>86omb00010</b>	23. F/P	24. Payment Amount	15. Subtotal	16. Discount/Deduction	17. Total Amount <b>\$73,183.91</b>
---------------------------	----------------------------------	---------------	---------------------------------	--------------	--------------------------------------	---------	--------------------	--------------	------------------------	-------------------------------------

26. For Agency Use Only

**AC01 00000 P99**

Approved for Payment

*Jack Woods* **7.23.08**  
Receiving Officer Date Clerk

*Michael P. Casey* **07-25-08**  
Head of Unit or Authorized Agent Date

Certification of Receiving Agency

I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred, that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget and to define its powers and duties to make an appropriation", approved April 16, 1960, as amended, have been met.

RECEIVED  
2008 JUL 29 1:42  
STATE OF ILLINOIS  
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 7/17/2008 11:45:38 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - February 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 7/16/2008 1:50:11 PM >>>

> All,

>

> Attached please find the February 2008 detailed invoice from Barnes &

> Thornburg for services rendered on the Caro/Gidwitz matter. This

> invoice has been reviewed and approved for payment. As a reminder,

> only the summary sheet should be sent to the Comptroller. The

> detailed portions of the invoice are privileged and should be kept

> confidential.

>

> Please note that this invoice was not received until June 24, 2008,

> therefore no interest is due to vendor.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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> <<Invoice.BarnesThornburg.Caro.February 2008.pdf>>

*Handwritten initials and a circled mark.*

**BARNES & THORNBURG LLP**

One North Wacker Drive  
Suite 4400  
Chicago, Illinois 60606-2833 U.S.A.  
E.I.N. [REDACTED]  
(312) 357-1313

OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
ELK GROVE VILLAGE, ILLINOIS 60007

June 24, 2008  
Invoice No. 1165386

Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION (CAVO)

For legal services rendered in connection with the above matter  
for the period ending February 29, 2008 as described on the attached detail.

Fees for Services	\$	23,860.00	✓
Other Charges	\$	926.53	✓
<b>TOTAL THIS INVOICE</b>	<b>\$</b>	<b>24,786.53</b>	<b>✓</b>

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Bank Contact: Kristen Freund 312-564-1268

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Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number: [REDACTED] SWIFT CODE: [REDACTED]

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 7/17/2008 11:44:53 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - March 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 7/16/2008 1:49:38 PM >>>

> All,

>

> Attached please find the March 2008 detailed invoice from Barnes &  
> Thornburg for services rendered on the Caro/Gidwitz matter. This  
> invoice has been reviewed and approved for payment. As a reminder,  
> only the summary sheet should be sent to the Comptroller. The  
> detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please note that this invoice was not received until June 25, 2008,  
> therefore no interest is due to vendor.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin  
> Legal Counsel, Office of the Governor  
> JRTC, 100 W. Randolph, Suite 16-100  
> Chicago, IL 60601  
> 312-814-1599  
> 312-814-3202 (fax)

>

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OFFICE OF THE GOVERNOR  
TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
ELK GROVE VILLAGE, ILLINOIS 60007

June 25, 2008  
Invoice No. 1165527

Donald J. McNeil  
00044434-00003

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION (CARO)

For legal services rendered in connection with the above matter  
for the period ending March 31, 2008 as described on the attached detail.

Fees for Services	\$	8,620.00	✓
Other Charges	\$	592.12	✓
<b>TOTAL THIS INVOICE</b>	<b>\$</b>	<b>9,212.12</b>	<b>✓</b>

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Fifth Third Bank, Indianapolis, IN

Bank Contact: Rita Holden 317-383-2435

Account Number [REDACTED] SWIFT CODE [REDACTED]

Teri Wargo - Re: Barnes & Thornburg invoice (Caro) - April 2008

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 7/21/2008 8:54:31 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - April 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 7/18/2008 10:54 AM >>>

> All,

>

> Attached please find the April 2008 detailed invoice from Barnes &  
> Thornburg for services rendered on the Caro/Gidwitz matter. This  
> invoice has been reviewed and approved for payment. As a reminder,  
> only the summary sheet should be sent to the Comptroller. The  
> detailed portions of the invoice are privileged and should be kept  
> confidential.

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin

> Legal Counsel, Office of the Governor

> JRTC, 100 W. Randolph, Suite 16-100

> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

>

>

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*Day*

*See comment  
at bottom of  
page*

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TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
ELK GROVE VILLAGE, ILLINOIS 60007

June 26, 2008

Invoice No. 1165552

Donald J. McNeil

00044434-00003

PAYABLE UPON RECEIPT

00044434-000003

JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending April 30, 2008 as described on the attached detail.

Fees for Services	\$	23,740.00	✓
Other Charges	\$	1,422.02	✓
<b>TOTAL THIS INVOICE</b>	\$	<b>25,162.02</b>	✓

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Fifth Third Bank, Indianapolis, IN

Bank Contact: Rita Holden 317-383-2435

Account Number: [REDACTED] SWIFT CODE: [REDACTED]

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 7/17/2008 11:44:08 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - May 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 7/16/2008 1:47:31 PM >>>

> All,

>

> Attached please find the May 2008 detailed invoice from Barnes &  
> Thornburg for services rendered on the Caro/Gidwitz matter. This  
> invoice has been reviewed and approved for payment. As a reminder,  
> only the summary sheet should be sent to the Comptroller. The  
> detailed portions of the invoice are privileged and should be kept  
> confidential.

>

>

> Please let me know if you have any questions. Thank you.

>

> Tanya Dworkin  
> Legal Counsel, Office of the Governor  
> JRTC, 100 W. Randolph, Suite 16-100  
> Chicago, IL 60601

> 312-814-1599

> 312-814-3202 (fax)

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TANYA DWORKIN, ESQ., LEGAL COUNSEL  
100 W. RANDOLPH STREET, SUITE 15-100  
ELK GROVE VILLAGE, ILLINOIS 60007

*Handwritten initials and a circled signature.*

June 27, 2008  
Invoice No. 1165582  
Donald J. McNeil  
00044434-00003

**PAYABLE UPON RECEIPT**

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending May 31, 2008 as described on the attached detail.

Fees for Services	\$	31,380.00	✓
Other Charges	\$	183.71	✓
<b>TOTAL THIS INVOICE</b>	<b>\$</b>	<b>31,563.71</b>	<b>✓</b>

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Fifth Third Bank, Indianapolis, IN  
Bank Contact: Rita Holden 317-383-2435  
Account Number [REDACTED] SWIFT CODE [REDACTED]

Teri Wargo - Re: Barnes & Thornburg invoice (Caro) - June 2008

From: Kyong Lee  
To: Elvin Lay; Teri Wargo  
Date: 7/21/2008 11:44:31 AM  
Subject: Re: Barnes & Thornburg invoice (Caro) - June 2008

OK to pay

>>> "Dworkin, Tanya" <Tanya.Dworkin@Illinois.gov> 7/21/2008 10:15 AM >>>

> All,  
>  
> Attached please find the June 2008 detailed invoice from Barnes &  
> Thornburg for services rendered on the Caro/Gidwitz matter. This  
> invoice has been reviewed and approved for payment. As a reminder,  
> only the summary sheet should be sent to the Comptroller. The  
> detailed portions of the invoice are privileged and should be kept  
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> Please let me know if you have any questions. Thank you.

> Tanya Dworkin  
> Legal Counsel, Office of the Governor  
> JRTC, 100 W. Randolph, Suite 16-100  
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TANYA DWORKIN, ESQ., LEGAL COUNSEL  
JAMES R. THOMPSON CENTER, SUITE 16-600  
CHICAGO, IL 60601

July 14, 2008  
Invoice No. 1169720

Donald J. McNeil

PAYABLE UPON RECEIPT

00044434-000003  
JCAR LITIGATION

For legal services rendered in connection with the above matter  
for the period ending June 30, 2008 as described on the attached detail.

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Marc S. Silver	38.50 ✓	\$200.00	\$7,700.00 ✓
Larry D. Blust	53.00 ✓	\$200.00	\$10,600.00 ✓
Katarzyna K. Dygas	161.10 ✓	\$200.00	\$32,220.00 ✓
TOTALS	252.60	\$200.00	\$50,520.00 ✓

Other Charges

Messenger Courier Service	50.00 ✓
Copying Charges	1,424.10 ✓
Lexis - Computerized-Legal-Research	1,083.91 ✓
Charge For Transcripts - Absolute Reporters - MYS - Inv. 7405 - 05/02/08	52.00 ✓
Charge For Transcripts - Absolute Reporters - MYS - Inv. 7462 - 05/27/08	65.00 ✓
Fees for preparing the Record of Appeal - Clerk of the Circuit Court 6/10/08 KKD	2,042.40 ✓
Charge For Transcripts - Absolute Reporters - MYS - Inv. 7494 - 06/12/08	66.00 ✓
Copy Center Overtime Charges	175.00 ✓
Copy Center Overtime Charges	165.00 ✓

\$ 55,123.41 ✓

Total : \$ 55,043.41

## FamilyCare Expansion to 400% of the FPL



11/27/07

### Summary

- The FamilyCare income standard is increasing to 400% of the Federal Poverty Level (FPL) effective immediately.
- FamilyCare Premium expands to include adults with income from 185% to 200% of the FPL and adds 2 new FamilyCare Premium Levels: FamilyCare Premium Level 2 for adults with income from 200% to 300% of the FPL and FamilyCare Premium Level 3 for adults with income from 300% to 400% of the FPL.
- A new eligibility requirement is added for FamilyCare Rebate.
- Interim procedures are in place until the system changes in AIS and ACM are complete.
- After processing eligibility for children in families with income greater than 185% of the FPL, Family Community Resource Center (FCRC) staff will transfer both the children's case and information pertaining to adult applicants in the case to the central All Kids Unit for further processing.
- Timely transfer of All Kids Premium cases to the central All Kids Unit is important to ensure that potentially eligible adults are considered for the FamilyCare expansion as soon as possible.

#### FamilyCare Premium Level 1

Prior Coverage

#### FamilyCare Premium Levels 2 and 3

Nonfinancial Eligibility Requirements

Benefit Package

Monthly Premiums & Income Standards

Premium Level 2

Premium Level 3

2007 Income Standards

#### FamilyCare Rebate

#### System Changes (Interim Procedures for Premium Levels 2 and 3)

Item 25

Item 28

FamilyCare Premium Calculation

Type Action Reasons (TARs)

#### Responsibility for Authorizing FamilyCare Expansion Cases and Case Maintenance

FamilyCare Premium Level 1

FamilyCare Premium Levels 2 and 3

Approvals for All Kids Premium Levels 2 through 8

Renewals

Changes

Transferring Cases to the All Kids Unit

This Policy Memorandum was prepared by Healthcare and Family Services (HFS). HFS administers the Medical Assistance, All Kids, FamilyCare, Breast and Cervical Cancer, HBWD, Veterans Care and Illinois Healthy Women programs. These programs provide medical benefits to families with children, seniors, persons with disabilities and other persons. This information is to be used by staff of HFS and the Illinois Department of Human Services (DHS) when determining eligibility and authorizing medical benefits.

The FamilyCare income standard is increasing to 400% of the FPL effective immediately.

FamilyCare Premium expands to include adults with income from 185% to 200% of the FPL. FamilyCare Premium Level 1 now covers adults with income from 150% to 200% of the FPL. The expansion also adds 2 new FamilyCare Premium Levels:

- FamilyCare Premium Level 2 for adults with income from 200% to 300% of the FPL; and
- FamilyCare Premium Level 3 for adults with income from 300% to 400% of the FPL.

Effective 11/7/07, the All Kids unit will determine eligibility for parents and caretaker relatives who have income that is greater than 185% of the FPL. The first date of coverage for adults under this FamilyCare Expansion is December 1, 2007.

Interim procedures are in place to authorize FamilyCare benefits to parents with income greater than 185% and less than or equal to 400% of the FPL until the eligibility systems are fully programmed.

Effective 12/10/07, FCRCs may process eligibility for parents with income greater than 185% and less than or equal to 200% of the FPL. Until then, an eligibility determination for parents who requested medical benefits and have income greater than 185% will be completed by the central All Kids Unit when they receive the family's All Kids Premium case.

### **FamilyCare Premium Level 1**

Adults with income greater than 185%, and less than or equal to 200% of the FPL, will qualify for FamilyCare Premium Level 1 with their children. These adults will receive medical benefits on the same case as their children. AIS and ACM will be updated to compare countable monthly income to the income standard at 200% of the FPL.

Premiums are the same as for parents with incomes at 151-185% of the FPL. These premiums apply to all persons covered, regardless of whether they are adults or children.

#### **FamilyCare Premium Level 1**

<b>Number in Case</b>	<b>Monthly Premium</b>
1	\$15
2	\$25
3	\$30
4	\$35
5 or more	\$40

Eligibility requirements and benefits are the same for parents up to 200% of the FPL as for parents at the 185% level. Refer to policy memorandum **Increase in FamilyCare Standard for Parents to 185%** dated 11/15/05.

#### **Prior Coverage**

Prior coverage is available to eligible adults no earlier than 11/7/07. Prior coverage is only authorized the first time an adult is approved for FamilyCare Share or Premium and must be requested on Form 243KC.

### **FamilyCare Premium Levels 2 and 3**

#### **Nonfinancial Eligibility Requirements**

Parents and caretaker relatives must meet the following requirements:

- Be an Illinois resident;
- Provide Social Security Number;
- Live with a child who at a minimum meets the nonfinancial eligibility criteria for All Kids;
- Be a U.S. citizen or meet immigration requirements as described in **PM 03-01-00**.
- Meet one of more of the criteria listed below:
  - The individual has been without health insurance for at least 12 months prior to the date of application unless the individual is a pregnant woman, in which case the individual was without health insurance when her pregnancy was medically confirmed;
  - The individual lost employer-sponsored health insurance when their job or their spouse's job ended;
  - The individual has exhausted the lifetime benefit limit of his or her health insurance;
  - The individual's health insurance is purchased under the provisions of Consolidated Budget Reconciliation Act (COBRA);
  - The individual was disenrolled from FamilyCare or All Kids within one year prior to the date of application unless the individual has state-sponsored health insurance; or
  - The individual aged out of coverage under a parent's health insurance.
- Not have State of Illinois health insurance or state-sponsored health insurance from another state; and
- Not have a Rebate overpayment.

### **Benefit Package**

The medical benefit package for adults covers most of the same benefits as for adults in Premium Level 1. Prior Coverage for adults is not available under Premium Levels 2 or 3.

### **Monthly Premiums & Income Standards**

Monthly premium amounts are different for adults than they are for children.

#### **Premium Level 2**

Adults with income greater than 200%, and less than or equal to 300% of the FPL will qualify for FamilyCare Premium Level 2.

Premiums are \$80 a month per adult.

Premiums remain \$40 a month per child with a cap of \$80 a month for two or more children.

Premiums paid for adults are not considered when calculating the maximum premium for children.

#### **Premium Level 3**

Adults with income greater than 300%, and less than or equal to 400% of the FPL, will qualify for FamilyCare Premium Level 3.

Premiums are \$140 a month per adult.

Premiums remain \$70 a month per child with a cap of \$140 a month for two or more children.

Premiums paid for adults are not considered when calculating the maximum premium for children.

### **2007 Income Standards**

The income standards for parents requesting FamilyCare Premium Levels 2 and 3 are the same as for children under All Kids Premium Levels 2 and 3. Refer to the income standards chart for 2007 listed in **WAG 25-03-02 (4)**.

### **FamilyCare Rebate**

Adults with income greater than 133% and less than or equal to 200% of the FPL qualify for FamilyCare Rebate as long as at least one child in the family is enrolled under any All Kids Plan.

Currently enrolled adult-only cases with no child in the family enrolled in All Kids may continue to



receive FamilyCare Rebate until the next renewal of the adult's eligibility is conducted. If at renewal no child in the family is enrolled in an All Kids plan, the family income is greater than 133% but less than or equal to 200% of the FPL and all other conditions of eligibility are met, the adult is only eligible for medical benefits under FamilyCare Share or Premium.

### **System Changes (Interim Procedures for Premium Levels 2 and 3)**

Until the systems changes are fully in place, the All Kids Unit will use interim procedures to

- Authorize FamilyCare Premium Levels 2 and 3 for parents and caretaker relatives; and
- Charge the correct monthly premiums.

The interim procedures include using new Item 25 and Item 28 codes on Form 552.

#### **Item 25**

Parents with income greater than 200% and less than or equal to 400% of the FPL will receive benefits on a case containing an Assist basic number and a new Item 25 code, 'T'. Their children will continue to receive All Kids Premium Levels 2 or 3 on a separate W case.

The new Item 25 code T will be used to indicate that the parent has income above 200% and less than or equal to 400% of the FPL and qualify for FamilyCare expansion. Item 25 code T is only valid for All Kids office 180 cases.

The All Kids Unit will not transfer the FamilyCare 'T' cases to the FCRCs.

#### **Item 28**

A new Item 28 code, case class, 'T' is valid for adult only cases. Code T can be used for a FamilyCare Expansion case with code T in Item 25 and FamilyCare cases with a U or W in the first position of the basic ID number.

### **FamilyCare Premium Calculation**

The All Kids Unit will calculate the monthly premium for FamilyCare Premium Levels 2 and 3. The All Kids unit will send this information directly to the HFS Bureau of Fiscal Operations (BFO) for billing. The parents will receive an invoice and a billing statement. If the children are also receiving All Kids premium, BFO will send two invoices initially then a combined billing statement each month thereafter.

### **Type Action Reasons (TARs)**

To cancel a FamilyCare Rebate case for an adult when no child in the home receives any of the All Kids plans, use TAR F4.

"We cannot give you rebates unless your child is getting one of the All Kids medical programs. If you are interested in getting FamilyCare medical benefits, call the All Kids unit at 1-877-805-5312. The call is free. If you use a TTY, call 1-877-204-1012."

### **Responsibility for Authorizing FamilyCare Expansion Cases and Case Maintenance**

#### **FamilyCare Premium Level 1**

Both the central All Kids unit and FCRCs will determine eligibility for all parents and caretaker relatives with family income up to 185% of the FPL. Effective 12/10/07, FCRCs will determine FamilyCare eligibility for parents with income less than or equal to 200% of the FPL.

Once an FCRC opens a FamilyCare case Premium Level 1, transfer the case to the All Kids unit for maintenance. The central All Kids unit will maintain all cases approved for FamilyCare Premium Level 1 and determine eligibility for FamilyCare Expansion for adults with income greater than 185% of the FPL.

#### **FamilyCare Premium Levels 2 and 3**

At this time, only the All Kids unit will authorize medical benefits to parents and caretaker relatives

with family income that is greater than 200% and less than or equal to 400% of the FPL.

### **Approvals for All Kids Premium Levels 2 through 8**

Until the Automated Intake System (AIS) is programmed, special procedures are in place to determine eligibility for certain parents and caretaker relatives who request medical benefits if:

- The adult does not qualify for met spenddown; and
- The monthly income is greater than 200% of the FPL.

Split the adult off onto a separate case ID before processing the children's approval for Premium Levels 2 through 8. Remember that HFS is sending the central notice Form 360KC. The centrally generated HFS version of Form 360KC does not contain person-level denial messages for adults who are ineligible.

When a parent or caretaker relative is denied with a Type Action Reason 42, the message is changed as shown below on the Form 360, 360KC Notice of Decision-Denial:

"The adults on your application have too much income for FamilyCare Assist, Share or Premium Level 1. We will send another notice if they can get FamilyCare Premium Level 2 or 3."

### **Renewals**

Staff in the FCRCs will continue to process renewals for FamilyCare. When monthly income is greater than 185% of the FPL, change the adults to spenddown. Form 2434A Notice of Change in Medical Benefits will contain the message below when the adult's medical status is changed to spenddown.

"The adults on your case have too much income for FamilyCare Assist, Share or Premium Level 1. We will send another notice if they can get FamilyCare Premium Level 2 or 3."

### **Changes**

To cancel a FamilyCare Premium Level 2 or 3 case due to increased income, use TAR D7 for parents whose income is greater than 400% of the FPL:

"You have too much income to get FamilyCare for adults."

### **Transferring Cases to the All Kids Unit**

When the children's All Kids Premium Level 1-8 case is sent to the All Kids unit for case maintenance, attach a cover sheet **Form 85E FamilyCare Expansion Cover Sheet (pdf)**, indicating that the parent or caretaker relative has been denied for FamilyCare Premium Level 1 or placed in unmet spenddown. The All Kids unit will determine the parents' eligibility for FamilyCare expansion and authorize assistance if eligible.

If the parent is placed in unmet spenddown, mark the box on Form 85E that indicates the parent is in unmet spenddown and attach it to the child's All Kids Premium case. The All Kids Unit will determine the parent's FamilyCare Expansion eligibility. If eligible, the All Kids Unit will centrally cancel the parent's spenddown case and approve a FamilyCare expansion case. The All Kids Unit will notify the All Kids liaison in the FCRC that this action was taken.

Do not send the parent's case file to the All Kids unit.

If the parent does not qualify, the All Kids unit will send a manual Form 360KC Denial.

Do not attach the Form 85E FamilyCare Expansion Cover Sheet to Share cases or when the adults in the household did not request medical benefits.

**Important:** Do not delay sending the All Kids Share or Premium Level 1-8 cases to the central All Kids Unit. Parents who may qualify for the FamilyCare expansion should have a timely eligibility determination.

[signed copy on file]

**CAROL L. ADAMS, Ph.D.**

*Secretary, Illinois Department of Human Services*

**BARRY S. MARAM**

*Director, Healthcare and Family Services*

**Forms referenced:**

**Form 85E (pdf)**

Form 360C

Form 360KC

Form 2434A

## FamilyCare Benefits for Adults with Income Greater than 133% of the Federal Poverty Level



04/22/08

This Policy Memorandum was prepared by Healthcare and Family Services (HFS). HFS administers the Medical Assistance, All Kids, FamilyCare, Breast and Cervical Cancer, Health Benefits for Workers with Disabilities (HBWD), Veterans Care and Illinois Healthy Women programs. These programs provide medical benefits to families with children, seniors, persons with disabilities and other persons. This information is to be used by staff of HFS and the Illinois Department of Human Services (DHS) when determining eligibility and authorizing medical benefits.

Effective immediately, do not approve as new participants adults age 19 and older for FamilyCare benefits when monthly income is greater than 133% of the FPL. This change affects the following programs.

Program	Income Range
FamilyCare Share	Greater than 133% and less than or equal to 150% of the FPL
FamilyCare Premium Level 1	Greater than 150% and less than or equal to 200% of the FPL
FamilyCare Premium Level 2	Greater than 200% and less than or equal to 300% of the FPL
FamilyCare Premium Level 3	Greater than 300% and less than or equal to 400% of the FPL

Refer to [WAG 25-03-02](#) for the 2008 income standards.

**Note: Pregnant women will continue to qualify for Moms & Babies up to 200% of the FPL.**

Family Community Resource Centers (FCRCs) have been authorizing FamilyCare Expansion benefits to adults up to 200% of the FPL. Because system changes had not been in place to authorize FamilyCare to adults with income up to 400% of the FPL, FCRCs were denying adults with income in this range and referring them to the All Kids unit for an eligibility determination for the expansion.

At this time, do not include Form 85E FamilyCare Expansion Cover Sheet with All Kids Share or Premium cases sent to the All Kids unit.

### Action on Applications Including Adult Requestors

Because AIS is not programmed to deny the adult requestors when income is between 133% and 200% of the FPL, take the steps listed below.

1. In AIS Option 8, if the All Kids/FamilyCare Case Progression screen shows both children and adults as eligible for Share or Premium Level 1, cancel the transaction. Do not use F6 case progression.
2. Use the Add/Change/Delete function to make a Change.
3. Split the children off to a separate case.
4. Approve the children for the correct medical program and deny the adults in Option 5 using TAR 91.
5. TAR 91 will generate a central notice.

The message for TAR 91 is below.

"Your income is above the limit for medical benefits after applying your medical expenses. The adult (s) in your family are not eligible for All Kids/FamilyCare Share or All Kids/FamilyCare Premium because your income is above the limit."

### System Changes

AIS and ACM are still programmed to authorize FamilyCare Share and Premium Level 1 for adults age 19 and older. However, adults are not eligible for these programs at this time. The system will not prompt denials, deletions or cancellations; use care when authorizing benefits. Additional instructions regarding system changes will be distributed as soon as they are available.

### **Questions from Families Regarding FamilyCare**

These changes are likely to prompt inquiries from families regarding the FamilyCare program. Refer families who have questions to the Health Benefits and All Kids Hotline at 1-800-226-0768.

[signed copy on file]

**CAROL L. ADAMS, Ph.D.**

*Secretary, Illinois Department of Human Services*

**BARRY S. MARAM**

*Director, Healthcare and Family Services*

**Forms referenced:**

Form 85E

## Update on FamilyCare Benefits for Adults with Income Greater than 133% of the Federal Poverty Level



06/13/08

This Policy Memorandum was prepared by Healthcare and Family Services (HFS). HFS administers the Medical Assistance, All Kids, FamilyCare, Breast and Cervical Cancer, Health Benefits for Workers with Disabilities (HBWD) and Illinois Healthy Women programs. These programs provide medical benefits to families with children, seniors, persons with disabilities and other persons. This information is to be used by staff of HFS and the Illinois Department of Human Services (DHS) when determining eligibility and authorizing medical benefits.

This memorandum supplements Policy Memorandum **FamilyCare Benefits for Adults with Income Greater than 133% of the Federal Poverty Level** dated 4/22/08.

### Active Cases

Active FamilyCare adults with household income between 133% and 400% of the FPL should continue receiving medical benefits as long as they meet all other eligibility criteria. For information on case progression in ACM and case transfer procedures, refer to the instructions in Policy Memorandum dated 11/27/07 **FamilyCare Expansion to 400% of the FPL**.

### At Renewal

Adults age 19 and older who are due for a renewal or redetermination should continue receiving medical benefits in FamilyCare when their income is less than or equal to 400% of the FPL. Continue to delete/cancel adults with income over 400% at renewal as appropriate.

Family Community Resource Center (FCRC) staff may use Type Action 62 in ACM to establish a FamilyCare Share or Premium Level 1 case from a FamilyCare Assist case. Because system changes are not in place to automatically handle adult eligibility when income is greater than 200% and less than or equal to 400% of the FPL, place the adult in spenddown. Progress the children to All Kids Premium Levels 2-8 and send the file to the All Kids unit with the cover sheet **Form 85E (pdf)** to identify adults potentially eligible for Premium Levels 2 or 3. The All Kids unit will open the Premium Levels 2 and 3 as appropriate.

Adults who lost benefits because they did not cooperate with the renewal process may be reinstated if they cooperate timely and their income is equal to or less than 400% of the FPL. Refer to **PM 19-04-00** for policy on restoring benefits.

**Example 1:** Ms. B and her two children are active on an Assist case. At renewal, Ms. B reports her income is now in the Share income range. Using TA 62, move Ms. B and her children into a Share case.

**Example 2:** Mr. and Mrs. C and their 3 children are active on an Assist case. At renewal, Mr. C reports their income is now in the FamilyCare Premium Level 2 income range. Place the parents in unmet spenddown. Using TA 62, move the children into All Kids Premium level 2. Transfer the All Kids premium case with cover sheet Form 85E to the All Kids unit. The All Kids unit will make a determination of FamilyCare eligibility and set up the FamilyCare Premium Level 2 case using instructions in the Policy Memorandum dated 11/27/07 **FamilyCare Expansion to 400% of the FPL**.

### Changes

Adults age 19 and older who report changes in income may continue receiving FamilyCare Share or Premium Levels 1 through 3 when their income is less than or equal to 400% of the FPL.

Adults may continue to qualify for FamilyCare Rebate when their income is greater than 133% and less than or equal to 200% of the FPL.

### **Requests to Add an Adult to an Active Case**

When adults submit forms such as 243/S or 243C/S Request for Medical Benefits for Another Family Member, review income before adding the adult. Adults who are not currently active on a FamilyCare case may not be approved for FamilyCare if their income is greater than 133% of the FPL. Deny the request if appropriate using the procedures explained in **WAG 18-03-08**.

### **Adults Eligible for Spenddown**

Adults currently enrolled in spenddown may not be approved for FamilyCare Share or Premium Levels 1 through 3 unless they were active on a FamilyCare case on April 22, 2008.

### **Questions Regarding FamilyCare**

These changes are likely to prompt inquiries from families regarding the FamilyCare program. Refer families who have questions to the All Kids Hotline at 1-800-ALL-KIDS (1-866-255-5437).

If FCRC staff have questions about this memorandum, contact HFS Medical Policy at 217-557-7158.

[signed copy on file]

**Carol L. Adams, Ph.D.**

*Secretary, Illinois Department of Human Services*

**Barry S. Maram**

*Director, Healthcare and Family Services*

#### **Forms Referenced:**

Form 85E (pdf)



**Associated Press**

the essential global news network

29 September 2008

VIA E-MAIL AND FAX (217) 524-2397. ONE PAGE

Mr. Mark Iocca  
Freedom of Information Officer  
Department of Healthcare and Family Services  
Prescott E. Bloom Building  
201 S. Grand Avenue East  
Springfield IL 62763-0001

FREEDOM OF INFORMATION REQUEST No. 080929068

Dear Mr. Iocca:

This is a request under the Illinois Freedom of Information Act, 5 ILCS 140/.

Please provide me with copies of documents related to the expansion of the FamilyCare program (to 400 percent of FPL), documents that show:

1. The number of enrollees;
2. The number of enrollees by county;
3. The number of enrollees by month;
4. The number of enrollees after Judge Epstein's original injunction on or about 15 April 2008;
5. The number of non-Illinois residents enrolled;
6. The number of illegal or undocumented residents enrolled;
7. The amount of premium payment collected since the program's inception;
8. The number of the account in which that money located;
9. How much remains in the account;
10. How much has been spent on the FamilyCare expansion;
11. A breakdown of from where that money has come to pay expenses.

As you know, in accordance with 5 ILCS 140/3 (c) and 5 ILCS 140/9 (a) of the Freedom of Information Act, your office must respond in writing within seven working days after receipt of this request. Please remember that under 5 ILCS 140/8 of the FOIA, all nonexempt portions of any partially exempt documents must be disclosed.

Disclosure of the information in these records is in the public interest and would primarily benefit the general public. I am a reporter for The Associated Press, a not-for-profit newsgathering organization, and the principal purpose of this request is to review the documents provided and write about them in a news story about the FamilyCare program and its court challenge for dissemination to the general public, not for the principal purpose of personal or commercial benefit, but regarding the welfare or the legal rights of the general public. Accordingly, under ILCS 140/6 (b) of the FOIA, I request a waiver of any copying charges that your office would ordinarily impose in responding to this request. If your office chooses not to grant a waiver, please contact me to discuss the matter further.

Sincerely,

John O'Connor

John O'Connor  
Reporter

Telephone (217) 789-2700/Fax (217) 789-8973/Email [joconnor@ap.org](mailto:joconnor@ap.org)  
Statehouse Pressroom/Springfield, Illinois/62706

**RECEIVED**

SEP 29 2008

**H.F.S.**  
GENERAL COUNSEL  
SPRINGFIELD



201 South Grand Avenue East  
Springfield, Illinois 62763-0002

Telephone: (217) 782-1233  
TTY: (800) 526-5812

October 8, 2008

John O'Connor  
Reporter  
Associated Press  
Statehouse Pressroom/Springfield, Illinois 62706  
[jocconnor@ap.org](mailto:jocconnor@ap.org)

Re: FOIA 08-2401

Dear Mr. O'Connor:

This letter is in response to your request under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140/1 et seq.).

Please be advised that the Department is extending the response time an additional seven (7) days pursuant to 5 ILCS 140/3 (v) of the Freedom of Information Act.

If you have any questions about this response, please contact Mark Iocca in the Springfield Office Of the General Counsel at 217/782-1233.

Sincerely,

/S/

Mark A. Iocca,  
Acting Freedom of Information Officer  
Assistant General Counsel

MAI:sg



Rod R. Blagojevich, Governor  
Barry S. Maram, Director

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

Telephone: (217) 782-1233  
TTY: (800) 526-5812

October 21, 2008

John O'Connor  
Reporter  
Associated Press  
Statehouse Pressroom/Springfield, Illinois 62706  
[jocconnor@ap.org](mailto:jocconnor@ap.org)

Re: FOIA 08-2401

Dear Mr. O'Connor:

You requested the following information under the Illinois Freedom of Information Act (5 ILCS 140/1 et seq.) (FOIA):

"Please provide me with copies of documents related to the expansion of the FamilyCare program (to 400 percent of FPL).

1. The number of enrollees;
2. The number of enrollees by county;
3. The number of enrollees by month;
4. The number of enrollees after Judge Epstein's original injunction on or about April 15, 2008;
5. The number of non-Illinois residents enrolled;
6. The number of illegal or undocumented residents enrolled;
7. The amount of premium payment collected since the program's inception;
8. The number of the account in which that money is located;
9. How much remains in the account;
10. How much has been spent on the FamilyCare expansion;
11. A breakdown of from where that money has come to pay expenses."

The information you requested is exempt from release pursuant to sections 7(1)(c) and 7(1)(bb) of FOIA. In addition, the information in number two (i.e. enrollees by county) is also exempt from release under section 7(1)(a) of FOIA pursuant to the HIPAA Privacy Rule (45 CFR 160.103, 45 CFR 164.502 and 45 CFR 164.514); federal Medicaid regulations at 42 CFR 431.300-307; Section 11-9 of the Illinois Public Aid Code (305 ILCS 5/11-9) and 89 Illinois Administrative Code 102.30.

E-mail: [hfswebmaster@illinois.gov](mailto:hfswebmaster@illinois.gov)

Internet: <http://www.hfs.illinois.gov/>

APPENDIX A

Legal Services Agreement:

Contract for Services with Barnes and Thornburg, LLP effective April 1, 2008.

Agency Allocable Share of Cost:

Illinois Department of Healthcare and Family Services – 34%, but not to exceed \$119,000.

O'Connor Letter  
October 20, 2008  
Page Two

You may appeal this response to your request by writing Barry S. Maram, Director, Illinois Department of Healthcare and Family Services, 201 South Grand Avenue, East, Springfield, Illinois 62763. This appeal should include a copy of your original request, a copy of this response and a statement explaining why the appeal should be granted.

Sincerely,

// S //

Mark A. Iocca  
Acting Freedom of Information Officer  
Assistant General Counsel

MAI: sg



22 October 2008

VIA E-MAIL AND FAX: (312) 793-0269

Mr. Barry Maram  
Director  
Department of Healthcare and Family Services  
Prescott E. Bloom Building  
201 S. Grand Avenue East  
Springfield IL 62763-0001

**FREEDOM OF INFORMATION REQUEST No. 080929068 APPEAL**

Dear Director Maram:

I am writing to appeal the denial of a request made under the Illinois Freedom of Information Act, 5 ILCS 140/.

In that request, a copy of which is attached, I sought certain information related to the governor's expansion of FamilyCare.

My request was denied under 5 ILCS 140/7 (1) (c) and 7 (1) (bb), and various provisions under federal and state law and administrative code.

That decision is flawed. Section 7 (1) (c) is an exemption related to administrative enforcement proceedings, of which there are currently none underway, to my knowledge, as would relate to this issue. Furthermore, the FOIA denial did not specify which of the subsections of 7 (1) (c) is applicable, so please identify that subsection and explain to me how it applies.

Section 7 (1) (bb) exempts information related to "insurance or self insurance ... claims, loss or risk management information ...". I did not ask for any of these, but merely aggregate numbers of participants and the amount of premium collected.

Finally, the agency denies my request for "the number of enrollees by county" as in opposition to a string of privacy regulations under state and federal law, none of which applies, because those regulations pertain to "individually identifiable health care information," but I have requested no information that would lead to the identification of any individuals.

For the foregoing reasons, I respectfully request that you forward the requested information to me as quickly as possible.

Sincerely,

A handwritten signature in black ink that reads 'John O'Connor'. The signature is written in a cursive style with a long, sweeping underline.

John O'Connor

Encs.

OCT 28 2008

John O'Connor  
Reporter  
Telephone (217) 789-2700/Fax (217) 789-8973/Email [jocannon@ap.org](mailto:jocannon@ap.org)  
Statehouse Pressroom/Springfield, Illinois/62706

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

Telephone: (217) 782-1233  
TTY: (800) 526-5812

October 31, 2008

John O'Connor  
Reporter  
Associated Press  
Statehouse Pressroom/Springfield, Illinois 62706  
[jocconnor@ap.org](mailto:jocconnor@ap.org)

Re: FOIA 08-2401/ Director Appeal

Dear Mr. O'Connor:

Your appeal of the Department's response to your request for information under the Illinois Freedom of Information Act (5 ILCS 140/1 et seq.) (FOIA) has been reviewed. The merits of your appeal have been considered, and it is the decision of the Department to grant your appeal in part and provide a portion of the information you requested. Information can be provided regarding numbers 5, 6, 8 and 9. Records concerning numbers 1, 2, 3, 4, 7, 10 and 11 are exempt from release. The basis for the Department's decision is explained in detail below.

You requested the following information:

"Please provide me with copies of documents related to the expansion of the FamilyCare program (to 400 percent of FPL).

1. The number of enrollees;
2. The number of enrollees by county;
3. The number of enrollees by month;
4. The number of enrollees after Judge Epstein's original injunction on or about April 15, 2008;
5. The number of non-Illinois residents enrolled;
6. The number of illegal or undocumented residents enrolled;
7. The amount of premium payment collected since the program's inception;
8. The number of the account in which that money is located;
9. How much remains in the account;
10. How much has been spent on the FamilyCare expansion;
11. A breakdown of from where that money has come to pay expenses.

Information regarding numbers 5, 6, 8 and 9 are as follows:

5. The number of non-Illinois residents enrolled;

**Department Response:** Illinois residency is a requirement of the program.

6. The number of illegal or undocumented residents enrolled;

**Department Response:** It is a requirement of the program that enrollees be citizens or qualified non-citizens.

8. The number of the account in which that money is located;

**Department Response:** All deposits are made to the State's General Revenue Fund (GRF) Fund #0001. Treasurer's receipt account code is #478-495-080-001.

9. How much remains in the account;

**Department Response:** Premiums are deposited into GRF.

Records concerning numbers 1, 2, 3, 4, 7, 10 and 11 are exempt from release pursuant to sections 7(1)(a), 7(1)(b)(i), 7(1)(c)(iii) and 7(1)(n) of FOIA.

Section 7 (1)(a) provides in pertinent part:

Section 7. Exemptions.

- (1) The following shall be exempt from inspection and copying:

- (a) Information specifically prohibited from disclosure by federal or State law or rules and regulations adopted under federal or State law.

Federal Regulations at 42 CFR 431.300-307 require that state law prohibit the use or disclosure of information concerning applicants and recipients of Medicaid services, except for uses that are directly connected with administering the assistance programs. Illinois law satisfies this federal requirement, as well as, protecting the confidentiality of client information in all Department assistance programs, at Sections 11-9 and 11-12 of the Illinois Public Aid Code (305 ILCS 5/11-9 and 5/11-12) and 89 Illinois Administrative Code 102.30.

Section 11-9 of the Illinois Public Aid Code provides in pertinent part:

Section 11-9 Protection of Records - - Exceptions. For the protection of applicants and recipients, the Illinois Department of Healthcare and Family Services, the county departments and local governmental units and their respective officers, and employees are prohibited, except as hereinafter provided, from disclosing the contents of any records, files, papers and communications, except for purpose directly connected with the administration of public aid under this Code.

Section 11-12 of the Illinois Public Aid Code provides in pertinent part:

Section 11-12. Penalty for publication, use for political or commercial purposes.

It is unlawful, for commercial or political purposes of any nature, for any person, body, association, firm, corporation, or other agency to solicit, receive, make use of, or to authorize, knowingly permit, participate

in or acquiesce in the use of, any lists of names of, or any information concerning, persons applying for or receiving public aid, directly or indirectly derived from the records, papers, files, or communications of the Illinois Department, the county departments, or local governmental units, or acquired in the course of performance of official duties. A violation of this Section shall constitute a Class B misdemeanor.

Section 102.30 of the Illinois Administrative Code provides in pertinent part:

#### Section 102.30 Confidentiality of Case Information

- (a) For the protection of clients, any information about a client or case is confidential and shall be used only for purpose directly related to the administration of the assistance programs.
  - 1) The establishment of a client's initial or continuing eligibility for public assistance;
  - 2) The establishment or the extent of an individual's need for financial assistance, medical assistance or other services; and
  - 3) The establishment of procedure assuring the health and safety of the client.
- (b) Use of information for commercial, personal; or political purposes is specifically prohibited.

Section 7(1)(b)(i) of FOIA, provides in pertinent part:

#### Section 7. Exemptions.

- (1) The following shall be exempt from inspection and copying:

- (b) Information that, if disclosed; would constitute a clearly unwarranted invasion of personal privacy, unless the disclosure is consented to in writing by the individual subjects of the information. The disclosure of information that bears on the public duties of public employees and officials shall not be considered an invasion of personal privacy. Information exempted under this subsection (b) shall include, but is not limited to:
  - (i) files and personal information maintained with respect to clients, patients, residents, students or other individuals receiving social, medical, educational, vocational financial, supervisory or custodial care or services directly or indirectly from federal agencies or public bodies.

The information you seek is part of the Department's client's case files/records. The purpose of your request is not directly connected with the administration of the public assistance programs (e.g. establishing eligibility; determining amount of assistance; providing services). None of the statutory exceptions, referenced herein, apply to your request. Under Federal and State law and regulation, as cited above, this information is confidential and is prohibited from being released.

Additionally, for number 2 above, Federal regulations at 45 CFR 160.103, 45 CFR 164.502 and 45 CFR 164.514, promulgated under the Health Insurance Portability and Accountability Act (HIPAA), do not



allow the Department to release a client's individually identifiable health information unless it has been de-identified. Information not de-identified is considered "protected health information" (PHI) and cannot be released except as provided under the HIPAA Privacy Rule. De-identification is not merely the removal of names but entails the deletion of at least 18 identifiers of the individual, as well as, the individual's relatives, employers and household members. A specific requirement for de-identification is to remove all location information concerning an individual that encompass geographic subdivisions smaller than a state. Your request is for location information (i.e. county), which is less than statewide and does not meet any of the exceptions for release of PHI found under the HIPAA Privacy Rule. Therefore, the requested information is confidential individually identifiable protected health information, which the Department is prohibited from releasing.

Section 7(1)(c)(iii) of FOIA, provides in pertinent part:

Section 7. Exemptions.

(1) The following shall be exempt from inspection and copying:

(c) Records compiled by any public body ... for internal matters of a public body, but only to the extent that disclosure would:

(iii) deprive a person of a fair trial or an impartial hearing.

Section 7(1)(n) of FOIA, provides in pertinent part:

Section 7. Exemptions.

(1) The following shall be exempt from inspection and copying:

(n) Communications between a public body and an attorney or auditor representing the public body that would not be subject to discovery in litigation, and materials prepared or compiled by or for a public body in anticipation of a criminal, civil, or administrative proceeding upon the request of an attorney advising the public body, and materials prepared or compiled with respect to internal audits of public bodies.

Due to the fact that there is pending litigation regarding the FamilyCare program, disclosure of records compiled by the Illinois Department of Healthcare and Family Services would clearly deprive the Department of a fair trial and an impartial hearing. Similarly, section 7(1)(n) is applicable, as the materials requested were prepared and compiled by the Illinois Department of Healthcare and Family Services in anticipation of the current lawsuit.

The denial of your request regarding numbers 1, 2, 3, 4, 7, 10 and 11 was proper and is the Department's final decision. You have the right to judicial review as provided under 5 ILCS 140/11.

Sincerely,

// S //

Barry S. Maram  
Director

E-mail: [hfswebmaster@illinois.gov](mailto:hfswebmaster@illinois.gov)

Internet: <http://www.hfs.illinois.gov/>

*Family Care Expansion Population History of Monthly Enrollment*

Coverage-Group	1-Dec-2007	1-Jan-2008	1-Feb-2008	1-Mar-2008	1-Apr-2008	1-May-2008	1-Jun-2008	1-Jul-2008	1-Aug-2008	1-Sep-2008	1-Oct-2008	1-Nov-2008
Individuals with Income between 183% and 200% FPL, included under pending State Plan Amendments with Federal CMMS	340	476	697	911	997	1,164	1,129	1,098	1,076	1,052	992	920
Individual with incomes above 200% & < 400% FPL, not associated with any pending State Plan Amendments	497	1,203	1,958	2,644	3,017	3,428	3,218	3,096	3,059	2,996	3,024	3,000
<b>Total Expansion Population</b>	<b>837</b>	<b>1,679</b>	<b>2,655</b>	<b>3,555</b>	<b>4,014</b>	<b>4,592</b>	<b>4,347</b>	<b>4,194</b>	<b>4,135</b>	<b>4,048</b>	<b>4,016</b>	<b>3,920</b>

Proposed Suspended and Prohibited 14-Mar-2008

Enrollment levels reflect as of the 1st day of the month, except where noted. Enrollment levels reflect date eligible for coverage. The program enrolls individuals prospectively. For example, an individual whose application is processed by the middle of the month is effectively enrolled for coverage the 1st of the next month. Therefore, individuals enrolled in the program during Nov. 2007, would have coverage beginning either Dec 2007 or Jan 2008, depending on when in Nov. the application was processed.

Testimony of Barry S. Maram  
Before the Special Investigative Committee  
December 18, 2008

My name is Barry Maram, I am the Director of the Illinois Department of Healthcare and Family Services. I am here in response to a letter received from the House Majority Leader requesting my appearance and have voluntarily appeared to testify in regard to the FamilyCare Program expansion. This matter is the subject of litigation in the Circuit Court of Cook County and the Illinois Supreme Court under the caption, *Richard P. Caro, et al v. Hon. Rod Blagojevich, et al.* I am represented here by Larry D. Blust, one of the Special Assistant Attorneys General appointed to represent the Department in *Caro*. In light of the pending litigation, the Department is not waiving its attorney-client privilege in regard to this matter. Thus, I cannot respond to any questions regarding privileged communications with the various attorneys representing the Department in this matter and may consult the Department's attorneys before responding to any questions asked here. Much of the information regarding this expansion is available to the Committee as public documents filed in the *Caro* litigation. For a fuller explanation of this expansion and the issues in regard thereto and the documents establishing what happened, I invite you to examine the record in the *Caro* case.

I would like to give you a brief background regarding the FamilyCare Program. Illinois has participated in the federal government's State Children's Health Insurance Program, commonly called SCHIP, since its enactment in 1997. In 2001, the federal government encouraged states to submit waivers to obtain federal funds for health insurance coverage for parents and caretakers of children enrolled in the SCHIP program. In 2002, the General Assembly added Section 40(c) to the State's CHIPA statute authorizing the State to participate in

the waiver program and HFS submitted a waiver to provide for the coverage to the eligible adults. Section 40(c) originally directed HFS to set the income eligibility level at no more than 65% of the Federal Poverty Level (commonly referred to as the FPL). In 2003, the legislature amended Section 40(c) both to allow HFS to establish the maximum income eligibility level and to require a minimum level of 90% of FPL, thus removing the 65% cap.

At the time the waiver program was instituted, the general medical assistance statute under the Illinois Public Aid Code, 305 ILCS 5/5-2(2)(b), authorized the Department to disregard federal income eligibility levels for cash assistance grants and establish such levels for medical assistance by regulation. At that time, adults with incomes up to 35 to 38% of the FPL, depending on family size, were covered under Medical assistance and the state claimed federal matching funds for them under Medicaid. Because the state received a larger reimbursement under the SCHIP waiver program (65%) than under Medicaid (50%), the Department elected to claim those adults with income above the existing medical assistance standards under the SCHIP rather than Medicaid. The SCHIP waiver program was called FamilyCare by the Department.

HFS initially set the FamilyCare maximum income level at 49% of FPL by regulation. To comply with the minimum eligibility level set by the legislature in 2003, the Department amended this to 90% FPL. Thereafter HFS has increased income eligibility levels by regulation as funds became available by raising the income level to 133% of FPL in 2004 and to 185% of FPL in 2006. None of these increases or HFS' authority to set the income standard were ever challenged.

In the fall of 2007 the scope of SCHIP and the waiver became uncertain as Congress and President Bush disagreed on the breadth of funding and, thus, the breadth of coverage under state waivers. SCHIP and the corresponding waiver for adults were set to expire in September of

2007. SCHIP was subsequently extended to December 31, 2007. In August and November of 2007, Congress passed two separate bills to reauthorize SCHIP and expand its funding, which would enable states to set higher income eligibility levels for the waiver. Congress desired to expand funding to permit coverage of families of four earning almost \$83,000 (400% of the FPL). President Bush vetoed these bills and the vetoes were not overridden.

The outcome of the SCHIP reauthorization fight was crucial to Illinois because it would lose the extra 15% of federal match from SCHIP versus Medicaid if the waiver was not reauthorized. Thus, HFS waited to see whether an expansion of the waiver would occur. When the battle between the President and Congress was lost and HFS could not wait any longer, it promulgated on November 7, 2007, the emergency rule at issue in the *Caro* case. SCHIP was ultimately reauthorized for a short period without any authority for funding the waiver program.

The Family care rules did two things. First, they moved the adults in the expiring SCHIP waiver program (i.e., those approximately 150,000 adults between 35% FPL and 185% FPL) to the general medical assistance program. Second, the Department, pursuant to its regulatory authority, incrementally expanded the income eligibility for the family care program, similar to the expansions in 2003, 2004 and 2006, from 185% FPL to 400% FPL. The expansion of the program to 400% FPL matched the level approved by Congress and recommended by the bi-partisan Illinois Adequate Health Task Force.

Both regulatory changes were promulgated pursuant to the statutory authority delegating to the Department the setting of maximum income levels for medical assistance subject to the general standard limiting such assistance to those who do not have sufficient income and resources to meet the costs of necessary medical care. This statute requires that the Governor approve the expansion in eligibility, which he did.

The Department, in exercising its statutorily delegated authority to set the maximum income level for medical assistance consistent with need, not only relied on the level approved by Congress and recommended by the Adequate Health Task Force but put safeguards into the regulations requiring that individuals in the expansion population must generally have been without health insurance for the preceding 12 months and must pay substantial fees to participate to assure that participants would not select State assistance if affordable private coverage were available.

The incremental expansion from 185% to 400% FPL has been described in the media and referred to by the Plaintiffs in the *Caro* case as a huge expansion of health care and an expense totaling tens of millions of dollars. In fact, in the five months before enrollment of adults over 133% FPL was suspended by the Department in response to the litigation, fewer than 5,000 participants above 185% FPL had enrolled in the FamilyCare Program. This is not surprising since the prior expansion in 2006 from 133% to 185% FPL had only added approximately 20,000 participants by November 2007. The incurred cost of the expansion from 185% to 400% FPL from November 2007 through November 2008 has not exceeded \$6.3 million. These costs have been partially offset by the premiums collected from participants.

To the Department's surprise JCAR objected to the expansion from 185% to 400% as not authorized by the legislature although it stated that it did not have any problem with the movement of participants from the SCHIP waiver program to the general medical assistance program. Mr. Caro, Mr. Gidwitz and Mr. Baise sued the Department and the Governor in November 2007 alleging numerous defects in the regulations promulgated by the Department, including that the Department lacked statutory authority to promulgate the regulations, if the

regulations were authorized the statute so authorizing them was unconstitutional and the regulations were invalid due to JCAR's objection to them.

The court has never held that the Department lacked authority to set the maximum income level for the program consistent with the general need standard of the statute. Instead, the trial court has held in rulings on preliminary injunction requests that the general medical assistance statute requires that all eligibility standards for cash welfare grants must be imposed on those covered by the statute. This ruling has been affirmed by the appellate court. Despite the Plaintiffs' statement that they are only challenging the less than 5,000 participants in the expansion population, this statutory interpretation, if ultimately held to be correct, would mean that the Department could cover participants at any income level meeting the need standard including 400% only if they meet the cash welfare grant standards as to employment, job seeking, etc. Thus, this requirement, if ultimately sustained, would potentially affect all of the approximately 400,000 adults receiving medical assistance except the approximately 11,200 adults receiving cash grants. If the Department imposed these requirements, ironically and tragically the participants least likely to meet them would be those with the lowest income.

The Department has never imposed these requirements for medical assistance because the federal welfare reform legislation passed in the Clinton administration forbids such rules for Medicaid plan participants. Eligibility for TANF and Medicaid must be "de-linked", as Congress intended for the TANF program to shrink over time while Medicaid was continued to support working families. Moreover, as evidenced by the change in the State AFDC program to TANF, Temporary Assistance for Needy Families, at the time of the Clinton administration welfare reform, and JCAR's failure to object to transfer of the FamilyCare participants above 35-38% through 133% FPL to the general medical assistance category, the General Assembly has

never interpreted these requirements as applicable to medical assistance participants not receiving cash grants either. This is why the Department asked for and received a stay of the trial court's orders from the Illinois Supreme Court. In addition, approval by the federal government of the Department's pending Medicaid state plan amendment filed in December 2007 to cover FamilyCare participants effective October 1, 2007 which will permit the state to claim the 50% match for the FamilyCare participants has been held up pending resolution of the lawsuit.

The two orders entered by the trial court have been obeyed by the Department from the date they were entered until the Supreme Court stay was granted. The first order entered on April 15, 2008 provides merely that the Department and myself as Director are, and I quote, "preliminary enjoined from enforcing the Emergency Rule or expending any public funds related to the Family Care Program created by the Emergency Rule." Since that order was entered, the Department has not knowingly presented to the Comptroller for payment invoices for services provided during the period of the Emergency Rule, which was replaced by the Permanent Rule on March 10, 2008. Some schedules with a few claims subject to the order had already been processed and delivered to the Comptroller's office, but not paid at the time the order was issued. In order to pay these schedules which overwhelmingly contained claims not subject to the order, the Department posted adjustments in the amount of the FamilyCare claims to be immediately recouped from future payments.

In addition to not processing payments to providers who provided care under the Emergency Rule as required by the order, the Department on April 15, 2008 ceased enrolling participants with incomes greater than 133% FPL in the FamilyCare Program even though not



required to do so by the order to attempt to prevent stranded providers and disruption to eligible participants.

On October 15, 2008, the trial court entered an order providing that the Department and myself as Director -- again I quote -- "are preliminary enjoined from expending any public funds in the name of the Family Care Program . . . for the purpose of providing medical assistance pursuant to 305 ILCS 5/5-2(2)(b) to any individuals who fail to meet all the eligibility requirements under Article IV of the Illinois Public Aid Code, 305 ILCS 5/4-1 et seq. other than the federal maximum earned income requirement." The Department followed this order until the Illinois Supreme Court entered a stay of its enforcement.

It is my belief that the Department had the authority to authorize the expansion of the FamilyCare Program. Whether the Department or the Plaintiffs are correct in this regard is a matter yet to be decided by the Court. Despite the Department's belief that the trial court and appellate court were incorrect in imposing all cash welfare grant requirements on general medical assistance participants, the Department has, to my knowledge, complied with all unstayed court orders in the *Caro* case.

