

August 14, 2018

To the Honorable Members of
The Illinois House of Representatives,
100th General Assembly:

Today I return House Bill 4771 from the 100th General Assembly with specific recommendations for change.

It is essential for Illinois to support people with disabilities and seniors who require nursing level care but do not have the resources needed to provide for that care. While I support a myriad of programs to help people remain in the community according to their needs and their choices, Medicaid funded nursing home care remains an important piece of our social safety net.

For many years, Illinois has struggled to process Medicaid applications for long term care quickly. For most Medicaid bills, the state pays for half of the cost and the federal government reimburses the state for the other half. Under this bill, the state would be on the hook for 100% of the costs of nursing home stays while an application is under review.

While I empathize with the desire to speed payments for clients who qualify for Medicaid long term care services, this bill as written would expose the state to unnecessary expenses. These include costs for individuals who do not qualify for Medicaid, costs over and above the amount individuals qualify to have covered by Medicaid such as “spend down” or “penalty period” amounts, and costs that would have been matched by the federal government if presumptive eligibility were not in place. In addition, this bill would incent applicants to prolong the review of their applications, exacerbating the current backlog, and inviting the filing of fraudulent applications.

This amendatory veto is intended to cure several issues with the legislation as it was initially approved. Specifically:

- It clarifies that the provisional eligibility applies strictly to long term care Medicaid cases.
- It clarifies that provisional eligibility only lasts until the state makes an eligibility determination. The original bill required payments for people even after they were found to be ineligible. This change will save the state millions in unnecessary expenses when

compared to the original legislation. It also aligns the incentives for applicants to remain cooperative during the entirety of the review of their applications.

- It includes a sunset that is intended to repeal this law once the state has made significant progress eliminating the backlog of long term care applications.
- It includes a “claw back” provision so the state can recoup payments for those who are determined not to be eligible for the benefit. This change will save the state millions in unnecessary expenses when compared to the original legislation and will discourage those to seek to profit at public expense.

My administration is committed to eliminating the backlog of long term care applications. Over the last year, we have added nearly fifty percent more state staff assigned to processing applications and are in the process of a procurement to further expand our capacity to attack the backlog. The Departments of Human Services and Healthcare and Family Services have undergone a modernization process to identify and eliminate bottlenecks in the application process. They are implementing solutions internally and reaching out to external stakeholders to improve the rate at which complete applications are submitted. In addition, we have implemented a policy change to make it faster and easier to approve benefits for those applicants with the clearest need, and are exploring additional policy changes to further streamline the process.

Earlier this month, I signed two bills that will expedite long term care application processing. SB 2385 will make it easier and faster for applicants to provide the state with the financial records necessary to determine eligibility. SB 2913 enacts a number of reforms to improve the way the state processes long term care applications and communicates with stakeholders. These two bills combined with our other improvements to date and those coming soon will eliminate the long term care backlog.

In order to ensure further progress on this issue, I have directed the Departments of Human Services and Healthcare and Family Services to coordinate with each other to achieve the following objectives:

- They will collaborate with each other and external stakeholders to develop clear, easy-to-follow instructions, trainings, and checklists for applicants for long term care and those who assist them with Manage My Case and the Application for Benefits Eligibility.
- They will work to improve communication with applicants and providers by holding quarterly meetings with provider organizations and sending important notices to providers with applicants’ permission. The Department of Healthcare and Family Services will coordinate with the Centers for Medicare and Medicaid Services to determine when *ex parte* redeterminations are appropriate in long term care settings.
- They will explore ways to streamline processing of income adjustments for clients already enrolled in long term care.

The current improvements to processing long term care applications combined with the efforts we are putting in place now will eliminate the backlog. I urge the legislature to adopt HB 4771

as amended by this amendatory veto to avoid the significant unnecessary expenses the original bill would impose on the people of Illinois.

Therefore, pursuant to Section 9(e) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 4771, entitled "AN ACT concerning public aid", with the following specific recommendations for change:

On page 10, by deleting lines 2 and 3; and

On page 10, by replacing line 4 with: "(h) Beginning upon the effective date of this amendatory Act of the 100th General Assembly, provisional eligibility, in"; and

On page 10, by replacing line 7 with: "benefits, must be issued to any applicant who, due to delay by the State, has not received"; and

On page 10, by replacing line 8 with: "an eligibility determination on his or her application for"; and

On page 10, by replacing line 9 with: "Medicaid long-term care benefits or a notice of an"; and

On page 10, by replacing line 13 with: "enrollment status until an eligibility determination is made."; and

On page 10, by deleting line 14; and

On page 10, by replacing line 15 with: "The Department or the managed care"; and

On page 10, by replacing line 25 with: "fee-for-service system until the State makes a"; and

On page 10, by replacing line 26 with: "determination on the applicant's Medicaid"; and

On page 11, by replacing line 1 with: "long-term care application."; and

On page 11, by deleting lines 2 through 12; and

On page 11, immediately after line 12, by inserting the following:

"(3) Provisional Eligibility as enacted in this amendatory Act of the 100th General Assembly shall be repealed when the combined backlog of long term care applications and admissions has been reduced by 80 percent or more from its 2018 peak. When that mark is reached, the Director of the Illinois Department of Healthcare and Family Services shall send a letter to the Governor and the leaders

of the four legislative caucuses indicating that the backlog has been reduced by at least 80 percent. Provisional eligibility as enacted in this amendatory Act of the 100th General Assembly shall be repealed upon the date these letters are sent.

(4) The Department shall recover all amounts paid to a provider for any individual while provisionally eligible if the individual's application is not approved. The Department shall recover money pursuant to this section either by set off, crediting against future billings, by requiring direct repayment to the Department, or by any process permitted by law."

With these changes, House Bill 4771 will have my approval. I respectfully request your concurrence.

Sincerely,

Bruce Rauner
GOVERNOR