



HR0100HAM001

LRB100 10418 MST 23930 a

1 AMENDMENT TO HOUSE RESOLUTION 100

2 AMENDMENT NO. ____ . Amend House Resolution 100 by deleting
3 everything and replacing it with the following:

4 "WHEREAS, The Medicaid program in Illinois has an immense,
5 and growing, impact, both in terms of taxpayer dollars and the
6 effect it has on citizens across the State; and

7 WHEREAS, State resources for healthcare services are
8 currently so scarce that many healthcare providers are
9 discontinuing services, leading to a profoundly detrimental
10 impact on our communities; and

11 WHEREAS, Enrollment under the Illinois Department of
12 Healthcare and Family Services' Medical Assistance Programs
13 (Medicaid) exceeds three million; and

14 WHEREAS, A sizable portion of the Medicaid population is

1 currently enrolled, often mandatorily, in Managed Care
2 Organizations (MCOs), making outlays to MCOS, measured in
3 billions of dollars, one of the largest resource uses in the
4 State; and

5 WHEREAS, There has been little information disseminated to
6 the General Assembly in terms of how State resources are being
7 spent on MCOs and on the overall healthcare outcomes for
8 individuals enrolled in these MCOs; and

9 WHEREAS, In this quickly evolving environment, the General
10 Assembly must stay engaged in Medicaid funding and
11 corresponding healthcare outcome issues and must be prepared to
12 make legislative and administrative recommendations;
13 therefore, be it

14 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
15 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the
16 Auditor General is directed to conduct an audit of Medicaid
17 MCOs, which includes a comparison of State expenditures between
18 MCOs and the Medicaid fee-for-service program; and be it
19 further

20 RESOLVED, That the audit shall examine capitation rate
21 setting and reimbursement issues for Medicaid MCOs for fiscal
22 year 2016 with respect to the following issues:

1 (1) Compare the total dollar amount of all reported MCO
2 encounter data submitted to the Illinois Department of
3 Healthcare and Family Services (DHFS) during SFY 2016 to
4 the total dollar amount of reported claims payments made on
5 behalf of Illinois Medicaid individuals by MCOs as reported
6 to DHFS during SFY 2016;

7 (2) Whether MCO encounter data is used by the
8 Department of Healthcare and Family Services (DHFS) to set
9 capitation rates;

10 (3) Calculate the aggregate amount of MCO capitation
11 payments made by DHFS during SFY2016 (exclude payments
12 authorized under 305 ILCS Sections 5/5A-12.2, 5/5A-12.4,
13 and 5/5A-12 from this calculation);

14 (4) Determine the amount of payments made by DHFS to
15 reimburse for-profit MCOs for the ACA Health Insurance Fee
16 (HIF); determine if reimbursement by the State to
17 for-profit MCOs for this HIF payment is mandated by federal
18 CMS;

19 (5) Determine the amount of payments made by DHFS to
20 reimburse for-profit MCOs for "gross-ups" related to the
21 HIF payment; determine the purpose of the "gross-up"

1 payments;

2 (6) The incidence to which the MCO capitation rates
3 contain supplemental, GRF-based payments to providers; for
4 these payments, determine the amount of the supplemental,
5 which providers received these payments, and whether these
6 monies were directly tied to services actually provided (do
7 not include payments authorized under 305 ILCS Sections
8 5/5A-12.2, 5/5A-12.4, and 5/5A-12);

9 (7) What administrative costs are paid to MCOs in terms
10 of total dollars and percent of overall MCO medical
11 based-payments;

12 (8) What is the average payout ratio for all MCOs in
13 aggregate and for each MCO individually; for the purposes
14 of this audit, payout ratio is defined as all paid claims
15 to Medicaid providers made by MCOs as reported to HFS for
16 state fiscal year 2016 divided by aggregate MCO capitation
17 payments made by DHFS for State fiscal year 2016; and

18 (9) What the denial rates are for MCOs and for
19 fee-for-service providers billing the DHFS; determine
20 whether there is a higher denial rate for services paid by
21 MCOs; and be it further

1 RESOLVED, That the Illinois Department of Healthcare and
2 Family Services and any other State agency having information
3 relevant to this audit cooperate fully and promptly with the
4 Auditor General's Office in its conduct; and be it further

5 RESOLVED, That the Auditor General commence this audit as
6 soon as possible and report his findings and recommendations
7 upon completion in accordance with the provisions of Section
8 3-14 of the Illinois State Auditing Act."