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SENATE RESOLUTION

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WHEREAS, Founded in 1995, the Family Health Network (FHN) is the only not-for-profit managed care organization in Illinois; FHN ensures quality healthcare for the underserved minority communities of Cook County through a care network in coordination with FHN's five director hospitals; and

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WHEREAS, FHN is directed by five Illinois Disproportionate Share Safety Net Hospitals: Saint Anthony's Hospital, the Norwegian American Hospital, St. Bernard Hospital, the Sinai Health System, and Presence Saint Mary and Saint Elizabeth Hospital; and

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WHEREAS, FHN's status as a not-for-profit affords it the ability to direct its profits to supplement the operational budget of its five Hospital Directors instead of that money going into profits of private insurance companies such as other Illinois Medicaid HMOs; in some cases resulting in 10%-15% of the operating budget for the five FHN supported Safety Net Hospitals; and

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WHEREAS, FHN's revenue distribution accounts for 10% to 15% of the operating budget for these five FHN supported Safety Net Hospitals; this revenue is critically needed to meet the financial obligations of the hospitals in meeting the

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1 healthcare needs of more than 250,000 poor Latino and African
2 American Illinois citizens; and

3 WHEREAS, Since Medicaid Managed Care replaced traditional
4 fee-for-service for most of the Illinois Medicaid population,
5 these hospitals have seen a nearly 10% reduction in revenue for
6 the same services performed because of claim denials and added
7 costs, both for the benefit of the for-profit insurance
8 companies instead of the poor people the program is designed to
9 help; and

10 WHEREAS, On February 27, 2017, the Department of Health and
11 Family Services (DHFS) released a Medicaid managed care RFP for
12 a Purchase of Care Contract to arbitrarily narrow the number of
13 managed care organizations contracted in the State; the RFP for
14 a Purchase of Care Contract was released without input from
15 healthcare providers, the General Assembly, or advocates for
16 the underserved communities; and

17 WHEREAS, This RFP for a Purchase of Care Contract comes at
18 a time of fiscal and regulatory uncertainty on healthcare and
19 the Affordable Care Act in Washington as President Donald Trump
20 calls to radically overturn Medicaid, putting healthcare at
21 risk for hundreds of thousands of Illinoisans, both documented
22 and undocumented children and adults; and

1 WHEREAS, The State currently owes FHN more than \$260
2 million, severely stressing the financial viability of FHN and
3 the financial health of their safety net directors; and

4 WHEREAS, The RFP for a Purchase of Care Contract
5 arbitrarily requires all non-exempted respondents to provide
6 statewide care network even though under its current contract
7 with the State, FHN is only required to provide a Cook County
8 network; FHN's current Cook County network provides care for
9 more than 250,000 Medicaid recipients; this radical and highly
10 questionable new statewide requirement was put forward with no
11 explanation from DHFS; and

12 WHEREAS, If FHN is no longer contracted to provide care for
13 the 250,000 Latino and African-American Illinoisans, these
14 communities will have severely reduced access to critical
15 healthcare, forcing the closure of Illinois-only
16 not-for-profit managed care organizations; the only benefactor
17 of this change will be the profit margin of the for-profit
18 insurance companies bidding to replace FHN, displacing
19 thousands of minority and poor healthcare recipients; and

20 WHEREAS, Excluding FHN from the Medicaid program in Cook
21 County will severely jeopardize the five safety-net hospitals
22 and the 4,000 employees who operate these essential community
23 anchors; there failures would cause a dramatic negative

1 economic and social impact on their southside and westside
2 communities; and

3 WHEREAS, The General Assembly has the duty to appropriate
4 expenditures from public funds, including the estimated \$9
5 billion per year RFP for a Purchase of Care Contract resulting
6 in \$54 Billion in expenditures over the six-year potential
7 contract term; the General Assembly also has the duty to review
8 actions that have the potential to cause negative impact on the
9 lives of the residents of Illinois through questionable
10 executive branch decisions whether the questions arise from
11 policy or ethical concerns; therefore, be it

12 RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL
13 ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the Department
14 of Health and Family Services to immediately suspend the
15 Medicaid managed care RFP for a Purchase of Care Contract for
16 review by the General Assembly to allow for transparency and
17 assurance of non-discriminatory actions and fair competition
18 for all sizes and business models of managed care
19 organizations; and be it further

20 RESOLVED, That the General Assembly should convene the
21 Special Committee on Oversight of Medicaid Managed Care to meet
22 as soon as possible to review the RFP for a Purchase of Care
23 Contract and seek answers from the Director of Healthcare and

1 Family Services, the Procurement Policy Board, the Office of
2 Inspector General, the Illinois Attorney General, and the
3 individual in charge of the Medicaid managed care RFP for a
4 Purchase of Care Contract; and be it further

5 RESOLVED, That we urge the DHFS to cooperate and
6 participate in this review to avoid the appearance of
7 impropriety and unethical actions related to the RFP for a
8 Purchase of Care Contract process as well as to provide a
9 positive outcome for the residents of Illinois; and be it
10 further

11 RESOLVED, That suitable copies of this resolution be
12 delivered to the Governor, the Director of Healthcare and
13 Family Services, and all members of the Illinois General
14 Assembly.