



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB3486

Introduced 2/9/2024, by Sen. Omar Aquino

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-11

from Ch. 23, par. 5-11

Amends the Medical Assistance Article of the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to enter into one or more cooperative arrangements with safety-net providers to provide primary, secondary, or tertiary managed health care services as a managed care community network with a monthly total capitation amount not to exceed \$100,000,000. Defines "safety-net provider" to mean a non-government owned managed care community network operating and located in Cook County with at least 80% ownership by one or more safety-net hospitals. Provides that a safety-net provider shall be deemed a managed care community network for purposes of the Code only to the extent that it provides services to participating individuals. Provides that a non-government owned safety-net provider is entitled to contract with the Department with respect to Cook County only. Provides that a safety-net provider is not required to accept enrollees who do not reside within Cook County.

LRB103 39341 KTG 69504 b

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 5-11 as follows:

6 (305 ILCS 5/5-11) (from Ch. 23, par. 5-11)

7 Sec. 5-11. Co-operative arrangements; contracts with other  
8 State agencies, health care and rehabilitation organizations,  
9 and fiscal intermediaries.

10 (a) The Illinois Department may enter into co-operative  
11 arrangements with State agencies responsible for administering  
12 or supervising the administration of health services and  
13 vocational rehabilitation services to the end that there may  
14 be maximum utilization of such services in the provision of  
15 medical assistance.

16 The Illinois Department shall, not later than June 30,  
17 1993, enter into one or more co-operative arrangements with  
18 the Department of Mental Health and Developmental Disabilities  
19 providing that the Department of Mental Health and  
20 Developmental Disabilities will be responsible for  
21 administering or supervising all programs for services to  
22 persons in community care facilities for persons with  
23 developmental disabilities, including but not limited to

1 intermediate care facilities, that are supported by State  
2 funds or by funding under Title XIX of the federal Social  
3 Security Act. The responsibilities of the Department of Mental  
4 Health and Developmental Disabilities under these agreements  
5 are transferred to the Department of Human Services as  
6 provided in the Department of Human Services Act.

7 The Department may also contract with such State health  
8 and rehabilitation agencies and other public or private health  
9 care and rehabilitation organizations to act for it in  
10 supplying designated medical services to persons eligible  
11 therefor under this Article. Any contracts with health  
12 services or health maintenance organizations shall be  
13 restricted to organizations which have been certified as being  
14 in compliance with standards promulgated pursuant to the laws  
15 of this State governing the establishment and operation of  
16 health services or health maintenance organizations. The  
17 Department shall renegotiate the contracts with health  
18 maintenance organizations and managed care community networks  
19 that took effect August 1, 2003, so as to produce \$70,000,000  
20 savings to the Department net of resulting increases to the  
21 fee-for-service program for State fiscal year 2006. The  
22 Department may also contract with insurance companies or other  
23 corporate entities serving as fiscal intermediaries in this  
24 State for the Federal Government in respect to Medicare  
25 payments under Title XVIII of the Federal Social Security Act  
26 to act for the Department in paying medical care suppliers.

1 The provisions of Section 9 of "An Act in relation to State  
2 finance", approved June 10, 1919, as amended, notwithstanding,  
3 such contracts with State agencies, other health care and  
4 rehabilitation organizations, or fiscal intermediaries may  
5 provide for advance payments.

6 (b) For purposes of this subsection (b), "managed care  
7 community network" means an entity, other than a health  
8 maintenance organization, that is owned, operated, or governed  
9 by providers of health care services within this State and  
10 that provides or arranges primary, secondary, and tertiary  
11 managed health care services under contract with the Illinois  
12 Department exclusively to persons participating in programs  
13 administered by the Illinois Department.

14 The Illinois Department may certify managed care community  
15 networks, including managed care community networks owned,  
16 operated, managed, or governed by State-funded medical  
17 schools, as risk-bearing entities eligible to contract with  
18 the Illinois Department as Medicaid managed care  
19 organizations. The Illinois Department may contract with those  
20 managed care community networks to furnish health care  
21 services to or arrange those services for individuals  
22 participating in programs administered by the Illinois  
23 Department. The rates for those provider-sponsored  
24 organizations may be determined on a prepaid, capitated basis.  
25 A managed care community network may choose to contract with  
26 the Illinois Department to provide only pediatric health care

1 services. The Illinois Department shall by rule adopt the  
2 criteria, standards, and procedures by which a managed care  
3 community network may be permitted to contract with the  
4 Illinois Department and shall consult with the Department of  
5 Insurance in adopting these rules.

6 A county provider as defined in Section 15-1 of this Code  
7 may contract with the Illinois Department to provide primary,  
8 secondary, or tertiary managed health care services as a  
9 managed care community network without the need to establish a  
10 separate entity and shall be deemed a managed care community  
11 network for purposes of this Code only to the extent it  
12 provides services to participating individuals. A county  
13 provider is entitled to contract with the Illinois Department  
14 with respect to any contracting region located in whole or in  
15 part within the county. A county provider is not required to  
16 accept enrollees who do not reside within the county.

17 The Illinois Department shall enter into one or more  
18 cooperative arrangements with safety-net providers to provide  
19 primary, secondary, or tertiary managed health care services  
20 as a managed care community network with a monthly total  
21 capitation amount not to exceed \$100,000,000. As used in this  
22 paragraph, "safety-net provider" means a non-government owned  
23 managed care community network operating and located in Cook  
24 County with at least 80% ownership by one or more safety-net  
25 hospitals, as that term is defined in Section 5-5e.1 of this  
26 Code. A safety-net provider shall be deemed a managed care

1 community network for purposes of this Code only to the extent  
2 that it provides services to participating individuals. A  
3 safety-net provider is entitled to contract with the Illinois  
4 Department with respect to Cook County only. A safety-net  
5 provider is not required to accept enrollees who do not reside  
6 within Cook County.

7 In order to (i) accelerate and facilitate the development  
8 of integrated health care in contracting areas outside  
9 counties with populations in excess of 3,000,000 and counties  
10 adjacent to those counties and (ii) maintain and sustain the  
11 high quality of education and residency programs coordinated  
12 and associated with local area hospitals, the Illinois  
13 Department may develop and implement a demonstration program  
14 from managed care community networks owned, operated, managed,  
15 or governed by State-funded medical schools. The Illinois  
16 Department shall prescribe by rule the criteria, standards,  
17 and procedures for effecting this demonstration program.

18 A managed care community network that contracts with the  
19 Illinois Department to furnish health care services to or  
20 arrange those services for enrollees participating in programs  
21 administered by the Illinois Department shall do all of the  
22 following:

- 23 (1) Provide that any provider affiliated with the  
24 managed care community network may also provide services  
25 on a fee-for-service basis to Illinois Department clients  
26 not enrolled in such managed care entities.

1           (2) Provide client education services as determined  
2           and approved by the Illinois Department, including but not  
3           limited to (i) education regarding appropriate utilization  
4           of health care services in a managed care system, (ii)  
5           written disclosure of treatment policies and restrictions  
6           or limitations on health services, including, but not  
7           limited to, physical services, clinical laboratory tests,  
8           hospital and surgical procedures, prescription drugs and  
9           biologics, and radiological examinations, and (iii)  
10          written notice that the enrollee may receive from another  
11          provider those covered services that are not provided by  
12          the managed care community network.

13          (3) Provide that enrollees within the system may  
14          choose the site for provision of services and the panel of  
15          health care providers.

16          (4) Not discriminate in enrollment or disenrollment  
17          practices among recipients of medical services or  
18          enrollees based on health status.

19          (5) Provide a quality assurance and utilization review  
20          program that meets the requirements established by the  
21          Illinois Department in rules that incorporate those  
22          standards set forth in the Health Maintenance Organization  
23          Act.

24          (6) Issue a managed care community network  
25          identification card to each enrollee upon enrollment. The  
26          card must contain all of the following:

1 (A) The enrollee's health plan.

2 (B) The name and telephone number of the  
3 enrollee's primary care physician or the site for  
4 receiving primary care services.

5 (C) A telephone number to be used to confirm  
6 eligibility for benefits and authorization for  
7 services that is available 24 hours per day, 7 days per  
8 week.

9 (7) Ensure that every primary care physician and  
10 pharmacy in the managed care community network meets the  
11 standards established by the Illinois Department for  
12 accessibility and quality of care. The Illinois Department  
13 shall arrange for and oversee an evaluation of the  
14 standards established under this paragraph (7) and may  
15 recommend any necessary changes to these standards.

16 (8) Provide a procedure for handling complaints that  
17 meets the requirements established by the Illinois  
18 Department in rules that incorporate those standards set  
19 forth in the Health Maintenance Organization Act.

20 (9) Maintain, retain, and make available to the  
21 Illinois Department records, data, and information, in a  
22 uniform manner determined by the Illinois Department,  
23 sufficient for the Illinois Department to monitor  
24 utilization, accessibility, and quality of care.

25 (10) (Blank).

26 The Illinois Department shall contract with an entity or



1 entities to provide external peer-based quality assurance  
2 review for the managed health care programs administered by  
3 the Illinois Department. The entity shall meet all federal  
4 requirements for an external quality review organization.

5 Each managed care community network must demonstrate its  
6 ability to bear the financial risk of serving individuals  
7 under this program. The Illinois Department shall by rule  
8 adopt standards for assessing the solvency and financial  
9 soundness of each managed care community network. Any solvency  
10 and financial standards adopted for managed care community  
11 networks shall be no more restrictive than the solvency and  
12 financial standards adopted under Section 1856(a) of the  
13 Social Security Act for provider-sponsored organizations under  
14 Part C of Title XVIII of the Social Security Act.

15 The Illinois Department may implement the amendatory  
16 changes to this Code made by this amendatory Act of 1998  
17 through the use of emergency rules in accordance with Section  
18 5-45 of the Illinois Administrative Procedure Act. For  
19 purposes of that Act, the adoption of rules to implement these  
20 changes is deemed an emergency and necessary for the public  
21 interest, safety, and welfare.

22 (c) Not later than June 30, 1996, the Illinois Department  
23 shall enter into one or more cooperative arrangements with the  
24 Department of Public Health for the purpose of developing a  
25 single survey for nursing facilities, including but not  
26 limited to facilities funded under Title XVIII or Title XIX of

1 the federal Social Security Act or both, which shall be  
2 administered and conducted solely by the Department of Public  
3 Health. The Departments shall test the single survey process  
4 on a pilot basis, with both the Departments of Public Aid and  
5 Public Health represented on the consolidated survey team. The  
6 pilot will sunset June 30, 1997. After June 30, 1997, unless  
7 otherwise determined by the Governor, a single survey shall be  
8 implemented by the Department of Public Health which would not  
9 preclude staff from the Department of Healthcare and Family  
10 Services (formerly Department of Public Aid) from going  
11 on-site to nursing facilities to perform necessary audits and  
12 reviews which shall not replicate the single State agency  
13 survey required by this Act. This Section shall not apply to  
14 community or intermediate care facilities for persons with  
15 developmental disabilities.

16 (d) Nothing in this Code in any way limits or otherwise  
17 impairs the authority or power of the Illinois Department to  
18 enter into a negotiated contract pursuant to this Section with  
19 a managed care community network or a health maintenance  
20 organization, as defined in the Health Maintenance  
21 Organization Act, that provides for termination or nonrenewal  
22 of the contract without cause, upon notice as provided in the  
23 contract, and without a hearing.

24 (Source: P.A. 95-331, eff. 8-21-07; 96-1501, eff. 1-25-11.)