SB3783

LRB10339515KTG69716b

103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3783

Introduced 2/9/2024, by Sen. Ann Gillespie

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5H-1
305 ILCS 5/5H-3

Amends the Managed Care Organization Provider Assessment Article of the Illinois Public Aid Code. Changes the Tier 1 assessment amount for managed care organizations to $78.90 per member month (rather than $60.20 per member month). Changes the Tier 2 assessment amount for managed care organizations to $1.40 per member month (rather than $1.20 per member month). Provides that for State fiscal year 2020, and for each State fiscal year thereafter (rather than for State fiscal year 2020 through State fiscal year 2025), the Department of Healthcare and Family Services may adjust rates or tier parameters or both. Makes changes to the definition of "base year". Effective January 1, 2025.

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A BILL FOR

AN ACT concerning public aid.

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

Section 5. The Illinois Public Aid Code is amended by changing Sections 5H-1 and 5H-3 as follows:

(305 ILCS 5/5H-1)

Sec. 5H-1. Definitions. As used in this Article:

"Base year" means the 12-month period from January 1, 2023 ~~2018~~ to December 31, 2023 ~~2018~~.

"Department" means the Department of Healthcare and Family Services.

"Federal employee health benefit" means the program of health benefits plans, as defined in 5 U.S.C. 8901, available to federal employees under 5 U.S.C. 8901 to 8914.

"Fund" means the Healthcare Provider Relief Fund.

"Managed care organization" means an entity operating under a certificate of authority issued pursuant to the Health Maintenance Organization Act or as a Managed Care Community Network pursuant to Section 5-11 of this Code.

"Medicaid managed care organization" means a managed care organization under contract with the Department to provide services to recipients of benefits in the medical assistance program pursuant to Article V of this Code, the Children's

Health Insurance Program Act, or the Covering ALL KIDS Health Insurance Act. It does not include contracts the same entity or an affiliated entity has for other business.

"Medicare" means the federal Medicare program established under Title XVIII of the federal Social Security Act.

"Member months" means the aggregate total number of months all individuals are enrolled for coverage in a Managed Care Organization during the base year. Member months are determined by the Department for Medicaid Managed Care Organizations based on enrollment data in its Medicaid Management Information System and by the Department of Insurance for other Managed Care Organizations based on required filings with the Department of Insurance. Member months do not include months individuals are enrolled in a Limited Health Services Organization, including stand-alone dental or vision plans, a Medicare Advantage Plan, a Medicare Supplement Plan, a Medicaid Medicare Alignment Initiate Plan pursuant to a Memorandum of Understanding between the Department and the Federal Centers for Medicare and Medicaid Services or a Federal Employee Health Benefits Plan.

(Source: P.A. 101-9, eff. 6-5-19; 102-558, eff. 8-20-21.)

(305 ILCS 5/5H-3)

Sec. 5H-3. Managed care assessment.

(a) <u>There is</u> ~~For State Fiscal year 2020 through State Fiscal Year 2025, there is~~ imposed upon managed care

organization member months an assessment, calculated on base year data, as set forth below for the appropriate tier:

(1) Tier 1: $78.90 ~~$60.20~~ per member month.

(2) Tier 2: $1.40 ~~$1.20~~ per member month.

(3) Tier 3: $2.40 per member month.

(b) The tiers are established as follows:

(1) Tier 1 includes the first 4,195,000 member months in a Medicaid managed care organization for the base year;

(2) ~~(ii)~~ Tier 2 includes member months over 4,195,000 in a Medicaid managed care organization during the base year; and

(3) ~~(iv)~~ Tier 3 includes member months during the base year in a managed care organization that is not a Medicaid managed care organization.

(c) For State fiscal year 2020, and for each State fiscal year thereafter, ~~through State fiscal year 2025,~~ the Department may ~~by rule~~ adjust rates or tier parameters or both in order to maximize the revenue generated by the assessment consistent with federal regulations and to meet federal statistical tests necessary for federal financial participation. Any upward adjustment to the Tier 3 rate shall be the minimum necessary to meet federal statistical tests.

(Source: P.A. 101-9, eff. 6-5-19.)

Section 99. Effective date. This Act takes effect January 1, 2025.