



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0596

Introduced 2/5/2007, by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

215 ILCS 106/27 new
305 ILCS 5/5-16.14 new

Amends the Children's Health Insurance Program Act and the Illinois Public Aid Code. Under the Children's Health Insurance Program Act, provides that on and after July 1, 2007, the Department of Healthcare and Family Services shall implement the following: (1) a capitated managed care system for selected populations of persons in certain counties surrounding Cook County and in certain counties in southern Illinois, under which the State pays a fixed amount per individual per month to a third-party entity to manage the program of health care benefits and assume the risk associated with the payment of medical bills without regard to the actual medical claims incurred; (2) a primary care case management (PCCM) system for selected populations of persons in the remaining counties of the State other than Cook County, under which each participant has one health care provider who is responsible for managing all aspects of the participant's medical care; and (3) a PCCM system for selected populations of persons in Cook County. Requires the Department to file a report describing a mechanism for achieving a transition to a capitated managed care system for persons in Cook County by July 1, 2008. Requires that the populations selected for participation in the various systems must include, at a minimum, all persons eligible for benefits under the Children's Health Insurance Program Act. Provides that the Department may implement similar capitated managed care systems and primary care case management systems for Medicaid recipients under the Illinois Public Aid Code. Effective immediately.

LRB095 04333 DRJ 24376 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning health.

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

4 Section 5. The Children's Health Insurance Program Act is
5 amended by adding Section 27 as follows:

6 (215 ILCS 106/27 new)

7 Sec. 27. Transition to capitated managed care or primary
8 care case management systems.

9 (a) Designated counties. On and after July 1, 2007, in
10 counties determined by the Department of Healthcare and Family
11 Services by rule, the Department shall implement a capitated
12 managed care system for selected populations of persons. Under
13 the capitated managed care system, the State shall pay a fixed
14 amount per individual per month to a third-party entity to
15 manage the program of health care benefits and assume the risk
16 associated with the payment of medical bills without regard to
17 the actual medical claims incurred. At a minimum, the counties
18 in which the Department implements the capitated managed care
19 system must include the following:

20 (1) The counties of Winnebago, Boone, McHenry, Lake,
21 DeKalb, Kane, DuPage, Kendall, Grundy, Will, and Kankakee.

22 (2) The counties of Madison, St. Clair, Monroe,
23 Randolph, Perry, Franklin, Jackson, and Williamson.

1 In counties of the State in which the Department implements
2 the capitated managed care system under this subsection, the
3 Department may provide for the payment of capitated payments
4 within a time period that is consistent with the time period
5 within which payments are made to fee-for-service providers in
6 counties in which the Department uses a primary care case
7 management system.

8 The Department shall adopt rules establishing the
9 populations in the designated counties that must participate in
10 the capitated managed care system. At a minimum, those
11 populations must include all persons eligible for benefits
12 under Sections 25 and 40. The Department shall adopt rules
13 providing for the implementation and continued oversight of the
14 capitated managed care system.

15 (b) Remaining counties, other than Cook. On and after July
16 1, 2007, in the counties of the State other than Cook County
17 and other than the counties designated under subsection (a),
18 the Department of Healthcare and Family Services shall
19 implement a primary care case management system for selected
20 populations of persons. Under the primary care case management
21 system, each individual enrolled in the system shall have one
22 health care provider who is responsible for managing all
23 aspects of the individual's medical care.

24 An individual who is required to participate in the primary
25 care case management system must select a primary care provider
26 from a panel of primary care physicians designated by the

1 Department. An individual may change his or her primary care
2 provider when the provider selected by the individual becomes
3 unavailable, as provided by the Department in rules, or in
4 other situations as provided by the Department in rules. At a
5 minimum, an individual must be given an opportunity to change
6 his or her primary care provider at least once during each
7 State fiscal year.

8 The Department shall adopt rules establishing the
9 populations in these counties that must participate in the
10 primary care case management system. At a minimum, those
11 populations must include all persons eligible for benefits
12 under Sections 25 and 40.

13 A health care provider serving as a primary care physician
14 in the primary care case management system is entitled to a
15 care coordination fee, as determined by the Department, for
16 managing each patient's medical care. The fee may be contingent
17 on performance measures as determined by the Department in
18 rules. In addition, a health care provider is entitled to
19 reimbursement for specific services rendered to a patient.

20 The Department shall adopt rules providing for the
21 implementation and continued oversight of the primary care case
22 management system.

23 (c) Cook County. On and after July 1, 2008, in Cook County,
24 the Department of Healthcare and Family Services shall
25 implement a primary care case management system for selected
26 populations of persons. The Department shall implement the

1 primary care case management system in Cook County in a manner
2 consistent with the implementation of a primary care case
3 management system in other counties under subsection (b).

4 The Department shall adopt rules establishing the
5 populations in Cook County that must participate in the primary
6 care case management system. At a minimum, those populations
7 must include all persons eligible for benefits under Sections
8 25 and 40.

9 The Department shall adopt rules providing for the
10 implementation and continued oversight of the primary care case
11 management system.

12 No later than January 1, 2008, the Department shall file
13 with the General Assembly a report setting forth a proposed
14 means of transferring the individuals participating in the
15 primary care case management system to a capitated managed care
16 system by July 1, 2008.

17 (d) Waivers. The Department of Healthcare and Family
18 Services shall promptly apply for all waivers of federal law
19 and regulations that are necessary to allow the full
20 implementation of this Section.

21 Section 10. The Illinois Public Aid Code is amended by
22 adding Section 5-16.14 as follows:

23 (305 ILCS 5/5-16.14 new)

24 Sec. 5-16.14. Transition to capitated managed care or

1 primary care case management systems.

2 (a) Designated counties. On and after July 1, 2007, in
3 counties determined by the Department of Healthcare and Family
4 Services by rule, the Department may implement a capitated
5 managed care system for selected populations of recipients of
6 medical assistance under this Article. Under the capitated
7 system, the State shall pay a fixed amount per member per month
8 to a third-party entity to manage the program of medical
9 assistance benefits and assume the risk associated with the
10 payment of medical bills without regard to the actual medical
11 claims incurred. If the Department implements a capitated
12 managed care system as provided in this subsection, the
13 counties in which the Department implements the system must be
14 the same as the counties in which the Department implements a
15 capitated managed care system under subsection (a) of Section
16 27 of the Children's Health Insurance Program Act and must
17 include, at a minimum, the following:

18 (1) The counties of Winnebago, Boone, McHenry, Lake,
19 DeKalb, Kane, DuPage, Kendall, Grundy, Will, and Kankakee.

20 (2) The counties of Madison, St. Clair, Monroe,
21 Randolph, Perry, Franklin, Jackson, and Williamson.

22 In the counties in which the Department implements a
23 capitated managed care system under this subsection, the
24 Department may provide for the payment of capitated payments
25 within a time period that is consistent with the time period
26 within which payments are made to fee-for-service providers in

1 areas where the Department uses a primary care case management
2 system.

3 The Department shall adopt rules establishing the medical
4 assistance recipient populations in the designated counties
5 that must participate in the capitated managed care system. The
6 Department shall adopt rules providing for the implementation
7 and continued oversight of the capitated managed care system.
8 The rules shall provide for the implementation of the system in
9 a manner consistent with the Department's implementation of a
10 capitated managed care system under subsection (a) of Section
11 27 of the Children's Health Insurance Program Act.

12 (b) Remaining counties, other than Cook. On and after July
13 1, 2007, in the counties of the State other than Cook County
14 and other than the counties designated under subsection (a),
15 the Department of Healthcare and Family Services may implement
16 a primary care case management system for selected populations
17 of recipients of medical assistance under this Article. Under
18 the primary care case management system, each individual
19 enrolled in the system shall have one health care provider who
20 is responsible for managing all aspects of the individual's
21 medical care.

22 An individual who is required to participate in the primary
23 care case management system must select a primary care provider
24 from a panel of primary care physicians designated by the
25 Department. An individual may change his or her primary care
26 provider when the provider selected by the individual becomes

1 unavailable, as provided by the Department in rules, or in
2 other situations as provided by the Department in rules. At a
3 minimum, an individual must be given an opportunity to change
4 his or her primary care provider at least once during each
5 State fiscal year.

6 The Department shall adopt rules establishing the medical
7 assistance recipient populations in these counties that must
8 participate in the primary care case management system.

9 A health care provider serving as a primary care physician
10 in the primary care case management system is entitled to a
11 care coordination fee, as determined by the Department, for
12 managing each patient's medical care. The fee may be contingent
13 on performance measures as determined by the Department in
14 rules. In addition, a health care provider is entitled to
15 reimbursement for specific services rendered to a patient.

16 The Department shall adopt rules providing for the
17 implementation and continued oversight of the primary care case
18 management system. The rules shall provide for the
19 implementation of the system in a manner consistent with the
20 Department's implementation of a primary care case management
21 system under subsection (b) of Section 27 of the Children's
22 Health Insurance Program Act.

23 (c) Cook County. On and after July 1, 2008, in Cook County,
24 the Department of Healthcare and Family Services may implement
25 a primary care case management system for selected populations
26 of recipients of medical assistance under this Article. The

1 Department shall implement the primary care case management
2 system in Cook County in a manner consistent with (i) the
3 implementation of a primary care case management system in
4 other counties under subsection (b) and (ii) the implementation
5 of a primary care case management system in under subsection
6 (c) of Section 27 of the Children's Health Insurance Program
7 Act.

8 The Department shall adopt rules establishing the
9 populations in Cook County that must participate in the primary
10 care case management system.

11 The Department shall adopt rules providing for the
12 implementation and continued oversight of the primary care case
13 management system. The rules shall provide for the
14 implementation of the system in a manner consistent with the
15 Department's implementation of a primary care case management
16 system under subsection (c) of Section 27 of the Children's
17 Health Insurance Program Act.

18 (d) Waivers. If the Department of Healthcare and Family
19 Services implements any of the health care benefit systems
20 authorized under this Section for recipients of medical
21 assistance, the Department shall promptly apply for all waivers
22 of federal law and regulations that are necessary to allow the
23 full implementation of those provisions.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.