



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB0554

Introduced 2/8/2007, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Children's Health Insurance Program Act and the Illinois Public Aid Code. Under the Children's Health Insurance Program, (i) provides for eligibility for children whose household income is at or below 300% (instead of 200%) of the federal poverty level and (ii) increases the income threshold in connection with eligibility under an approved waiver. Provides that on and after July 1, 2008, the Department of Healthcare and Family services shall implement a capitated managed care system for selected populations of persons persons under the Children's Health Insurance Program and the Medicaid program. Provides that under such a system, the State shall pay 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 actual medical claims incurred. Provides that the Department shall implement the system in a manner that maximizes all available State and federal funds. Sets forth categories of Medicaid recipients who may withdraw from the managed care program and who may voluntarily opt to participate in the program, and provides that certain recipients are not eligible to participate in the managed care program. Provides for Medicaid eligibility for persons whose income is between zero and 100% of the federal poverty level. Provides that under the Medicaid program, the Department of Healthcare and Family Services shall provide health benefits coverage to eligible individuals by: (1) subsidizing the cost of privately sponsored health insurance, including employer-based health insurance, to assist individuals in taking advantage of available privately sponsored health insurance; and (2) purchasing or providing health care benefits for eligible individuals. Makes other changes.

LRB095 07757 DRJ 27916 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Children's Health Insurance Program Act is  
5 amended by changing Sections 20 and 40 and adding Section 27 as  
6 follows:

7 (215 ILCS 106/20)

8 Sec. 20. Eligibility.

9 (a) To be eligible for this Program, a person must be a  
10 person who has a child eligible under this Act and who is  
11 eligible under a waiver of federal requirements pursuant to an  
12 application made pursuant to subdivision (a)(1) of Section 40  
13 of this Act or who is a child who:

14 (1) is a child who is not eligible for medical  
15 assistance;

16 (2) is a child whose annual household income, as  
17 determined by the Department, is above 133% of the federal  
18 poverty level and at or below 300% ~~200%~~ of the federal  
19 poverty level;

20 (3) is a resident of the State of Illinois; and

21 (4) is a child who is either a United States citizen or  
22 included in one of the following categories of  
23 non-citizens:

1 (A) unmarried dependent children of either a  
2 United States Veteran honorably discharged or a person  
3 on active military duty;

4 (B) refugees under Section 207 of the Immigration  
5 and Nationality Act;

6 (C) asylees under Section 208 of the Immigration  
7 and Nationality Act;

8 (D) persons for whom deportation has been withheld  
9 under Section 243(h) of the Immigration and  
10 Nationality Act;

11 (E) persons granted conditional entry under  
12 Section 203(a)(7) of the Immigration and Nationality  
13 Act as in effect prior to April 1, 1980;

14 (F) persons lawfully admitted for permanent  
15 residence under the Immigration and Nationality Act;  
16 and

17 (G) parolees, for at least one year, under Section  
18 212(d)(5) of the Immigration and Nationality Act.

19 Those children who are in the categories set forth in  
20 subdivisions (4)(F) and (4)(G) of this subsection, who enter  
21 the United States on or after August 22, 1996, shall not be  
22 eligible for 5 years beginning on the date the child entered  
23 the United States.

24 (b) A child who is determined to be eligible for assistance  
25 may remain eligible for 12 months, provided the child maintains  
26 his or her residence in the State, has not yet attained 19

1 years of age, and is not excluded pursuant to subsection (c). A  
2 child who has been determined to be eligible for assistance  
3 must reapply or otherwise establish eligibility at least  
4 annually. An eligible child shall be required, as determined by  
5 the Department by rule, to report promptly those changes in  
6 income and other circumstances that affect eligibility. The  
7 eligibility of a child may be redetermined based on the  
8 information reported or may be terminated based on the failure  
9 to report or failure to report accurately. A child's  
10 responsible relative or caretaker may also be held liable to  
11 the Department for any payments made by the Department on such  
12 child's behalf that were inappropriate. An applicant shall be  
13 provided with notice of these obligations.

14 (c) A child shall not be eligible for coverage under this  
15 Program if:

16 (1) the premium required pursuant to Section 30 of this  
17 Act has not been paid. If the required premiums are not  
18 paid the liability of the Program shall be limited to  
19 benefits incurred under the Program for the time period for  
20 which premiums had been paid. If the required monthly  
21 premium is not paid, the child shall be ineligible for  
22 re-enrollment for a minimum period of 3 months.  
23 Re-enrollment shall be completed prior to the next covered  
24 medical visit and the first month's required premium shall  
25 be paid in advance of the next covered medical visit. The  
26 Department shall promulgate rules regarding grace periods,

1 notice requirements, and hearing procedures pursuant to  
2 this subsection;

3 (2) the child is an inmate of a public institution or a  
4 patient in an institution for mental diseases; or

5 (3) the child is a member of a family that is eligible  
6 for health benefits covered under the State of Illinois  
7 health benefits plan on the basis of a member's employment  
8 with a public agency.

9 (Source: P.A. 92-597, eff. 6-28-02; 93-63, eff. 6-30-03.)

10 (215 ILCS 106/27 new)

11 Sec. 27. Transition to capitated managed care system.

12 (a) On and after July 1, 2008, the Department of Healthcare  
13 and Family services shall implement a capitated managed care  
14 system for selected populations of persons. Under the capitated  
15 managed care system, the State shall pay a fixed amount per  
16 individual per month to a third-party entity to manage the  
17 program of health care benefits and assume the risk associated  
18 with the payment of medical bills without regard to actual  
19 medical claims incurred.

20 (b) The Department shall adopt rules establishing the  
21 populations that must participate in the capitated managed care  
22 system. At a minimum, those populations must include all  
23 persons eligible for benefits under Sections 20 and 40. The  
24 Department shall adopt rules providing for the implementation  
25 and continued oversight of the capitated managed care system.

1       (c) The Department shall implement the capitated managed  
2 care system in a manner that maximizes all available State and  
3 federal funds, including those obtained through  
4 intergovernmental transfers, supplemental Medicaid payments,  
5 and the disproportionate share program.

6       (d) The Department shall implement actuarially sound,  
7 risk-adjusted capitation rates for recipients in the capitated  
8 managed care program which cover comprehensive care,  
9 catastrophic care, and an Enhanced Benefits Account Program  
10 that rewards recipients for taking part in activities that  
11 improve their health.

12       (e) The Department shall promptly apply for all waivers of  
13 federal law and regulations that are necessary to allow the  
14 full implementation of this Section.

15       (215 ILCS 106/40)

16       Sec. 40. Waivers.

17       (a) The Department shall request any necessary waivers of  
18 federal requirements in order to allow receipt of federal  
19 funding for:

20           (1) the coverage of families with eligible children  
21 under this Act; and

22           (2) for the coverage of children who would otherwise be  
23 eligible under this Act, but who have health insurance.

24       (b) The failure of the responsible federal agency to  
25 approve a waiver for children who would otherwise be eligible

1 under this Act but who have health insurance shall not prevent  
2 the implementation of any Section of this Act provided that  
3 there are sufficient appropriated funds.

4 (c) Eligibility of a person under an approved waiver due to  
5 the relationship with a child pursuant to Article V of the  
6 Illinois Public Aid Code or this Act shall be limited to such a  
7 person whose countable income is determined by the Department  
8 to be at or below such income eligibility standard as the  
9 Department by rule shall establish. The income level  
10 established by the Department shall not be below 200% ~~90%~~ of  
11 the federal poverty level. Such persons who are determined to  
12 be eligible must reapply, or otherwise establish eligibility,  
13 at least annually. An eligible person shall be required, as  
14 determined by the Department by rule, to report promptly those  
15 changes in income and other circumstances that affect  
16 eligibility. The eligibility of a person may be redetermined  
17 based on the information reported or may be terminated based on  
18 the failure to report or failure to report accurately. A person  
19 may also be held liable to the Department for any payments made  
20 by the Department on such person's behalf that were  
21 inappropriate. An applicant shall be provided with notice of  
22 these obligations.

23 (Source: P.A. 92-597, eff. 6-28-02; 93-63, eff. 6-30-03.)

24 Section 10. The Illinois Public Aid Code is amended by  
25 changing Section 5-2 and by adding Sections 5-3.5 and 5-16.14

1 as follows:

2 (305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

3 Sec. 5-2. Classes of Persons Eligible. Medical assistance  
4 under this Article shall be available to any of the following  
5 classes of persons in respect to whom a plan for coverage has  
6 been submitted to the Governor by the Illinois Department and  
7 approved by him:

8 1. Recipients of basic maintenance grants under  
9 Articles III and IV.

10 2. Persons otherwise eligible for basic maintenance  
11 under Articles III and IV but who fail to qualify  
12 thereunder on the basis of need, and who have insufficient  
13 income and resources to meet the costs of necessary medical  
14 care, including but not limited to the following:

15 (a) All persons otherwise eligible for basic  
16 maintenance under Article III but who fail to qualify  
17 under that Article on the basis of need and who meet  
18 either of the following requirements:

19 (i) their income, as determined by the  
20 Illinois Department in accordance with any federal  
21 requirements, is equal to or less than 70% in  
22 fiscal year 2001, equal to or less than 85% in  
23 fiscal year 2002 and until a date to be determined  
24 by the Department by rule, and equal to or less  
25 than 100% beginning on the date determined by the



1 Department by rule, of the nonfarm income official  
2 poverty line, as defined by the federal Office of  
3 Management and Budget and revised annually in  
4 accordance with Section 673(2) of the Omnibus  
5 Budget Reconciliation Act of 1981, applicable to  
6 families of the same size; or

7 (ii) their income, after the deduction of  
8 costs incurred for medical care and for other types  
9 of remedial care, is equal to or less than 70% in  
10 fiscal year 2001, equal to or less than 85% in  
11 fiscal year 2002 and until a date to be determined  
12 by the Department by rule, and equal to or less  
13 than 100% beginning on the date determined by the  
14 Department by rule, of the nonfarm income official  
15 poverty line, as defined in item (i) of this  
16 subparagraph (a).

17 (b) All persons who would be determined eligible  
18 for such basic maintenance under Article IV by  
19 disregarding the maximum earned income permitted by  
20 federal law.

21 3. Persons who would otherwise qualify for Aid to the  
22 Medically Indigent under Article VII.

23 4. Persons not eligible under any of the preceding  
24 paragraphs who fall sick, are injured, or die, not having  
25 sufficient money, property or other resources to meet the  
26 costs of necessary medical care or funeral and burial

1 expenses.

2 5.(a) Women during pregnancy, after the fact of  
3 pregnancy has been determined by medical diagnosis, and  
4 during the 60-day period beginning on the last day of the  
5 pregnancy, together with their infants and children born  
6 after September 30, 1983, whose income and resources are  
7 insufficient to meet the costs of necessary medical care to  
8 the maximum extent possible under Title XIX of the Federal  
9 Social Security Act.

10 (b) The Illinois Department and the Governor shall  
11 provide a plan for coverage of the persons eligible under  
12 paragraph 5(a) by April 1, 1990. Such plan shall provide  
13 ambulatory prenatal care to pregnant women during a  
14 presumptive eligibility period and establish an income  
15 eligibility standard that is equal to 133% of the nonfarm  
16 income official poverty line, as defined by the federal  
17 Office of Management and Budget and revised annually in  
18 accordance with Section 673(2) of the Omnibus Budget  
19 Reconciliation Act of 1981, applicable to families of the  
20 same size, provided that costs incurred for medical care  
21 are not taken into account in determining such income  
22 eligibility.

23 (c) The Illinois Department may conduct a  
24 demonstration in at least one county that will provide  
25 medical assistance to pregnant women, together with their  
26 infants and children up to one year of age, where the

1 income eligibility standard is set up to 185% of the  
2 nonfarm income official poverty line, as defined by the  
3 federal Office of Management and Budget. The Illinois  
4 Department shall seek and obtain necessary authorization  
5 provided under federal law to implement such a  
6 demonstration. Such demonstration may establish resource  
7 standards that are not more restrictive than those  
8 established under Article IV of this Code.

9 6. Persons under the age of 18 who fail to qualify as  
10 dependent under Article IV and who have insufficient income  
11 and resources to meet the costs of necessary medical care  
12 to the maximum extent permitted under Title XIX of the  
13 Federal Social Security Act.

14 7. Persons who are under 21 years of age and would  
15 qualify as disabled as defined under the Federal  
16 Supplemental Security Income Program, provided medical  
17 service for such persons would be eligible for Federal  
18 Financial Participation, and provided the Illinois  
19 Department determines that:

20 (a) the person requires a level of care provided by  
21 a hospital, skilled nursing facility, or intermediate  
22 care facility, as determined by a physician licensed to  
23 practice medicine in all its branches;

24 (b) it is appropriate to provide such care outside  
25 of an institution, as determined by a physician  
26 licensed to practice medicine in all its branches;

1           (c) the estimated amount which would be expended  
2           for care outside the institution is not greater than  
3           the estimated amount which would be expended in an  
4           institution.

5           8. Persons who become ineligible for basic maintenance  
6           assistance under Article IV of this Code in programs  
7           administered by the Illinois Department due to employment  
8           earnings and persons in assistance units comprised of  
9           adults and children who become ineligible for basic  
10          maintenance assistance under Article VI of this Code due to  
11          employment earnings. The plan for coverage for this class  
12          of persons shall:

13                 (a) extend the medical assistance coverage for up  
14                 to 12 months following termination of basic  
15                 maintenance assistance; and

16                 (b) offer persons who have initially received 6  
17                 months of the coverage provided in paragraph (a) above,  
18                 the option of receiving an additional 6 months of  
19                 coverage, subject to the following:

20                         (i) such coverage shall be pursuant to  
21                         provisions of the federal Social Security Act;

22                         (ii) such coverage shall include all services  
23                         covered while the person was eligible for basic  
24                         maintenance assistance;

25                         (iii) no premium shall be charged for such  
26                         coverage; and

1           (iv) such coverage shall be suspended in the  
2           event of a person's failure without good cause to  
3           file in a timely fashion reports required for this  
4           coverage under the Social Security Act and  
5           coverage shall be reinstated upon the filing of  
6           such reports if the person remains otherwise  
7           eligible.

8           9. Persons with acquired immunodeficiency syndrome  
9           (AIDS) or with AIDS-related conditions with respect to whom  
10          there has been a determination that but for home or  
11          community-based services such individuals would require  
12          the level of care provided in an inpatient hospital,  
13          skilled nursing facility or intermediate care facility the  
14          cost of which is reimbursed under this Article. Assistance  
15          shall be provided to such persons to the maximum extent  
16          permitted under Title XIX of the Federal Social Security  
17          Act.

18          10. Participants in the long-term care insurance  
19          partnership program established under the Partnership for  
20          Long-Term Care Act who meet the qualifications for  
21          protection of resources described in Section 25 of that  
22          Act.

23          11. Persons with disabilities who are employed and  
24          eligible for Medicaid, pursuant to Section  
25          1902(a)(10)(A)(ii)(xv) of the Social Security Act, as  
26          provided by the Illinois Department by rule.

1           12. Subject to federal approval, persons who are  
2 eligible for medical assistance coverage under applicable  
3 provisions of the federal Social Security Act and the  
4 federal Breast and Cervical Cancer Prevention and  
5 Treatment Act of 2000. Those eligible persons are defined  
6 to include, but not be limited to, the following persons:

7           (1) persons who have been screened for breast or  
8 cervical cancer under the U.S. Centers for Disease  
9 Control and Prevention Breast and Cervical Cancer  
10 Program established under Title XV of the federal  
11 Public Health Services Act in accordance with the  
12 requirements of Section 1504 of that Act as  
13 administered by the Illinois Department of Public  
14 Health; and

15           (2) persons whose screenings under the above  
16 program were funded in whole or in part by funds  
17 appropriated to the Illinois Department of Public  
18 Health for breast or cervical cancer screening.

19           "Medical assistance" under this paragraph 12 shall be  
20 identical to the benefits provided under the State's  
21 approved plan under Title XIX of the Social Security Act.  
22 The Department must request federal approval of the  
23 coverage under this paragraph 12 within 30 days after the  
24 effective date of this amendatory Act of the 92nd General  
25 Assembly.

26           13. Subject to appropriation and to federal approval,

1 persons living with HIV/AIDS who are not otherwise eligible  
2 under this Article and who qualify for services covered  
3 under Section 5-5.04 as provided by the Illinois Department  
4 by rule.

5 14. Subject to the availability of funds for this  
6 purpose, the Department may provide coverage under this  
7 Article to persons who reside in Illinois who are not  
8 eligible under any of the preceding paragraphs and who meet  
9 the income guidelines of paragraph 2(a) of this Section and  
10 (i) have an application for asylum pending before the  
11 federal Department of Homeland Security or on appeal before  
12 a court of competent jurisdiction and are represented  
13 either by counsel or by an advocate accredited by the  
14 federal Department of Homeland Security and employed by a  
15 not-for-profit organization in regard to that application  
16 or appeal, or (ii) are receiving services through a  
17 federally funded torture treatment center. Medical  
18 coverage under this paragraph 14 may be provided for up to  
19 24 continuous months from the initial eligibility date so  
20 long as an individual continues to satisfy the criteria of  
21 this paragraph 14. If an individual has an appeal pending  
22 regarding an application for asylum before the Department  
23 of Homeland Security, eligibility under this paragraph 14  
24 may be extended until a final decision is rendered on the  
25 appeal. The Department may adopt rules governing the  
26 implementation of this paragraph 14.

1           15. Subject to appropriations and federal approval,  
2           any individual who resides in Illinois and has an income  
3           level, as determined by the Illinois Department in  
4           accordance with any federal requirements, that is between  
5           zero and 100% of the federal poverty guidelines as  
6           published annually by the United States Department of  
7           Health and Human Services. The Department shall promptly  
8           apply for all waivers of federal law and regulations that  
9           are necessary to allow the full implementation of this  
10          paragraph 15.

11          The Illinois Department and the Governor shall provide a  
12          plan for coverage of the persons eligible under paragraph 7 as  
13          soon as possible after July 1, 1984.

14          The eligibility of any such person for medical assistance  
15          under this Article is not affected by the payment of any grant  
16          under the Senior Citizens and Disabled Persons Property Tax  
17          Relief and Pharmaceutical Assistance Act or any distributions  
18          or items of income described under subparagraph (X) of  
19          paragraph (2) of subsection (a) of Section 203 of the Illinois  
20          Income Tax Act. The Department shall by rule establish the  
21          amounts of assets to be disregarded in determining eligibility  
22          for medical assistance, which shall at a minimum equal the  
23          amounts to be disregarded under the Federal Supplemental  
24          Security Income Program. The amount of assets of a single  
25          person to be disregarded shall not be less than \$2,000, and the  
26          amount of assets of a married couple to be disregarded shall



1 not be less than \$3,000.

2 To the extent permitted under federal law, any person found  
3 guilty of a second violation of Article VIIIA shall be  
4 ineligible for medical assistance under this Article, as  
5 provided in Section 8A-8.

6 The eligibility of any person for medical assistance under  
7 this Article shall not be affected by the receipt by the person  
8 of donations or benefits from fundraisers held for the person  
9 in cases of serious illness, as long as neither the person nor  
10 members of the person's family have actual control over the  
11 donations or benefits or the disbursement of the donations or  
12 benefits.

13 (Source: P.A. 93-20, eff. 6-20-03; 94-629, eff. 1-1-06;  
14 94-1043, eff. 7-24-06.)

15 (305 ILCS 5/5-3.5 new)

16 Sec. 5-3.5. Method of providing health benefits coverage.

17 (a) Subject to appropriation and federal approval, the  
18 Department of Healthcare and Family Services shall provide  
19 health benefits coverage to eligible individuals by:

20 (1) subsidizing the cost of privately sponsored health  
21 insurance, including employer-based health insurance, to  
22 assist individuals in taking advantage of available  
23 privately sponsored health insurance; and

24 (2) purchasing or providing health care benefits for  
25 eligible individuals.

1       For individuals eligible for Medicaid under a mandatory  
2 eligibility group who have access to privately sponsored health  
3 insurance, the health benefits provided under subdivision  
4 (a)(2) shall continue to be the benefit package specified in  
5 the State Medicaid plan. In addition, such individuals shall be  
6 subject to nominal cost-sharing only, in accordance with the  
7 State Medicaid plan.

8       (b) The subsidization provided pursuant to subdivision  
9 (a)(1) shall be credited to the eligible individual.

10       (c) For an eligible individual who is not included in a  
11 mandatory Medicaid eligibility group, the Department is  
12 prohibited from denying coverage to an individual who is  
13 enrolled in a privately sponsored health insurance plan  
14 pursuant to subdivision (a)(1) because the plan does not meet  
15 federal benchmarking standards or cost-sharing and  
16 contribution requirements. To be eligible for inclusion in the  
17 Program, the plan shall contain comprehensive major medical  
18 coverage which shall consist of physician and hospital  
19 inpatient services. The Department is prohibited from denying  
20 coverage to an individual who is enrolled in a privately  
21 sponsored health insurance plan pursuant to subdivision (a)(1)  
22 because the plan offers benefits in addition to physician and  
23 hospital inpatient services.

24       (d) For all eligible individuals, provisions related to  
25 benefits, cost-sharing, and premium assistance benefit costs  
26 shall be consistent with federal law and regulations.

1       (e) The Department shall promptly apply for all waivers of  
2       federal law and regulations that are necessary to allow the  
3       full implementation of this Section.

4           (305 ILCS 5/5-16.14 new)

5       Sec. 5-16.14. Transition to capitated managed care system.

6       (a) On and after July 1, 2008, the Department of Healthcare  
7       and Family Services shall implement a capitated managed care  
8       system for selected populations of persons. Under the capitated  
9       managed care system, the State shall pay a fixed amount per  
10       individual per month to a third-party entity to manage the  
11       program of health care benefits and assume the risk associated  
12       with the payment of medical bills without regard to actual  
13       medical claims incurred. The Department shall adopt rules  
14       establishing the populations that must participate in the  
15       capitated managed care system.

16       (b) A medical assistance recipient shall not be required to  
17       participate in, and shall be permitted to withdraw from, the  
18       managed care program under the following circumstances:

19           (1) A pregnant woman with an established relationship,  
20       as defined by the Department, with a comprehensive prenatal  
21       primary care provider that is not associated with the  
22       managed care provider in the participant's service area may  
23       defer participation in the managed care program while  
24       pregnant and for 60 days post-partum.

25           (ii) An individual with a chronic medical condition

1 being treated by a specialist physician who is not  
2 associated with a managed care provider in the  
3 participant's service area may defer participation in the  
4 managed care program until the course of treatment is  
5 complete.

6 (c) The following medical assistance recipients shall not  
7 be required to participate in a managed care program  
8 established pursuant to this Section, but may voluntarily opt  
9 to do so:

10 (i) A person receiving services provided by a  
11 residential alcohol or substance abuse program or facility  
12 for the mentally retarded.

13 (ii) A person receiving services provided by an  
14 intermediate care facility for the mentally retarded or who  
15 has characteristics and needs similar to such persons.

16 (iii) A person with a developmental or physical  
17 disability who receives home and community-based services  
18 or care-at-home services through existing waivers under  
19 section 1915(c) of the Social Security Act or who has  
20 characteristics and needs similar to such persons.

21 (iv) Native Americans.

22 (v) Medicare/Medicaid dually eligible individuals not  
23 enrolled in a Medicare TEFRA plan.

24 (d) The following medical assistance recipients shall not  
25 be eligible to participate in a managed care program  
26 established pursuant to this Section:

1           (i) A person receiving services provided by a long term  
2           home health care program, or a person receiving inpatient  
3           services in a State-operated psychiatric facility or a  
4           residential treatment facility for children and youth.

5           (ii) A person eligible for Medicare participating in a  
6           capitated demonstration program for long-term care.

7           (iii) An infant living with an incarcerated mother in a  
8           county jail or in a correctional facility as defined in  
9           Section 3-1-2 of the Unified Code of Corrections.

10           (iv) A person who is expected to be eligible for  
11           medical assistance for less than 6 months.

12           (v) A person who is eligible for medical assistance  
13           benefits only with respect to tuberculosis-related  
14           services.

15           (vi) A certified blind or disabled child living or  
16           expected to be living separate and apart from his or her  
17           parent for 30 days or more.

18           (vii) A resident of a nursing facility at the time of  
19           enrollment.

20           (viii) An individual receiving hospice services at the  
21           time of enrollment.

22           (ix) A person who has primary medical or health care  
23           coverage available from or under a third-party payor which  
24           may be maintained by payment, or part payment, of the  
25           premium or cost-sharing amounts, when payment of such  
26           premium or cost-sharing amounts would be cost-effective,

1 as determined by the Department.

2 (x) A foster child in the placement of a voluntary  
3 agency.

4 (e) The Department shall adopt rules providing for the  
5 implementation and continued oversight of the capitated  
6 managed care system. The rules shall provide for the  
7 implementation of the system in a manner consistent with the  
8 Department's implementation of a capitated managed care system  
9 under subsection (a) of Section 27 of the Children's Health  
10 Insurance Program Act.

11 (f) The Department shall implement the capitated managed  
12 care system in a manner that maximizes all available State and  
13 federal funds, including those obtained through  
14 intergovernmental transfers, supplemental Medicaid payments,  
15 and the disproportionate share program.

16 (g) The Department shall implement actuarially sound,  
17 risk-adjusted capitation rates for recipients in the capitated  
18 managed care program which cover comprehensive care,  
19 catastrophic care, and an Enhanced Benefits Account Program  
20 that rewards recipients for taking part in activities that  
21 improve their health.

22 (h) The Department shall promptly apply for all waivers of  
23 federal law and regulations that are necessary to allow the  
24 full implementation of this Section.

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INDEX

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Statutes amended in order of appearance

3

215 ILCS 106/20

4

215 ILCS 106/27 new

5

215 ILCS 106/40

6

305 ILCS 5/5-2

from Ch. 23, par. 5-2

7

305 ILCS 5/5-3.5 new

8

305 ILCS 5/5-16.14 new