

1 AN ACT in relation to 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 adding Section 5-5.04 as follows:

6 (305 ILCS 5/5-5.04 new)

7 Sec. 5-5.04. Medicaid Hospital and Physician Payment Task  
8 Force.

9 (a) The General Assembly finds:

10 (1) Through the Medicaid program, the Illinois  
11 Department of Public Aid insures approximately 1,500,000  
12 people, or about one out of every 8 Illinois residents.

13 (2) The Illinois Department of Public Aid pays for  
14 2 out of every 5 births in this State.

15 (3) The average Illinois hospital receives 12% of  
16 its patient revenue from Medicaid, with some hospitals  
17 far more dependent on the Medicaid program.

18 (4) Hospitals are required by State and federal law  
19 to examine and stabilize or appropriately transfer all  
20 persons who come to the emergency room, regardless of  
21 their ability to pay.

22 (5) A number of Illinois residents do not have  
23 health insurance and do not qualify for Medicaid, causing  
24 hospitals to provide care for which they are not paid.

25 (6) Illinois hospitals are significant contributors  
26 to the Illinois economy and employ over 200,000 people.

27 (7) A Medicaid program that pays reasonably for  
28 services promotes and enhances a strong health care  
29 system, thereby improving access to quality health care  
30 for all the people of Illinois.

31 (b) There is established within the Illinois Department

1 of Public Aid a Medicaid Hospital and Physician Payment Task  
2 Force (the "Task Force"). The Task Force shall have the  
3 following members:

4 (1) The Director of Public Aid, ex officio, or his  
5 or her designee.

6 (2) The Director of Public Health, ex officio, or  
7 his or her designee.

8 (3) Four members of the General Assembly, appointed  
9 one each by the President of the Senate, the Minority  
10 Leader of the Senate, the Speaker of the House of  
11 Representatives, and the Minority Leader of the House of  
12 Representatives. The members appointed by the President  
13 of the Senate and the Speaker of the House of  
14 Representatives shall serve as co-chairs of the Task  
15 Force.

16 (4) Nine members appointed by the Director of  
17 Public Aid as follows: 3 members recommended by the  
18 Illinois Hospital Association; one member recommended by  
19 the Illinois Rural Health Association; one member  
20 recommended by the Illinois State Chamber of Commerce;  
21 one member recommended by the Cook County Bureau of  
22 Health Services; 2 members recommended by the Illinois  
23 State Medical Society; and one member recommended by an  
24 advocacy organization representing Medicaid recipients.

25 (c) The Illinois Department of Public Aid shall provide  
26 technical and staff support to the Task Force.

27 (d) The Task Force shall conduct a comprehensive study  
28 of the Medicaid program to ascertain the adequacy of rates  
29 for inpatient and outpatient hospital care to ensure the  
30 continued availability of hospital care in this State and to  
31 ascertain the adequacy of rates for physician services.

32 (e) The Task Force shall report its findings and  
33 recommendations to the Governor and the General Assembly on  
34 or before January 1, 2003. The Task Force's report shall

1 include, but need not be limited to, an evaluation of the  
2 adequacy of Medicaid hospital and physician payment rates by  
3 examining the following:

4 (1) Payment-to-cost comparisons for Medicaid  
5 inpatient and outpatient hospital services.

6 (2) The impact of Medicaid hospital payments on  
7 hospital patient care margins.

8 (3) Comparison of Illinois Medicaid hospital and  
9 physician payments to Medicaid hospital and physician  
10 payments in other states.

11 (4) The impact of Medicaid hospital and physician  
12 payment rates on access to health care for Illinois  
13 residents.

14 (5) The impact of Medicaid hospital and physician  
15 payment rates on the quality of health care available to  
16 Illinois residents.

17 (6) The impact of Medicaid hospital and physician  
18 payment rates on the cost of health care for Illinois  
19 residents.

20 (7) Recommendations for changes in the Medicaid  
21 payment system for hospitals and physicians.

22 (f) The Task Force shall retain independent experts,  
23 with experience in health care finance and economics, to  
24 assist it in conducting its study and preparing its report.

25 (g) This Section is repealed on January 1, 2004.

26 Section 99. Effective date. This Act takes effect upon  
27 becoming law.