

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. Hospital payment restoration.

8 (a) The General Assembly finds the following:

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

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

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

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

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

25 (6) The base payments for inpatient hospital
26 services have effectively been frozen since 1992.

27 (7) Illinois Medicaid payments to hospitals cover,
28 on average, far less than the actual cost of providing
29 care.

30 (8) Illinois hospitals are significant contributors
31 to the Illinois economy and employ over 200,000 people.

1 (9) The reductions in payments to hospitals for
2 inpatient and outpatient services implemented by the
3 Illinois Department of Public Aid in December 2001 and
4 January 2002, even after the partial restoration of some
5 payments, will still reduce Medicaid payments to
6 hospitals by almost \$100,000,000 in the remainder of
7 State Fiscal Year 2002.

8 (10) The hospital payment reductions implemented by
9 the Illinois Department of Public Aid will result in
10 hospitals reducing services, postponing improvements in
11 equipment and facilities, laying off employees, and
12 having greater difficulty in recruiting physicians,
13 nurses, and other staff, all of which will threaten the
14 ability of Illinois residents to obtain reasonable access
15 to health care services.

16 (11) The reductions in hospital payments
17 implemented by the Illinois Department of Public Aid in
18 December 2001 and January 2002 should be repealed
19 immediately, retroactive to the date of their
20 implementation.

21 (b) Notwithstanding any other provision of law, for
22 hospital inpatient and outpatient services provided on or
23 after December 1, 2001, the Illinois Department of Public Aid
24 shall reimburse hospitals using payment rates that are no
25 less than the payment rates in effect for each hospital as of
26 November 30, 2001. For purposes of this subsection, "payment
27 rates" include inpatient and outpatient rates and the
28 criteria and methodologies for any adjustment payments,
29 including, but not limited to, critical hospital adjustment
30 payments, tertiary care adjustment payments, pediatric
31 inpatient and pediatric outpatient adjustment payments, and
32 additional payments for outlier cases.

33 (c) The Illinois Department of Public Aid shall
34 implement this Section through the use of emergency rules in

1 accordance with the provisions of Section 5-45 of the
2 Illinois Administrative Procedure Act. The adoption of
3 emergency rules authorized by this subsection shall be deemed
4 to be necessary for the public interest, safety, and welfare.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.