



**TESTIMONY TO THE COMMITTEE OF THE WHOLE,
ILLINOIS HOUSE OF REPRESENTATIVES
OCTOBER 1, 2007**

**HOWARD A. PETERS III
SENIOR VICE PRESIDENT
ILLINOIS HOSPITAL ASSOCIATION**

Good afternoon, Mr. Speaker and members of the House. I am Howard Peters. I thank you on behalf of hospitals everywhere in Illinois for allowing us to participate in your proceedings.

Many hospitals, as you know Mr. Speaker, are from an economic perspective, financially fragile. Two-thirds of them lose money on patient care. They sometimes struggle to make payroll. And they are challenged to find the essential resources to invest in new and emerging technology as they endeavor to provide high-quality, accessible care to the communities that they serve.

It is important for me also to say Mr. Speaker that working with this General Assembly and with the Governor, we have in some instances found effective ways of addressing some of these problems. The Illinois Hospital Assessment Program is an excellent example of such a successful effort. Indeed, we are hopeful that during the current Veto Session you will pass a supplemental appropriation, which will allow the 2008 Hospital Assessment Program to go forward.

But one area Mr. Speaker that continues to burden hospitals is the payment cycle. When the State pays less than it costs to deliver the care and pays late, there is real harm to the health care delivery system. So, we had hoped that the Medicaid liability would be fully funded. The Department [of Healthcare and Family Services] had estimated that this would take about 250 million additional dollars. When the General Assembly sent the budget to the Governor, it contained 158 million additional dollars in the hospital line. The Governor then reduced it by \$40 million.

This will further exacerbate the payment cycle problem. Some hospitals are reporting that they are waiting 120 days for payment. Our request is that you would restore the \$40 million that was cut, by overriding the Governor's action.

At the same time, it is important to say Mr. Speaker that the Governor's interest in providing health care to those without coverage is not only a good idea, it's the right idea and it's the right thing to do. It continues to be our hope that the General Assembly and the Governor work together and develop a plan to provide coverage for the growing numbers of uninsured in our state. Today, there are about 1.8 million such individuals. We really need to do something about this growing problem.

In the meantime, however, it is important that the State pay providers who provide service and pay them in a reasonable time. The restoration of this \$40 million is the right step in that direction.

Again, thank you for allowing us to participate in your proceedings.