



May 17, 2017

**ILLINOIS HEALTH AND HOSPITAL ASSOCIATION
STATE ADVOCACY ALERT**

TO: Chief Executive Officers, Member Hospitals and Health Systems
Chief Financial Officers
Government Relations Personnel

FROM: A.J. Wilhelmi, President & CEO
Dave Gross, Senior Vice President, Government Relations

SUBJECT: Urge Your State Senator to Oppose Medicaid and Workers' Comp Cuts

Legislation has been filed in the Illinois Senate calling for Medicaid cuts and a reduction in the state Workers' Compensation Medical Fee Schedule and linking the fee schedule to Medicare:

- Senate Bill 6: Implements five percent across-the-board budget cuts, including \$350 million to Medicaid;
- Senate Bill 42: Gives the Governor unilateral authority to make Medicaid cuts of up to five percent, including which providers and services to target for the cuts; and
- Senate Bill 198: Cuts Workers' Compensation Medical Fee Schedule by at least \$100 million and links the fee schedule to Medicare.

Votes on these bills may be imminent today.

ACTION REQUESTED: Contact your state Senator NOW and urge him/her to oppose and vote NO on Senate Bills 6, 42 and 198 – as well as follow the recommendations of the Illinois Health and Hospital Association on any Medicaid and Workers' Compensation related legislation.

To look up your state Senator and her/his contact information, [click here](#), and fill in your location information in the "Find Officials" box. Or to send an email to your state Senator, [click here](#).

Suggested Talking Points

- I urge you to oppose and vote NO on Senate Bill 6, which would reduce Medicaid funding by \$350 million, and on Senate Bill 42, which would give the Governor unilateral authority to make Medicaid funding cuts.

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- I urge you to vote No on Senate Bill 198, which would impose cuts in the Workers' Compensation Medical Fee Schedule and link the schedule to Medicare.
- I also urge you to follow the recommendations of the Illinois Health and Hospital Association on any Medicaid and Workers' Compensation related legislation.

Budget/Medicaid

- We urge lawmakers to work for a comprehensive budget solution – including enhanced revenues – that addresses the state's structural deficit – without damaging cuts to healthcare that will impede access to care.
- Hospital Medicaid payments must be adequate and timely, and the state should not reduce hospital funding.
- Illinois hospitals and health systems have already sustained more than \$1 billion in state Medicaid cuts and nearly \$4 billion in federal Medicare cuts since 2010, and cannot absorb any more cuts without impacting patient care.
- In addition, the Illinois hospital community has been a good partner with the state -- increasing assessment payments that hospitals pay to the State to resolve a budget shortfall in FY2015 and to help achieve a stop gap budget for FY2017 – including a \$160 million increase in assessment payments in FY2017 and FY2018 to support non-hospital Medicaid and healthcare services.
- More than 40 percent of hospitals across the state are losing money or have extremely thin operating margins.
- At the same, there is great uncertainty at the federal level, with drastic cuts and changes to Medicaid being considered in Congress, potentially resulting in the loss of \$40 billion in federal Medicaid funding to Illinois over ten years.
- If Medicaid funding is reduced -- along with ongoing Medicaid and state employee group health payment delays – hospitals and health systems could face difficult decisions to postpone facility/equipment upgrades, eliminate positions or defer new hires, and reduce services.
- Please vote no on Senate Bills 6 and 42.

Workers' Compensation Medical Fee Schedule

- The Workers Compensation Medical Fee Schedule should not be cut. Further cuts would jeopardize injured workers' access to needed medical care.
- Medical payments should not be linked to Medicare - which is just another way of implementing a fee schedule cut. It would introduce even greater uncertainty by imposing future Medicare payment cuts due to federal budget considerations onto Illinois providers treating injured workers.
- The proposed fee schedule cuts would eliminate reimbursement for implants utilized in surgical procedures – affecting the ability of providers to deliver the necessary care to injured workers and creating additional access to care issues.

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- Hospitals absorbed a 30 percent reduction in the Medical Fee Schedule under the 2011 reform law.
- Since the 2011 reforms, the National Council on Compensation Insurance (NCCI) reduced its recommended costs for workers' compensation insurance by 28.7 percent – but that reduction has not been fully passed on to employers.
- Any proposed changes must address non-financial provider protections, including implementing improved, modernized reporting and electronic billing systems.
- Please vote NO on Senate Bill 198.