



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5285

by Rep. Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

30 ILCS 540/3-2
305 ILCS 5/5-5.25a new

Amends the State Prompt Payment Act. Provides that after the effective date of the amendatory Act, any bill approved for payment under the Act and pursuant to a health benefit plan under the State Employees Group Insurance Act of 1971 or submitted under Article V of the Illinois Public Aid Code, except a bill for pharmacy or nursing facility services or goods, must be paid or the payment issued to the payee in a timely manner. Provides that if payment is not issued to the payee in a timely manner, the following interest penalty shall apply to any amount approved and unpaid until final payment is made: the sum of the prime commercial rate plus 4.0% per year, applied pro rata for the amount of time the bill remains unpaid. Defines "prime commercial rate". Amends the Medical Assistance Article of the Illinois Public Aid Code. Provides that on and after January 1, 2019, psychiatrists approved by the Department of Healthcare and Family Services shall be reimbursed for psychiatric services at a rate that is no lower than 95% of the Medicare program's rates for specified codes.

LRB100 17873 KTG 35899 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 WHEREAS, Medicaid reimbursements for psychiatrists have
3 not increased since 1996; and

4 WHEREAS, The Psychiatric Leadership Capacity Grants that
5 were used to help pay for psychiatrist services due to the low
6 reimbursement rates for psychiatrists were eliminated in 2015;
7 and

8 WHEREAS, In 2014, the amount of funding for Psychiatric
9 Leadership Capacity Grants was \$27,000,000; and

10 WHEREAS, In 2014, Medicaid reimbursement for psychiatrists
11 was \$47,677,158; and

12 WHEREAS, In 2017, Medicaid reimbursement for psychiatrists
13 was \$21,584,859; and

14 WHEREAS, The Centers for Medicare and Medicaid Services
15 recently stated that "low reimbursement rates can impede access
16 to care"; and

17 WHEREAS, Underfunding community-centered health care leads
18 to greater costs because patient care is shifted to inpatient
19 hospitalizations, emergency rooms, and jails or prisons; and

1 WHEREAS, Whereas, according to the Milliman Research
2 Report, "Addiction and mental health vs. physical health:
3 Analyzing disparities in network use and provider
4 reimbursement rates", (December 2017), the reimbursement rates
5 for the same exact Evaluation & Management (E&M) Codes for
6 moderate complexity cases are 18.3% higher for primary care
7 providers than for psychiatrists and 20.1% higher for medical
8 and surgical specialists than for psychiatrists; and

9 WHEREAS, Whereas, based on the findings in the Milliman
10 Research Report, reimbursement rates for psychiatrists in
11 Illinois are in violation of federal parity law; therefore

12 **Be it enacted by the People of the State of Illinois,**
13 **represented in the General Assembly:**

14 Section 5. The State Prompt Payment Act is amended by
15 changing Section 3-2 as follows:

16 (30 ILCS 540/3-2)

17 Sec. 3-2. Beginning July 1, 1993, in any instance where a
18 State official or agency is late in payment of a vendor's bill
19 or invoice for goods or services furnished to the State, as
20 defined in Section 1, properly approved in accordance with
21 rules promulgated under Section 3-3, the State official or
22 agency shall pay interest to the vendor in accordance with the

1 following:

2 (1) Any bill, except a bill submitted under Article V
3 of the Illinois Public Aid Code and except as provided
4 under paragraphs ~~paragraph~~ (1.05) and (1.06) of this
5 Section, approved for payment under this Section must be
6 paid or the payment issued to the payee within 60 days of
7 receipt of a proper bill or invoice. If payment is not
8 issued to the payee within this 60-day period, an interest
9 penalty of 1.0% of any amount approved and unpaid shall be
10 added for each month or fraction thereof after the end of
11 this 60-day period, until final payment is made. Any bill,
12 except a bill for pharmacy or nursing facility services or
13 goods, and except as provided under paragraphs ~~paragraph~~
14 (1.05) and (1.06) of this Section, submitted under Article
15 V of the Illinois Public Aid Code approved for payment
16 under this Section must be paid or the payment issued to
17 the payee within 60 days after receipt of a proper bill or
18 invoice, and, if payment is not issued to the payee within
19 this 60-day period, an interest penalty of 2.0% of any
20 amount approved and unpaid shall be added for each month or
21 fraction thereof after the end of this 60-day period, until
22 final payment is made. Any bill for pharmacy or nursing
23 facility services or goods submitted under Article V of the
24 Illinois Public Aid Code, except as provided under
25 paragraphs ~~paragraph~~ (1.05) and (1.06) of this Section, and
26 approved for payment under this Section must be paid or the

1 payment issued to the payee within 60 days of receipt of a
2 proper bill or invoice. If payment is not issued to the
3 payee within this 60-day period, an interest penalty of
4 1.0% of any amount approved and unpaid shall be added for
5 each month or fraction thereof after the end of this 60-day
6 period, until final payment is made.

7 (1.05) For State fiscal year 2012 and future fiscal
8 years, any bill approved for payment under this Section
9 must be paid or the payment issued to the payee within 90
10 days of receipt of a proper bill or invoice. If payment is
11 not issued to the payee within this 90-day period, an
12 interest penalty of 1.0% of any amount approved and unpaid
13 shall be added for each month, or 0.033% (one-thirtieth of
14 one percent) of any amount approved and unpaid for each
15 day, after the end of this 90-day period, until final
16 payment is made.

17 (1.06) After the effective date of this amendatory Act
18 of the 100th General Assembly, any bill approved for
19 payment under this Section and pursuant to a health benefit
20 plan under the State Employees Group Insurance Act of 1971
21 or submitted under Article V of the Illinois Public Aid
22 Code, except a bill for pharmacy or nursing facility
23 services or goods, must be paid or the payment issued to
24 the payee in a timely manner under this Section. If payment
25 is not issued to the payee in a timely manner under this
26 Section, the following interest penalty shall apply to any

1 amount approved and unpaid until final payment is made: the
2 sum of the prime commercial rate plus 4.0% per year,
3 applied pro rata for the amount of time the bill remains
4 unpaid. As used in this paragraph, "prime commercial rate"
5 means the Wall Street Journal Prime Rate, as published from
6 time to time.

7 (1.1) A State agency shall review in a timely manner
8 each bill or invoice after its receipt. If the State agency
9 determines that the bill or invoice contains a defect
10 making it unable to process the payment request, the agency
11 shall notify the vendor requesting payment as soon as
12 possible after discovering the defect pursuant to rules
13 promulgated under Section 3-3; provided, however, that the
14 notice for construction related bills or invoices must be
15 given not later than 30 days after the bill or invoice was
16 first submitted. The notice shall identify the defect and
17 any additional information necessary to correct the
18 defect. If one or more items on a construction related bill
19 or invoice are disapproved, but not the entire bill or
20 invoice, then the portion that is not disapproved shall be
21 paid.

22 (2) Where a State official or agency is late in payment
23 of a vendor's bill or invoice properly approved in
24 accordance with this Act, and different late payment terms
25 are not reduced to writing as a contractual agreement, the
26 State official or agency shall automatically pay interest

1 penalties required by this Section amounting to \$50 or more
2 to the appropriate vendor. Each agency shall be responsible
3 for determining whether an interest penalty is owed and for
4 paying the interest to the vendor. Except as provided in
5 paragraph (4), an individual interest payment amounting to
6 \$5 or less shall not be paid by the State. Interest due to
7 a vendor that amounts to greater than \$5 and less than \$50
8 shall not be paid but shall be accrued until all interest
9 due the vendor for all similar warrants exceeds \$50, at
10 which time the accrued interest shall be payable and
11 interest will begin accruing again, except that interest
12 accrued as of the end of the fiscal year that does not
13 exceed \$50 shall be payable at that time. In the event an
14 individual has paid a vendor for services in advance, the
15 provisions of this Section shall apply until payment is
16 made to that individual.

17 (3) The provisions of Public Act 96-1501 reducing the
18 interest rate on pharmacy claims under Article V of the
19 Illinois Public Aid Code to 1.0% per month shall apply to
20 any pharmacy bills for services and goods under Article V
21 of the Illinois Public Aid Code received on or after the
22 date 60 days before January 25, 2011 (the effective date of
23 Public Act 96-1501) except as provided under paragraph
24 (1.05) of this Section.

25 (4) Interest amounting to less than \$5 shall not be
26 paid by the State, except for claims (i) to the Department

1 of Healthcare and Family Services or the Department of
2 Human Services, (ii) pursuant to Article V of the Illinois
3 Public Aid Code, the Covering ALL KIDS Health Insurance
4 Act, or the Children's Health Insurance Program Act, and
5 (iii) made (A) by pharmacies for prescriptive services or
6 (B) by any federally qualified health center for
7 prescriptive services or any other services.

8 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
9 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
10 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.
11 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932,
12 eff. 8-10-12; 97-1142, eff. 12-28-12.)

13 Section 10. The Illinois Public Aid Code is amended by
14 adding Section 5-5.25a as follows:

15 (305 ILCS 5/5-5.25a new)

16 Sec. 5-5.25a. Psychiatric treatment; payment rate
17 increases. On and after January 1, 2019, psychiatrists approved
18 by the Department shall be reimbursed for psychiatric services
19 at a rate that is no lower than 95% of the Medicare program's
20 rates for the following codes: 99213, 99214, 99215, 90792,
21 90833, and 90834.