

Priority Payment for **Hardship Providers**



Barbara Flynn Currie
Majority Leader

Illinois House of Representatives
93rd General Assembly

July 2004

Priority Payment for Hardship Providers

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, is entered into this 2nd day of July, 2004 by and between the State Comptroller (“IOC”), the Department of Human Services (“DHS”), the Department of Public Aid (“DPA”), the Department of Children and Family Services (“DCFS”), the Department of Public Health (“DPH”) and the Department on Aging (“DoA”, and collectively with DHS, DPA, DCFS and DPH, the “Agencies,” each an “Agency”), and hereinafter referred to as “the parties”.

WHEREAS the State of Illinois has an obligation to provide for the health, safety, and welfare of its citizens, and

WHEREAS, among other functions, the Agencies are responsible for processing vouchers to the state’s health care and social services providers, therefore

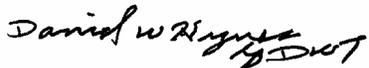
The parties agree to the following:

1. Identification of Severe Financial Hardship Criteria. Each Agency will identify a listing of such Agency’s not-for-profit health care and social services providers (the “Eligible Providers”). By January 1, 2005, each Agency will establish criteria to determine whether, for any given period, any Eligible Provider is experiencing severe financial hardship. Eligible Providers subject to “severe financial hardship” are, at a minimum, those providers who face a significant risk of material financial distress if payments are not made on a timely basis.
2. Identification of Providers Facing Severe Financial Hardship. Upon determination of criteria to establish severe financial hardship, each Agency, on a monthly basis and with the advice and consultation of the IOC, shall determine whether any Eligible Providers are subject to severe financial hardship on the basis of the criteria established hereunder.
3. Agency bill processing. The Agencies agree to process billing information and vouchers for payment to qualified providers in a timely and efficient manner prior to submission to the IOC for processing.
4. IOC payment priority. The IOC shall give priority to payments to Eligible Providers facing severe financial hardship. These priority payments are subject to the IOC’s determination that other obligations of the State should be satisfied prior to such payments. Notwithstanding any of the foregoing, the IOC will use cash management best practices of the State when processing provider payments given priority as a result of severe financial hardship, including, as appropriate, establishing reasonable limits on the number of providers or the aggregate amount of provider payments given priority.

5. Written request to expedite payments. The Agencies shall provide the IOC monthly with a written request in the form prescribed by the IOC to expedite payments to providers on severe financial hardship status. The IOC may request documentation from any Agency relating to the financial hardship status of providers.
6. Tracking providers. The Agencies will, with the assistance of the IOC upon any Agency's reasonable request, track performance of payments made to severe hardship providers and determine whether the performance of such payments have resulted in any adverse fiscal impact.
7. Evaluation and report. The Agencies agree to conduct an ongoing evaluation on the effectiveness of the grant of priority to severe hardship providers and identify systemic and procedural issues that may require corrective administrative or legislative action and will report such findings to the House Special Committee on Fee-For-Service Initiatives (or its successor in the 94th General Assembly, if any), the Governor, the Senate Health & Human Services Committee, the President of the Senate, the Speaker of the House and the Minority Leaders of the House and Senate by March 31, 2005 with a further report by September 30, 2005.
8. Effective date. This Memorandum of Understanding (MOU) shall be effective until the end of Fiscal Year 2006, or later by agreement of the parties.
9. Prior agreements between IOC and the Agencies. This MOU shall not conflict with and shall be subordinate to any prior arrangements between the IOC and any Agency for financial hardship cases or related cases, including without limitation hardship cases related to Medicaid.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be executed by their authorized representatives on the 2nd day of July, 2004.

For the State Comptroller:



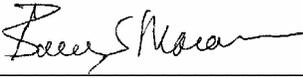
Daniel W. Hynes, Comptroller

For the Department of Human Services:



Carol L. Adams, Secretary

For the Department of Public Aid:



Barry S. Maram, Director

For the Department of Children and Family Services:



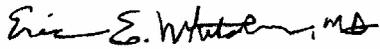
Bryan Samuels, Director

For the Department on Aging:



Charles Johnson, Director

For the Department of Public Health:



Eric Whitaker, Director