



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB3025

Introduced 1/20/2006, by Sen. Dale A. Righter - Christine Radogno

#### SYNOPSIS AS INTRODUCED:

215 ILCS 106/27 new  
305 ILCS 5/5-16.14 new

Amends the Children's Health Insurance Program Act and the Illinois Public Aid Code. Under the Children's Health Insurance Program Act, provides that on and after July 1, 2006, the Department of Healthcare and Family Services shall implement the following: (1) a capitated managed care system for selected populations of persons in certain counties surrounding Cook County and in certain counties in southern Illinois, under which the State pays a fixed amount per individual per month to a third-party entity to manage the program of health care benefits and assume the risk associated with the payment of medical bills without regard to the actual medical claims incurred; (2) a primary care case management (PCCM) system for selected populations of persons in the remaining counties of the State other than Cook County, under which each participant has one health care provider who is responsible for managing all aspects of the participant's medical care; and (3) a PCCM system for selected populations of persons in Cook County. Requires the Department to file a report describing a mechanism for achieving a transition to a capitated managed care system for persons in Cook County by July 1, 2007. Requires that the populations selected for participation in the various systems must include, at a minimum, all persons eligible for benefits under the Children's Health Insurance Program Act. Provides that the Department may implement similar capitated managed care systems and primary care case management systems for Medicaid recipients under the Illinois Public Aid Code. Effective immediately.

LRB094 18981 DRJ 54449 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning health.

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

4 Section 5. The Children's Health Insurance Program Act is  
5 amended by adding Section 27 as follows:

6 (215 ILCS 106/27 new)

7 Sec. 27. Transition to capitated managed care or primary  
8 care case management systems.

9 (a) Designated counties. On and after July 1, 2006, in  
10 counties determined by the Department of Healthcare and Family  
11 Services by rule, the Department shall implement a capitated  
12 managed care system for selected populations of persons. Under  
13 the capitated managed care system, the State shall pay a fixed  
14 amount per individual per month to a third-party entity to  
15 manage the program of health care benefits and assume the risk  
16 associated with the payment of medical bills without regard to  
17 the actual medical claims incurred. At a minimum, the counties  
18 in which the Department implements the capitated managed care  
19 system must include the following:

20 (1) The counties of Winnebago, Boone, McHenry, Lake,  
21 DeKalb, Kane, DuPage, Kendall, Grundy, Will, and Kankakee.

22 (2) The counties of Madison, St. Clair, Monroe,  
23 Randolph, Perry, Franklin, Jackson, and Williamson.

24 In counties of the State in which the Department implements  
25 the capitated managed care system under this subsection, the  
26 Department may provide for the payment of capitated payments  
27 within a time period that is consistent with the time period  
28 within which payments are made to fee-for-service providers in  
29 counties in which the Department uses a primary care case  
30 management system.

31 The Department shall adopt rules establishing the  
32 populations in the designated counties that must participate in

1 the capitated managed care system. At a minimum, those  
2 populations must include all persons eligible for benefits  
3 under Sections 25 and 40. The Department shall adopt rules  
4 providing for the implementation and continued oversight of the  
5 capitated managed care system.

6 (b) Remaining counties, other than Cook. On and after July  
7 1, 2006, in the counties of the State other than Cook County  
8 and other than the counties designated under subsection (a),  
9 the Department of Healthcare and Family Services shall  
10 implement a primary care case management system for selected  
11 populations of persons. Under the primary care case management  
12 system, each individual enrolled in the system shall have one  
13 health care provider who is responsible for managing all  
14 aspects of the individual's medical care.

15 An individual who is required to participate in the primary  
16 care case management system must select a primary care provider  
17 from a panel of primary care physicians designated by the  
18 Department. An individual may change his or her primary care  
19 provider when the provider selected by the individual becomes  
20 unavailable, as provided by the Department in rules, or in  
21 other situations as provided by the Department in rules. At a  
22 minimum, an individual must be given an opportunity to change  
23 his or her primary care provider at least once during each  
24 State fiscal year.

25 The Department shall adopt rules establishing the  
26 populations in these counties that must participate in the  
27 primary care case management system. At a minimum, those  
28 populations must include all persons eligible for benefits  
29 under Sections 25 and 40.

30 A health care provider serving as a primary care physician  
31 in the primary care case management system is entitled to a  
32 care coordination fee, as determined by the Department, for  
33 managing each patient's medical care. The fee may be contingent  
34 on performance measures as determined by the Department in  
35 rules. In addition, a health care provider is entitled to  
36 reimbursement for specific services rendered to a patient.

1       The Department shall adopt rules providing for the  
2 implementation and continued oversight of the primary care case  
3 management system.

4       (c) Cook County. On and after July 1, 2006, in Cook County,  
5 the Department of Healthcare and Family Services shall  
6 implement a primary care case management system for selected  
7 populations of persons. The Department shall implement the  
8 primary care case management system in Cook County in a manner  
9 consistent with the implementation of a primary care case  
10 management system in other counties under subsection (b).

11       The Department shall adopt rules establishing the  
12 populations in Cook County that must participate in the primary  
13 care case management system. At a minimum, those populations  
14 must include all persons eligible for benefits under Sections  
15 25 and 40.

16       The Department shall adopt rules providing for the  
17 implementation and continued oversight of the primary care case  
18 management system.

19       No later than January 1, 2007, the Department shall file  
20 with the General Assembly a report setting forth a proposed  
21 means of transferring the individuals participating in the  
22 primary care case management system to a capitated managed care  
23 system by July 1, 2007.

24       (d) Waivers. The Department of Healthcare and Family  
25 Services shall promptly apply for all waivers of federal law  
26 and regulations that are necessary to allow the full  
27 implementation of this Section.

28       Section 10. The Illinois Public Aid Code is amended by  
29 adding Section 5-16.14 as follows:

30       (305 ILCS 5/5-16.14 new)

31       Sec. 5-16.14. Transition to capitated managed care or  
32 primary care case management systems.

33       (a) Designated counties. On and after July 1, 2006, in  
34 counties determined by the Department of Healthcare and Family

1 Services by rule, the Department may implement a capitated  
2 managed care system for selected populations of recipients of  
3 medical assistance under this Article. Under the capitated  
4 system, the State shall pay a fixed amount per member per month  
5 to a third-party entity to manage the program of medical  
6 assistance benefits and assume the risk associated with the  
7 payment of medical bills without regard to the actual medical  
8 claims incurred. If the Department implements a capitated  
9 managed care system as provided in this subsection, the  
10 counties in which the Department implements the system must be  
11 the same as the counties in which the Department implements a  
12 capitated managed care system under subsection (a) of Section  
13 27 of the Children's Health Insurance Program Act and must  
14 include, at a minimum, the following:

15 (1) The counties of Winnebago, Boone, McHenry, Lake,  
16 DeKalb, Kane, DuPage, Kendall, Grundy, Will, and Kankakee.

17 (2) The counties of Madison, St. Clair, Monroe,  
18 Randolph, Perry, Franklin, Jackson, and Williamson.

19 In the counties in which the Department implements a  
20 capitated managed care system under this subsection, the  
21 Department may provide for the payment of capitated payments  
22 within a time period that is consistent with the time period  
23 within which payments are made to fee-for-service providers in  
24 areas where the Department uses a primary care case management  
25 system.

26 The Department shall adopt rules establishing the medical  
27 assistance recipient populations in the designated counties  
28 that must participate in the capitated managed care system. The  
29 Department shall adopt rules providing for the implementation  
30 and continued oversight of the capitated managed care system.  
31 The rules shall provide for the implementation of the system in  
32 a manner consistent with the Department's implementation of a  
33 capitated managed care system under subsection (a) of Section  
34 27 of the Children's Health Insurance Program Act.

35 (b) Remaining counties, other than Cook. On and after July  
36 1, 2006, in the counties of the State other than Cook County

1 and other than the counties designated under subsection (a),  
2 the Department of Healthcare and Family Services may implement  
3 a primary care case management system for selected populations  
4 of recipients of medical assistance under this Article. Under  
5 the primary care case management system, each individual  
6 enrolled in the system shall have one health care provider who  
7 is responsible for managing all aspects of the individual's  
8 medical care.

9 An individual who is required to participate in the primary  
10 care case management system must select a primary care provider  
11 from a panel of primary care physicians designated by the  
12 Department. An individual may change his or her primary care  
13 provider when the provider selected by the individual becomes  
14 unavailable, as provided by the Department in rules, or in  
15 other situations as provided by the Department in rules. At a  
16 minimum, an individual must be given an opportunity to change  
17 his or her primary care provider at least once during each  
18 State fiscal year.

19 The Department shall adopt rules establishing the medical  
20 assistance recipient populations in these counties that must  
21 participate in the primary care case management system.

22 A health care provider serving as a primary care physician  
23 in the primary care case management system is entitled to a  
24 care coordination fee, as determined by the Department, for  
25 managing each patient's medical care. The fee may be contingent  
26 on performance measures as determined by the Department in  
27 rules. In addition, a health care provider is entitled to  
28 reimbursement for specific services rendered to a patient.

29 The Department shall adopt rules providing for the  
30 implementation and continued oversight of the primary care case  
31 management system. The rules shall provide for the  
32 implementation of the system in a manner consistent with the  
33 Department's implementation of a primary care case management  
34 system under subsection (b) of Section 27 of the Children's  
35 Health Insurance Program Act.

36 (c) Cook County. On and after July 1, 2006, in Cook County,

1 the Department of Healthcare and Family Services may implement  
2 a primary care case management system for selected populations  
3 of recipients of medical assistance under this Article. The  
4 Department shall implement the primary care case management  
5 system in Cook County in a manner consistent with (i) the  
6 implementation of a primary care case management system in  
7 other counties under subsection (b) and (ii) the implementation  
8 of a primary care case management system in under subsection  
9 (c) of Section 27 of the Children's Health Insurance Program  
10 Act.

11 The Department shall adopt rules establishing the  
12 populations in Cook County that must participate in the primary  
13 care case management system.

14 The Department shall adopt rules providing for the  
15 implementation and continued oversight of the primary care case  
16 management system. The rules shall provide for the  
17 implementation of the system in a manner consistent with the  
18 Department's implementation of a primary care case management  
19 system under subsection (c) of Section 27 of the Children's  
20 Health Insurance Program Act.

21 (d) Waivers. If the Department of Healthcare and Family  
22 Services implements any of the health care benefit systems  
23 authorized under this Section for recipients of medical  
24 assistance, the Department shall promptly apply for all waivers  
25 of federal law and regulations that are necessary to allow the  
26 full implementation of those provisions.

27 Section 99. Effective date. This Act takes effect upon  
28 becoming law.