



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1103

Introduced 2/9/2007, by Rep. Patricia Reid Lindner

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-26 new

Amends the Illinois Public Aid Code. Directs the Department of Healthcare and Family Services to establish a Medicaid pilot program under which prospective capitated payments are made to counties for medical assistance. Provides that the pilot program shall operate for at least 3 years, and provides that the Department shall select at least 3 counties to initially participate in the program. Provides that each of those 3 counties must be served by a single hospital. Requires the State and each participating county to agree to key performance goals. Provides for prospective payments to each participating county for health care services provided to medical assistance enrollees, and provides for payment of a percentage of the "pool of medical assistance funds" to a county that meets its key performance goals. Provides that payments to each county must be made to and disbursed by a "county payer" designated by the county. Provides for oversight. Effective immediately.

LRB095 04138 DRJ 25228 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

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

4 Section 5. The Illinois Public Aid Code is amended by
5 adding Section 5-26 as follows:

6 (305 ILCS 5/5-26 new)

7 Sec. 5-26. Medicaid pilot program; county capitated
8 payments.

9 (a) The Department of Healthcare and Family Services shall
10 establish a pilot program under which capitated payments are
11 made to counties for medical assistance as provided in this
12 Section.

13 (b) In this Section, "participating county" means a county
14 that participates in the pilot program established under this
15 Section.

16 (c) The pilot program shall begin operation as soon as 3
17 counties have agreed to participate in the program and shall
18 operate for at least 3 years. Counties may apply to the
19 Department to participate in the pilot program, and the
20 Department shall select a minimum of 3 counties, each of which
21 is served by a single hospital, to participate in the pilot
22 program in the program's first year of operation. The
23 Department shall determine the form and manner of application

1 to participate in the pilot program and shall determine the
2 criteria for selecting counties for participation.

3 (d) The Department and each participating county shall
4 agree to key performance goals for each year of the county's
5 participation in the pilot program. The goals may include, but
6 need not be limited to: (i) performance rates for accepted
7 measures of access, preventive care, ambulatory care, and
8 hospital care and (ii) revised targets for the per-person rates
9 of payment determined under subdivision (e) (2). The Department
10 shall ensure that any such goals do not impose any additional
11 data-collection burdens on providers of health care services in
12 the county.

13 (e) Before July 1 of each State fiscal year during which
14 the pilot program is in operation, the Department shall
15 determine the pool of medical assistance funds to be paid to
16 each participating county for that fiscal year as follows:

17 (1) The Department shall determine the average number
18 of medical assistance enrollees in the county during the
19 calendar year immediately preceding that fiscal year.

20 (2) The Department shall determine the average yearly
21 medical assistance payment per enrollee in the county by
22 dividing (i) the total of all medical assistance claims
23 paid on behalf of such enrollees during the calendar year
24 immediately preceding that fiscal year by (ii) the number
25 determined under paragraph (1).

26 (3) The Department shall determine the number of

1 anticipated medical assistance enrollees in the county as
2 of July 1 of that fiscal year.

3 (4) The Department shall determine the pool of medical
4 assistance funds to be paid to the county for that fiscal
5 year by multiplying (i) the number of enrollees determined
6 under paragraph (3) by (ii) the average payment per
7 enrollee determined under paragraph (2).

8 (f) During each State fiscal year of the pilot program's
9 operation, the Department shall prospectively pay to each
10 participating county an amount equal to 90% of the pool of
11 funds for that county determined under subsection (e). The
12 Department shall pay that amount to the county over the course
13 of the fiscal year in not less than 4 and not more than 12
14 payments, as agreed to by the Department and the county.

15 (g) At the conclusion of each State fiscal year of the
16 pilot program's operation, if the Department determines that a
17 participating county has met the key performance goals agreed
18 to by the Department and the county under subsection (d), the
19 Department shall pay to that county the remaining 10% of the
20 pool of funds for that county determined under subsection (e).

21 (h) If a county does not meet all of the key performance
22 goals agreed to by the Department and the county, the
23 Department shall pay the 10% of the pool of funds for that
24 county described in subsection (g) equally to the county or
25 counties that did meet all of their key performance goals.

26 (i) Each participating county shall designate an

1 organization to serve as the "county payer" for that county for
2 purposes of the pilot program. The Department shall make all
3 payments on behalf of the county under subsections (f) and (g)
4 to the county payer designated by the county. The county payer
5 shall pay the moneys prospectively paid to it under subsection
6 (f) (i) for health care services delivered within the county
7 and (ii) for health care services referred by county providers
8 located outside the county.

9 (j) The Department shall monitor the net migration of
10 medical assistance enrollees in and out of each participating
11 county at monthly intervals. Based on the information received
12 as a result of that monitoring, the Department shall revise the
13 pool of medical assistance funds determined under subdivision
14 (e) (4) and shall modify the amount of the subsequent payments
15 to the county under subsection (f) based on the net change in
16 medical assistance enrollees during each interval.

17 (k) At monthly intervals during the pilot program's
18 operation, the Department shall provide to each participating
19 county a report concerning the county's performance and costs
20 associated with the pilot program. The Department shall use
21 these reports to determine the performance and cost targets for
22 the second and third years of the county's participation in the
23 pilot program.

24 (l) At the county level, each participating county shall
25 establish a committee to provide oversight of the pilot
26 program's operation in that county. At a minimum, the county

1 committee must include representatives of the hospital serving
2 the county, representatives of physicians serving the county,
3 and members of the general public residing in the county. Each
4 county committee shall determine the organization to serve as
5 the "county payer" as described in subsection (i), the key
6 performance goals for the county as described in subsection
7 (d), the county resources to be used to meet the key
8 performance goals, and how the funds received from the
9 Department are to be distributed. Each year during the 3 years
10 of the pilot program, each county committee shall provide an
11 annual report to the Department and to the legislative
12 committee responsible for monitoring the pilot program's
13 operation and for determining future medical assistance
14 directives. The annual report from each county shall summarize
15 the monthly reports from the Department as described in
16 subsection (k) and shall summarize the quality of care outcomes
17 resulting from this pilot program, as well as the processes and
18 resources used to achieve those outcomes.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.