

1 AN ACT concerning finance.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 25 as follows:

6 (30 ILCS 105/25) (from Ch. 127, par. 161)

7 Sec. 25. Fiscal year limitations.

8 (a) All appropriations shall be available for expenditure
9 for the fiscal year or for a lesser period if the Act making
10 that appropriation so specifies. A deficiency or emergency
11 appropriation shall be available for expenditure only through
12 June 30 of the year when the Act making that appropriation is
13 enacted unless that Act otherwise provides.

14 (b) Outstanding liabilities as of June 30, payable from
15 appropriations which have otherwise expired, may be paid out of
16 the expiring appropriations during the 2-month period ending at
17 the close of business on August 31. Any service involving
18 professional or artistic skills or any personal services by an
19 employee whose compensation is subject to income tax
20 withholding must be performed as of June 30 of the fiscal year
21 in order to be considered an "outstanding liability as of June
22 30" that is thereby eligible for payment out of the expiring
23 appropriation.

1 However, payment of tuition reimbursement claims under
2 Section 14-7.03 or 18-3 of the School Code may be made by the
3 State Board of Education from its appropriations for those
4 respective purposes for any fiscal year, even though the claims
5 reimbursed by the payment may be claims attributable to a prior
6 fiscal year, and payments may be made at the direction of the
7 State Superintendent of Education from the fund from which the
8 appropriation is made without regard to any fiscal year
9 limitations.

10 Medical payments may be made by the Department of Veterans'
11 Affairs from its appropriations for those purposes for any
12 fiscal year, without regard to the fact that the medical
13 services being compensated for by such payment may have been
14 rendered in a prior fiscal year.

15 Medical payments may be made by the Department of
16 Healthcare and Family Services and medical payments and child
17 care payments may be made by the Department of Human Services
18 (as successor to the Department of Public Aid) from
19 appropriations for those purposes for any fiscal year, without
20 regard to the fact that the medical or child care services
21 being compensated for by such payment may have been rendered in
22 a prior fiscal year; and payments may be made at the direction
23 of the Department of Central Management Services from the
24 Health Insurance Reserve Fund and the Local Government Health
25 Insurance Reserve Fund without regard to any fiscal year
26 limitations.

1 Medical payments may be made by the Department of Human
2 Services from its appropriations relating to substance abuse
3 treatment services for any fiscal year, without regard to the
4 fact that the medical services being compensated for by such
5 payment may have been rendered in a prior fiscal year, provided
6 the payments are made on a fee-for-service basis consistent
7 with requirements established for Medicaid reimbursement by
8 the Department of Healthcare and Family Services.

9 Additionally, payments may be made by the Department of
10 Human Services from its appropriations, or any other State
11 agency from its appropriations with the approval of the
12 Department of Human Services, from the Immigration Reform and
13 Control Fund for purposes authorized pursuant to the
14 Immigration Reform and Control Act of 1986, without regard to
15 any fiscal year limitations.

16 Further, with respect to costs incurred in fiscal years
17 2002 and 2003 only, payments may be made by the State Treasurer
18 from its appropriations from the Capital Litigation Trust Fund
19 without regard to any fiscal year limitations.

20 Lease payments may be made by the Department of Central
21 Management Services under the sale and leaseback provisions of
22 Section 7.4 of the State Property Control Act with respect to
23 the James R. Thompson Center and the Elgin Mental Health Center
24 and surrounding land from appropriations for that purpose
25 without regard to any fiscal year limitations.

26 Lease payments may be made under the sale and leaseback

1 provisions of Section 7.5 of the State Property Control Act
2 with respect to the Illinois State Toll Highway Authority
3 headquarters building and surrounding land without regard to
4 any fiscal year limitations.

5 (c) Further, payments may be made by the Department of
6 Public Health and the Department of Human Services (acting as
7 successor to the Department of Public Health under the
8 Department of Human Services Act) from their respective
9 appropriations for grants for medical care to or on behalf of
10 persons suffering from chronic renal disease, persons
11 suffering from hemophilia, rape victims, and premature and
12 high-mortality risk infants and their mothers and for grants
13 for supplemental food supplies provided under the United States
14 Department of Agriculture Women, Infants and Children
15 Nutrition Program, for any fiscal year without regard to the
16 fact that the services being compensated for by such payment
17 may have been rendered in a prior fiscal year.

18 (c-1) For all medical payments, as described in paragraphs
19 (b) and (c) of this Section, outstanding liabilities as of June
20 30, payable from appropriations that have otherwise expired,
21 may be paid out of the expiring appropriations during the
22 4-month period ending at the close of business on October 31.

23 (c-2) All outstanding liabilities for medical payments
24 incurred during a previous fiscal year, not payable during the
25 4-month lapse period as described in subsection (c-1), are
26 limited to an aggregate amount of payments totaling no more

1 than as follows for the fiscal year beginning July 1 as
2 follows: 2010, \$1,080,000,000; 2011, \$960,000,000; 2012,
3 \$840,000,000; 2013, \$720,000,000; 2014, \$600,000,000; 2015,
4 \$480,000,000; 2016, \$360,000,000; 2017, \$240,000,000; and
5 2018, \$120,000,000.

6 (c-3) Beginning on July 1, 2019, all outstanding
7 liabilities for medical payments, not payable during the
8 4-month lapse period as described in subsection (c-1), that are
9 made from appropriations for that purpose for any fiscal year,
10 without regard to the fact that the medical care services being
11 compensated for by those payments may have been rendered in a
12 prior fiscal year, are limited to only those claims that have
13 been incurred but the claim therefor not received.

14 (d) The Department of Public Health and the Department of
15 Human Services (acting as successor to the Department of Public
16 Health under the Department of Human Services Act) shall each
17 annually submit to the State Comptroller, Senate President,
18 Senate Minority Leader, Speaker of the House, House Minority
19 Leader, and the respective Chairmen and Minority Spokesmen of
20 the Appropriations Committees of the Senate and the House, on
21 or before December 31, a report of fiscal year funds used to
22 pay for services provided in any prior fiscal year. This report
23 shall document by program or service category those
24 expenditures from the most recently completed fiscal year used
25 to pay for services provided in prior fiscal years.

26 (e) The Department of Healthcare and Family Services, the

1 Department of Human Services (acting as successor to the
2 Department of Public Aid), and the Department of Human Services
3 making fee-for-service payments relating to substance abuse
4 treatment services provided during a previous fiscal year shall
5 each annually submit to the State Comptroller, Senate
6 President, Senate Minority Leader, Speaker of the House, House
7 Minority Leader, the respective Chairmen and Minority
8 Spokesmen of the Appropriations Committees of the Senate and
9 the House, on or before November 30, a report that shall
10 document by program or service category those expenditures from
11 the most recently completed fiscal year used to pay for (i)
12 services provided in prior fiscal years and (ii) services for
13 which claims were received in prior fiscal years.

14 (f) The Department of Human Services (as successor to the
15 Department of Public Aid) shall annually submit to the State
16 Comptroller, Senate President, Senate Minority Leader, Speaker
17 of the House, House Minority Leader, and the respective
18 Chairmen and Minority Spokesmen of the Appropriations
19 Committees of the Senate and the House, on or before December
20 31, a report of fiscal year funds used to pay for services
21 (other than medical care) provided in any prior fiscal year.
22 This report shall document by program or service category those
23 expenditures from the most recently completed fiscal year used
24 to pay for services provided in prior fiscal years.

25 (g) In addition, each annual report required to be
26 submitted by the Department of Healthcare and Family Services

1 under subsection (e) shall include the following information
2 with respect to the State's Medicaid program:

3 (1) Explanations of the exact causes of the variance
4 between the previous year's estimated and actual
5 liabilities.

6 (2) Factors affecting the Department of Healthcare and
7 Family Services' liabilities, including but not limited to
8 numbers of aid recipients, levels of medical service
9 utilization by aid recipients, and inflation in the cost of
10 medical services.

11 (3) The results of the Department's efforts to combat
12 fraud and abuse.

13 (h) As provided in Section 4 of the General Assembly
14 Compensation Act, any utility bill for service provided to a
15 General Assembly member's district office for a period
16 including portions of 2 consecutive fiscal years may be paid
17 from funds appropriated for such expenditure in either fiscal
18 year.

19 (i) An agency which administers a fund classified by the
20 Comptroller as an internal service fund may issue rules for:

21 (1) billing user agencies in advance for payments or
22 authorized inter-fund transfers based on estimated charges
23 for goods or services;

24 (2) issuing credits, refunding through inter-fund
25 transfers, or reducing future inter-fund transfers during
26 the subsequent fiscal year for all user agency payments or

1 authorized inter-fund transfers received during the prior
2 fiscal year which were in excess of the final amounts owed
3 by the user agency for that period; and

4 (3) issuing catch-up billings to user agencies during
5 the subsequent fiscal year for amounts remaining due when
6 payments or authorized inter-fund transfers received from
7 the user agency during the prior fiscal year were less than
8 the total amount owed for that period.

9 User agencies are authorized to reimburse internal service
10 funds for catch-up billings by vouchers drawn against their
11 respective appropriations for the fiscal year in which the
12 catch-up billing was issued or by increasing an authorized
13 inter-fund transfer during the current fiscal year. For the
14 purposes of this Act, "inter-fund transfers" means transfers
15 without the use of the voucher-warrant process, as authorized
16 by Section 9.01 of the State Comptroller Act.

17 (Source: P.A. 95-331, eff. 8-21-07.)

18 Section 10. The Illinois Public Aid Code is amended by
19 changing Section 5-16 as follows:

20 (305 ILCS 5/5-16) (from Ch. 23, par. 5-16)

21 Sec. 5-16. Managed Care. The Illinois Department may
22 develop and implement a Primary Care Sponsor System consistent
23 with the provisions of this Section. The purpose of this
24 managed care delivery system shall be to contain the costs of

1 providing medical care to Medicaid recipients by having one
2 provider responsible for managing all aspects of a recipient's
3 medical care. This managed care system shall have the following
4 characteristics:

5 (a) The Department, by rule, shall establish criteria
6 to determine which clients must participate in this
7 program;

8 (b) Providers participating in the program may be paid
9 an amount per patient per month, to be set by the Illinois
10 Department, for managing each recipient's medical care;

11 (c) Providers eligible to participate in the program
12 shall be physicians licensed to practice medicine in all
13 its branches, and the Illinois Department may terminate a
14 provider's participation if the provider is determined to
15 have failed to comply with any applicable program standard
16 or procedure established by the Illinois Department;

17 (d) Each recipient required to participate in the
18 program must select from a panel of primary care providers
19 or networks established by the Department in their
20 communities;

21 (e) A recipient may change his designated primary care
22 provider:

23 (1) when the designated source becomes
24 unavailable, as the Illinois Department shall
25 determine by rule; or

26 (2) when the designated primary care provider

1 notifies the Illinois Department that it wishes to
2 withdraw from any obligation as primary care provider;
3 or

4 (3) in other situations, as the Illinois
5 Department shall provide by rule;

6 (f) The Illinois Department shall, by rule, establish
7 procedures for providing medical services when the
8 designated source becomes unavailable or wishes to
9 withdraw from any obligation as primary care provider
10 taking into consideration the need for emergency or
11 temporary medical assistance and ensuring that the
12 recipient has continuous and unrestricted access to
13 medical care from the date on which such unavailability or
14 withdrawal becomes effective until such time as the
15 recipient designates a primary care source;

16 (g) Only medical care services authorized by a
17 recipient's designated provider, except for emergency
18 services, services performed by a provider that is owned or
19 operated by a county and that provides non-emergency
20 services without regard to ability to pay and such other
21 services as provided by the Illinois Department, shall be
22 subject to payment by the Illinois Department. The Illinois
23 Department shall enter into an intergovernmental agreement
24 with each county that owns or operates such a provider to
25 develop and implement policies to minimize the provision of
26 medical care services provided by county owned or operated

1 providers pursuant to the foregoing exception.

2 The Illinois Department shall seek and obtain necessary
3 authorization provided under federal law to implement such a
4 program including the waiver of any federal regulations.

5 At least 75% of all enrollees receiving full medical
6 assistance benefits under any program operated by the
7 Department of Healthcare and Family Services shall be enrolled
8 in some form of managed care as of the effective date of this
9 amendatory Act of the 96th General Assembly.

10 The Illinois Department may implement the amendatory
11 changes to this Section made by this amendatory Act of 1991
12 through the use of emergency rules in accordance with the
13 provisions of Section 5.02 of the Illinois Administrative
14 Procedure Act. For purposes of the Illinois Administrative
15 Procedure Act, the adoption of rules to implement the
16 amendatory changes to this Section made by this amendatory Act
17 of 1991 shall be deemed an emergency and necessary for the
18 public interest, safety and welfare.

19 The Illinois Department may establish a managed care system
20 demonstration program, on a limited basis, as described in this
21 Section. The demonstration program shall terminate on June 30,
22 1997. Within 30 days after the end of each year of the
23 demonstration program's operation, the Illinois Department
24 shall report to the Governor and the General Assembly
25 concerning the operation of the demonstration program.

26 (Source: P.A. 87-14; 88-490.)

1 Section 99. Effective date. This Act takes effect July 1,
2 2010.