

1 AMENDMENT TO SENATE BILL 1978

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1978 by replacing  
3 the title with the following:

4 "AN ACT in relation to public aid."; and

5 by replacing everything after the enacting clause with the  
6 following:

7 "Section 5. The Illinois Public Aid Code is amended by  
8 adding Section 5-5.04 as follows:

9 (305 ILCS 5/5-5.04 new)

10 Sec. 5-5.04. Medicaid Hospital and Physician Payment Task  
11 Force.

12 (a) The General Assembly finds:

13 (1) Through the Medicaid program, the Illinois  
14 Department of Public Aid insures approximately 1,500,000  
15 people, or about one out of every 8 Illinois residents.

16 (2) The Illinois Department of Public Aid pays for  
17 2 out of every 5 births in this State.

18 (3) The average Illinois hospital receives 12% of  
19 its patient revenue from Medicaid, with some hospitals  
20 far more dependent on the Medicaid program.

21 (4) Hospitals are required by State and federal law

1 to examine and stabilize or appropriately transfer all  
2 persons who come to the emergency room, regardless of  
3 their ability to pay.

4 (5) A number of Illinois residents do not have  
5 health insurance and do not qualify for Medicaid, causing  
6 hospitals to provide care for which they are not paid.

7 (6) Illinois hospitals are significant contributors  
8 to the Illinois economy and employ over 200,000 people.

9 (7) A Medicaid program that pays reasonably for  
10 services promotes and enhances a strong health care  
11 system, thereby improving access to quality health care  
12 for all the people of Illinois.

13 (b) There is established within the Illinois Department  
14 of Public Aid a Medicaid Hospital and Physician Payment Task  
15 Force (the "Task Force"). The Task Force shall have the  
16 following members:

17 (1) The Director of Public Aid, ex officio, or his  
18 or her designee.

19 (2) The Director of Public Health, ex officio, or  
20 his or her designee.

21 (3) Four members of the General Assembly, appointed  
22 one each by the President of the Senate, the Minority  
23 Leader of the Senate, the Speaker of the House of  
24 Representatives, and the Minority Leader of the House of  
25 Representatives. The members appointed by the President  
26 of the Senate and the Speaker of the House of  
27 Representatives shall serve as co-chairs of the Task  
28 Force.

29 (4) Nine members appointed by the Director of  
30 Public Aid as follows: 3 members recommended by the  
31 Illinois Hospital Association; one member recommended by  
32 the Illinois Rural Health Association; one member  
33 recommended by the Illinois State Chamber of Commerce;  
34 one member recommended by the Cook County Bureau of

1 Health Services; 2 members recommended by the Illinois  
2 State Medical Society; and one member recommended by an  
3 advocacy organization representing Medicaid recipients.

4 (c) The Illinois Department of Public Aid shall provide  
5 technical and staff support to the Task Force.

6 (d) The Task Force shall conduct a comprehensive study  
7 of the Medicaid program to ascertain the adequacy of rates  
8 for inpatient and outpatient hospital care to ensure the  
9 continued availability of hospital care in this State and to  
10 ascertain the adequacy of rates for physician services.

11 (e) The Task Force shall report its findings and  
12 recommendations to the Governor and the General Assembly on  
13 or before January 1, 2003. The Task Force's report shall  
14 include, but need not be limited to, an evaluation of the  
15 adequacy of Medicaid hospital and physician payment rates by  
16 examining the following:

17 (1) Payment-to-cost comparisons for Medicaid  
18 inpatient and outpatient hospital services.

19 (2) The impact of Medicaid hospital payments on  
20 hospital patient care margins.

21 (3) Comparison of Illinois Medicaid hospital and  
22 physician payments to Medicaid hospital and physician  
23 payments in other states.

24 (4) The impact of Medicaid hospital and physician  
25 payment rates on access to health care for Illinois  
26 residents.

27 (5) The impact of Medicaid hospital and physician  
28 payment rates on the quality of health care available to  
29 Illinois residents.

30 (6) The impact of Medicaid hospital and physician  
31 payment rates on the cost of health care for Illinois  
32 residents.

33 (7) Recommendations for changes in the Medicaid  
34 payment system for hospitals and physicians.

1       (f) The Task Force shall retain independent experts,  
2       with experience in health care finance and economics, to  
3       assist it in conducting its study and preparing its report.

4       (g) This Section is repealed on January 1, 2004.

5       Section 99. Effective date. This Act takes effect upon  
6       becoming law."