

April 6, 2018

Honorable Julie Morrison
Chairperson
Senate Human Services Committee
M115 Capitol Building
Springfield, IL 62706

Honorable Heather Steans
Chairperson
Senate Special Committee on Oversight of
Medicaid Managed Care
623 Capitol Building
Springfield, IL 62706

Honorable Dave Syverson
Minority Spokesperson
Senate Human Services Committee and
Special Committee on Oversight of Medicaid
Managed Care
108A Capitol Building
Springfield, IL 62706

Honorable Robyn Gabel
Chairperson
House Human Services Committee
248-W Stratton Office Building
Springfield, IL 62706

Honorable Greg Harris
Chairperson
House Appropriations-Human Services
Committee
253-S Stratton Office Building
Springfield, IL 62706

Honorable Patricia Bellock
Republican Spokesperson
House Human Services and Appropriations-
Human Services Committees
217-N Stratton Office Building
Springfield, IL 62706

Dear Senators Morrison, Steans, and Syverson, and Representatives Gabel, Harris, and Bellock,

We are writing to express our organizations' concerns with the Department of Healthcare and Family Services' (HFS) oversight of the state's Medicaid Managed Care Program, now known as HealthChoice Illinois.

HealthChoice Illinois is the State's largest public procurement¹, and it aims to place up to 80% of Illinois's Medicaid population in managed care. Though HealthChoice Illinois is in its infancy, we already have concerns that HFS is abdicating its role as regulator. Indeed, a recent Illinois Auditor General report demonstrated that HFS lacks the data it needs to oversee the managed care program.

Media reports, House Appropriations-Human Services Committee hearings, and the Illinois Auditor General have already exposed numerous critical issues with HealthChoice Illinois. For example:

- The Department of Children and Family Services does not have an adequate plan for coverage for children who are Medically Fragile²;
- Narrow provider networks will force beneficiaries to travel long distances for routine care³;

¹ Illinois Homepage.net: **Medicaid overhaul deal worth a record \$63B** by Mark Maxwell (Nov 30, 2017)
<http://www.illinoishomepage.net/news/local-news/medicaid-overhaul-deal-worth-a-record-526b/8589847951>

² State Journal-Register: **Legislature should act on Rauner MCO Reorganization** by Kelly Whistler (Feb 6, 2018)
<http://www.sj-r.com/opinion/20180206/guest-view-legislature-should-act-on-rauner-mco-reorganization>

³ Greg Johnson, Executive Director of the Illinois State Dental Society. Testimony to House Human Services – Finance Committee (Jan 4, 2018)

- Cuts to already low reimbursement rates for medically-necessary supplies and equipment such as diabetes equipment, breast pumps, nutrition supplies, and oxygen equipment will hurt patient access and choice, as well as potentially diminish the quality of the medical supplies themselves⁴;
- Poorly-written contracts between MCOs and nursing homes may violate state and federal regulations⁵; and
- Deficiencies in HFS's data collection processes impede the Department's ability to oversee the managed care program⁶.

Given the risks to patients, as well as our overall healthcare system, we call upon you, as leaders who understand the needs of the chronically ill and disabled, to impose new transparency and accountability guidelines on HealthChoice Illinois. Absent a significant improvement in HFS's efforts, we believe that the General Assembly must act to hold MCOs accountable to guarantee our state's most vulnerable citizens receive the quality care they deserve. We specifically request that any new MCO regulations take into account the reforms currently being considered by the General Assembly, including [HB 4736](#), which would remove children who are Medically-Fragile from HealthChoice Illinois, and [SB 2262](#), which would require MCOs to use the state fee schedule for medical supplies and equipment.

We look forward to working with you in the coming months to solve these critical issues, as our collective experience and knowledge will help inform your efforts to make the Illinois Medicaid program work for both patients and providers. Please contact our organizations to guarantee our "seat at the table" as the Illinois Medicaid Managed Care program is rolled out.

Sincerely,

Susan Agrawal, MFTD Waiver Families

Meg Cooch, Executive Director, Arc of Illinois

Asim K. Jaffer, M.D., President, Illinois Academy of Family Physicians

Faye Manaster, M.Ed, Project Director, Family Voices of Illinois and The Arc of Illinois Family to Family Health Information Center

Katrina Pavlik, Breastfeed Chicago

Kevin Stewart, President, Great Lakes Home Medical Services Association

Alison Tothy, M.D., President, Illinois Chapter of American Academy of Pediatrics

⁴ Crain's Chicago Business: **IlliniCare slashing rates to Medicaid suppliers** by Kristen Schorsch (Nov 16, 2017) <http://www.chicagobusiness.com/article/20171116/NEWS03/171119917/illinicare-slashing-rates-to-medicaid-suppliers>

⁵ Meredith Duncan, Attorney at Polsinelli Law Firm. Testimony to House Human Services – Finance Committee (Jan 4, 2018)

⁶ Illinois Auditor General report: **Medicaid Managed Care Organizations**. Released January 2018.