



SR2014

LRB100 23413 MST 42439 r

1 SENATE RESOLUTION

2 WHEREAS, In 2011, the Illinois General Assembly decided to
3 begin to transition the Illinois Medicaid program from
4 fee-for-service to a managed care program; and

5 WHEREAS, The purpose of the transition to Medicaid managed
6 care was to save the State money as well as coordinate care for
7 Medicaid recipients; and

8 WHEREAS, Unfortunately, neither of those things have
9 occurred; instead, the managed care organizations (MCOs) have
10 instituted a "claims management program" rather than a "care
11 management program", where the MCOs deny incredible amounts of
12 Medicaid claims, resulting in significant harm to Medicaid
13 providers throughout the State and billions of state funds
14 being pocketed by the MCOs; and

15 WHEREAS, In 2018, the Auditor General published an audit as
16 a result of HR 100 of the 100th General Assembly that showed
17 billions of state funds being paid to the MCOs which were not
18 passed along to providers; and

19 WHEREAS, The harm being caused by the MCOs is particularly
20 damaging to providers who rely heavily on the Medicaid program,
21 such as Roseland Community Hospital; and

1 WHEREAS, The average MCO denial rate for safety-net
2 hospitals is 20%, which has resulted in significant layoffs in
3 areas with the highest unemployment in the State and puts
4 future health care services at-risk in the State's most
5 vulnerable communities; and

6 WHEREAS, This incredible MCO denial rate is not unique to
7 geography, affects communities throughout downstate Illinois
8 as well as Chicago, and results in diminished patient care and
9 lost revenues for local communities throughout Illinois; and

10 WHEREAS, Under the Rauner Administration, the Department
11 of Healthcare and Family Services has not provided adequate
12 oversight to prevent the abuse of the MCOs, resulting in
13 billions of dollars being shipped to out-of-state for-profit
14 corporations at the expense of Illinois providers and the
15 Illinois residents who rely on healthcare services; and

16 WHEREAS, The MCO crisis has caused disproportionate harm to
17 minority communities that rely on safety-net hospitals to
18 provide quality healthcare services to vulnerable communities;
19 therefore, be it

20 RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL
21 ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is

1 directed to conduct an audit of the average denial rate of
2 hospitals throughout Illinois in both the fee-for-service and
3 managed care programs, with at least 50% of the audit
4 consisting of safety-net and critical access hospitals; the
5 Department of Healthcare and Family Services and all managed
6 care entities shall be required to participate fully, at the
7 Auditor General's request; and be it further

8 RESOLVED, That the Illinois Department of Healthcare and
9 Family Services and any other State agency having information
10 relevant to this audit cooperate fully and promptly with the
11 Auditor General's Office; and be it further

12 RESOLVED, That the Auditor General commence this audit as
13 soon as possible and report his findings and recommendations to
14 the General Assembly; and be it further

15 RESOLVED, That if the Auditor General's findings conclude
16 that the average MCO denial rate for hospitals in the managed
17 care program is 10% or more higher than the average denial rate
18 of the fee-for-service program, then the General Assembly
19 should consider sun-setting the managed care program; and be it
20 further

21 RESOLVED, That suitable copies of this resolution shall be
22 delivered to the Governor, the Director of Healthcare and

1 Family Services, and each of the four legislative leaders.