

1 AN ACT in relation to State finances.

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 8h and by adding Sections 5.625 and 6z-62 as follows:

6 (30 ILCS 105/5.625 new)

7 Sec. 5.625. The Medicaid Provider Relief Fund.

8 (30 ILCS 105/6z-62 new)

9 Sec. 6z-62. Medicaid Provider Relief Fund.

10 (a) The Medicaid Provider Relief Fund ("the Fund") is
11 created as a special fund in the State treasury. The Fund is
12 created for the purpose of paying medical bills for which the
13 State is responsible under Title XIX of the Social Security Act
14 and under the Children's Health Insurance Program Act.

15 (b) The Fund shall consist of the following:

16 (1) All moneys received by the State from short-term
17 borrowing pursuant to the Short Term Borrowing Act or the
18 Medicaid Liability Liquidity Borrowing Act on or after the
19 effective date of this amendatory Act of the 93rd General
20 Assembly and before July 1, 2004.

21 (2) All federal matching funds received as a result of
22 expenditures that are attributable to moneys deposited
23 into the Fund.

24 (3) Interest earned on moneys in the Fund.

25 (c) On July 1, 2004, the State Treasurer and the
26 Comptroller shall transfer the balance in the Medicaid Provider
27 Relief Fund to the General Revenue Fund. After July 1, 2004,
28 the State Treasurer and the Comptroller shall automatically
29 transfer all moneys deposited into the Medicaid Provider Relief
30 Fund from that Fund to the General Revenue Fund.

31 (d) This Section is repealed on June 30, 2005, and the

1 State Treasurer and the Comptroller shall promptly transfer the
2 balance remaining in the Fund on that date to the General
3 Revenue Fund.

4 (30 ILCS 105/8h)

5 Sec. 8h. Transfers to General Revenue Fund.
6 Notwithstanding any other State law to the contrary, the
7 Director of the Governor's Office of Management and Budget may
8 from time to time direct the State Treasurer and Comptroller to
9 transfer a specified sum from any fund held by the State
10 Treasurer to the General Revenue Fund in order to help defray
11 the State's operating costs for the fiscal year. The total
12 transfer under this Section from any fund in any fiscal year
13 shall not exceed the lesser of 8% of the revenues to be
14 deposited into the fund during that year or 25% of the
15 beginning balance in the fund. No transfer may be made from a
16 fund under this Section that would have the effect of reducing
17 the available balance in the fund to an amount less than the
18 amount remaining unexpended and unreserved from the total
19 appropriation from that fund for that fiscal year. This Section
20 does not apply to any funds that are restricted by federal law
21 to a specific use or to any funds in the Motor Fuel Tax Fund, ~~or~~
22 the Hospital Provider Fund, or the Medicaid Provider Relief
23 Fund. Notwithstanding any other provision of this Section, the
24 total transfer under this Section from the Road Fund or the
25 State Construction Account Fund shall not exceed 5% of the
26 revenues to be deposited into the fund during that year.

27 In determining the available balance in a fund, the
28 Director of the Governor's Office of Management and Budget may
29 include receipts, transfers into the fund, and other resources
30 anticipated to be available in the fund in that fiscal year.

31 The State Treasurer and Comptroller shall transfer the
32 amounts designated under this Section as soon as may be
33 practicable after receiving the direction to transfer from the
34 Director of the Governor's Office of Management and Budget.

35 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04.)

1 Section 10. The Short Term Borrowing Act is amended by
2 changing Section 3 as follows:

3 (30 ILCS 340/3) (from Ch. 120, par. 408)

4 Sec. 3. There shall be prepared under the direction of the
5 officers named in this Act such form of bonds or certificates
6 as they shall deem advisable, which, when issued, shall be
7 signed by the Governor, Comptroller and Treasurer, and shall be
8 recorded by the Comptroller in a book to be kept by him or her
9 for that purpose. The interest and principal of such loan shall
10 be paid by the treasurer out of the General Obligation Bond
11 Retirement and Interest Fund.

12 There is hereby appropriated out of any money in the
13 Treasury a sum sufficient for the payment of the interest and
14 principal of any debts contracted under this Act.

15 The Governor, Comptroller, and Treasurer are authorized to
16 order pursuant to the proceedings authorizing those debts the
17 transfer of any moneys on deposit in the treasury into the
18 General Obligation Bond Retirement and Interest Fund at times
19 and in amounts they deem necessary to provide for the payment
20 of that interest and principal.

21 The Comptroller is hereby authorized and directed to draw
22 his warrant on the State Treasurer for the amount of all such
23 payments.

24 The directive authorizing borrowing under Section 1 or 1.1
25 of this Act shall set forth a pro forma cash flow statement
26 that identifies estimated monthly receipts and expenditures
27 with identification of sources for repaying the borrowed funds.

28 All proceeds from any borrowing under this Act received by
29 the State on or after the effective date of this amendatory Act
30 of the 93rd General Assembly and before July 1, 2004 shall be
31 deposited into the Medicaid Provider Relief Fund.

32 (Source: P.A. 87-838; 87-860; 88-669, eff. 11-29-94.)

33 Section 15. The Medicaid Liability Liquidity Borrowing Act

1 is amended by changing Sections 5 and 10 as follows:

2 (30 ILCS 342/5)

3 Sec. 5. Borrowing authorized. For the period June 9, 2004
4 ~~July 1, 1994~~ through June 30, 2004 ~~1995~~, borrowing pursuant to
5 this Section is authorized under subsection (b) of Section 9 of
6 Article IX of the Illinois Constitution. The purpose of the
7 borrowing shall be ~~Whenever casual deficits or failures in~~
8 ~~revenues of the State occur, and those casual deficits or~~
9 ~~failures in revenues affect the State's ability to pay for~~
10 medical services provided under the Illinois Public Aid Code or
11 the Children's Health Insurance Program Act, in order to meet
12 ~~those casual deficits or failures in revenues, and the~~
13 Governor, after having obtained the written consent of both the
14 Comptroller and the Treasurer, may contract debts, under this
15 Section, for principal amounts not to exceed \$850,000,000, as
16 supported by properly enacted State fiscal year 2004
17 appropriations for this purpose \$900,000,000. ~~This contracted~~
18 ~~debt, when added to amounts borrowed under the Short Term~~
19 ~~Borrowing Act during the then current fiscal year, may not~~
20 ~~exceed 15% of the State's appropriations for that fiscal year.~~
21 Moneys thus borrowed shall be applied to the purpose of paying
22 for medical services as described in this Section, or to pay
23 the debts and associated expenses thus incurred ~~created~~, and to
24 no other purpose. All proceeds from any borrowing under this
25 Act received by the State on or after the effective date of
26 this amendatory Act of the 93rd General Assembly and before
27 July 1, 2004 shall be deposited into the Medicaid Provider
28 Relief Fund. ~~The Governor shall direct the proceeds of this~~
29 ~~borrowing into any State fund from which there are~~
30 ~~appropriations for medical assistance under the Illinois~~
31 ~~Public Aid Code.~~ All moneys so borrowed shall be borrowed for
32 no longer time than one year.

33 (Source: P.A. 88-554, eff. 7-26-94; 89-626, eff. 8-9-96.)

34 (30 ILCS 342/10)

1 Sec. 10. Advertising for loan. Whenever the borrowing of
2 money under Section 5 is contemplated, it is the duty of the
3 Director of the Governor's Office of Management and Budget
4 ~~Bureau of the Budget~~ acting at the direction of the Governor to
5 advertise for proposals for the loan in the manner that is
6 determined by the Director of the Governor's Office of
7 Management and Budget ~~Bureau of the Budget~~ to give reasonable
8 notice of the request for proposals. The advertisements shall
9 set forth the amount of debt proposed to be contracted and the
10 time and place for the payment of the principal and interest.
11 The loan shall be awarded to the person or persons agreeing to
12 take it at the lowest rate of interest not exceeding the
13 maximum rate authorized by the Bond Authorization Act, as
14 amended at the time of the making of the contract.

15 (Source: P.A. 88-554, eff. 7-26-94; revised 8-23-03.)

16 Section 20. The Illinois Public Aid Code is amended by
17 adding Section 5-16.13 as follows:

18 (305 ILCS 5/5-16.13 new)

19 Sec. 5-16.13. Medicaid Managed Care Task Force.

20 (a) Medicaid, the medical assistance program jointly
21 administered by the State of Illinois and the United States
22 governments for low-income and uninsured populations, is the
23 largest single insurance provider in the State. In Illinois,
24 one in every 7 adults, one in 3 children, and 2 of every 3
25 nursing home residents are all provided health care under the
26 State's Medicaid program.

27 Over the past 10 years, Medicaid in Illinois has grown an
28 average of 8% annually, which requires at least \$500,000,000 in
29 additional State resources every year.

30 Medicaid in Illinois is a cost-reimbursement system that
31 does little to promote health or encourage improvements in the
32 quality of health care services being delivered to the growing
33 populations needing assistance.

34 The advent of managed care plans in the insurance industry

1 has driven down health care costs for many while amply managing
2 individual needs in a system to deliver cost-efficient health
3 care services.

4 (b) To better examine and evaluate the application of
5 managed care within the State's Medicaid program, there is
6 hereby established the bipartisan Medicaid Managed Care Task
7 Force.

8 The Task Force shall consist of 8 voting members, as
9 follows: 2 members of the Senate appointed by the President of
10 the Senate, 2 members of the Senate appointed by the Senate
11 Minority Leader, 2 members of the House of Representatives
12 appointed by the Speaker of the House of Representatives, and 2
13 members of the House of Representatives appointed by the House
14 Minority Leader. All actions of the Task Force require the
15 affirmative vote of at least 5 voting members.

16 Members appointed to the Task Force shall elect from among
17 themselves 2 co-chairs.

18 Members appointed by the legislative leaders shall be
19 appointed for the duration of the Task Force; in the event of a
20 vacancy, the appointment to fill the vacancy shall be made by
21 the same legislative leader who made the original appointment.

22 The following persons shall serve, ex officio, as nonvoting
23 members of the Task Force: the Director of the Governor's
24 Office of Management and Budget, the Director of Public Aid,
25 and the Secretary of Human Services.

26 The Task Force shall begin to conduct business upon the
27 appointment of a majority of the voting members. If the
28 co-chairs have not both been appointed, the co-chair that has
29 been appointed shall preside.

30 Members shall serve without compensation but may be
31 reimbursed for their expenses from appropriations for that
32 purpose.

33 (c) The Task Force shall gather information and make
34 recommendations relating to the financing and expenditures of
35 the Illinois Medicaid program and the program's level of
36 ability to provide quality health care services in the most

1 cost-efficient manner. The Task Force shall examine and
2 evaluate the application of managed care within the State's
3 Medicaid program. The Task Force shall further assess whether
4 the State's Medicaid services delivery system meets or exceeds
5 the goals of quality, efficiency, accountability, and
6 financial responsibility and shall make recommendations in
7 keeping with those goals concerning the cost-efficient
8 delivery of Medicaid services throughout Illinois.

9 (d) The Task Force shall conduct at least 6 public hearings
10 beginning the later of July 2004 or upon the appointment of a
11 majority of its members, through October 2004.

12 Locations for public hearings are to be different and
13 determined by the co-chairs in consultation with the other
14 members of the Task Force.

15 Comment and testimony at public hearing is to be sought
16 from Medicaid recipients, health care providers and other
17 health care professionals, related advocates, health care
18 finance experts, insurance industry professionals, and public
19 officials from throughout the State.

20 (e) The Governor's Office of Management and Budget, the
21 Department of Public Aid, and the Department of Human Services
22 are directed to provide information and assistance to the Task
23 Force.

24 (f) The Task Force shall submit a full report of its
25 findings and recommendations to the General Assembly not later
26 than November 8, 2004. It may submit other reports as it deems
27 appropriate.

28 (g) The Task Force is abolished and this Section is
29 repealed on December 31, 2004.

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.