



## Older Adult Services Advisory Committee

# Finance Work Group

Date: January 28, 2009

Location: Illinois Department on Aging, 160 N. LaSalle Street, N-700, Chicago

Attending: Stephanie Altman, Pat Ahern, Janice Cichowlas, Pat Comstock, Phyllis Mitzen, Heather O'Donnell, Sharon Post, and Nicole Seyller.

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### Current Events

- Tremendous delay in payments to providers
- The budget process is ongoing, but the departments have been looking at different strategies for cutting programs.  
Options include:
  - Medicaid eligibility issues,
  - Service cost maximums
  - Proposed cuts to the Community Care Program
- Lack of parity and quality between Home Services Program and Community Care Program
- Looking at a 3% cut across state departments

### What's happening in the federal stimulus package and how will it affect Illinois?

- House package looks better for Illinois than the Senate package, offers more Medicaid relief including:
  - Cobra extension –keep paying premiums for Cobra for 10 years, OR can apply if 55-65 (very expensive, paying your own premiums) not in senate package
  - Unemployed Medicaid option: 100% federal cost, includes the unemployed or those who have exhausted unemployment benefits.
    - This depends on unemployment numbers. Does this mean that current requirements could be waived?
  - Biggest part: match would move upwards for every Medicaid claim put in since October, state could realize a tremendous amount of money. The requirement to pay providers within 90 days is included in one of the bills, probably the house bill.
    - Question about unpaid bills - Could we submit bills for providers that have not been paid?
- House version would be giving 54.9 match plus an additional bonus that will be determined by our unemployment numbers.
- Issues about how the money can be used
  - What happens when the enhanced match comes back?
  - Senate and House versions have different requirements for programs
    - House: cannot change eligibility
    - Senate: cannot expand eligibility
    - Center for budget and policy resource

- Pat Comstock: Enhanced FMAP should first be used to pay back providers. Next, should set up a mechanism for consistent payment before expansion work.
- Get everyone back on track, secure infrastructure

### State news

- Schoenberg AMI bill - Medicaid expansion targeting 55-65
- Senator Taylor will introduce bill that will have insurance components, public/private insurance pool.
- Representative Harris to introduce insurance reform bill. Setting up an insurance product, tighter rating band, etc.
- Illinois Cares Rx bill: equalize program (basic and plus programs)

### Prepare 1-2 page brief to Quinn people, disparity between CCP and HSP?

- Could Heather collaborate on something about cost of programs? Do you have old research we could look at to prepare ourselves?
- Waiting on data from DRS to finish DON study, Stephanie may work on.

### Determination of Need (DON) Study overview

HMPRG – looked at 6 states, all target Medicaid only in HCBS waivers.

Looking at eligibility determination and how this turned into services.

University of Illinois – looking at DON, trends of eligibility determination, how many services are in their care plan, how much is utilized.

Send Pat and Stephanie information to see if Finance Committee should get involved

- What is happening to providers right now in CCP?
  - How far back are we with payments?
  - Who is closing, where are they closing, has anyone stopped taking Medicaid, who cannot pay staff, etc.?
  - How much money is owed?
- Mandates, trends, and workgroup objectives related? How do they relate? Should benchmarks/trends direct OASAC? Whose responsibility is it to collect trend information?

### Research – Best Practice States

Identified Ohio, Washington, Arizona

Works well for Ohio, going through similar transformation

- Examining how Ohio balances money, parity between services, and global budgeting. Ohio found that states with caps on global budgeting did not work as well comparatively as administrative global budgeting.

### Next meeting (March 4, 2009 1:00-3:00 tentatively):

- Report research findings
- Discuss finance committee's role with the benchmarks
- Nicole will send data on state-by-state comparison on pay cycles and rates