

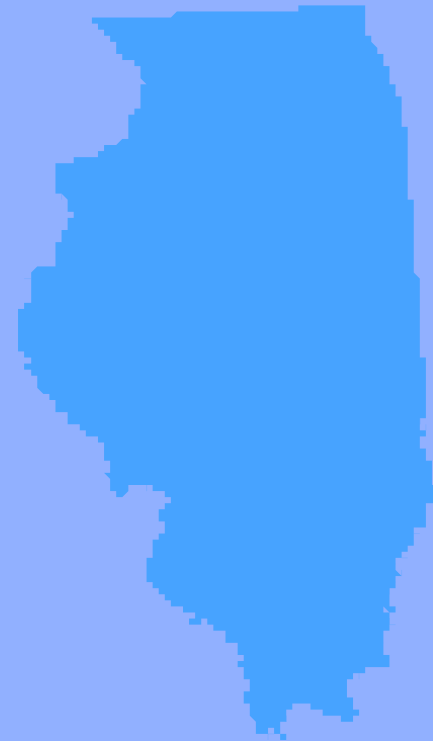


Illinois Department of Healthcare and Family Services

Fiscal Year 2020 Budget

JB Pritzker, Governor

Theresa Eagleson, Director



HFS Mission

The Department of Healthcare and Family Services is committed to:

- Ensuring quality healthcare coverage at sustainable costs;
- Empowering people to make sound decisions about their well-being;
- Maintaining the highest standards of program integrity on behalf of the citizens of Illinois; and,
- Ensuring that families have the opportunities they deserve by establishing and enforcing child support obligations

HFS Priorities

- Coordinate with provider and managed care (MCO) partners and sister state agencies to deliver more integrated, holistic health care and support services to beneficiaries
- Maximize federal funding for Medical Assistance and Child Support Services and related programs
- Invest in behavioral health and other preventive programs, such as integrated health homes, to ensure better services in the right place at the right time
- Work with the Department of Human Services and other partners to significantly reduce timeframes for initial eligibility determinations as well as redeterminations
- Prioritize data exchange between MCOs and HFS, as well as other providers, to improve performance and transparency (e.g. - encounter data, as well as ADT/HIE)

Child Support Services

- Division of Child Support Services (DCSS) serves about 500,000 families who receive TANF and Medical Assistance or do not receive government assistance, but still need child support services
 - In Fiscal Year 2018, for the fourteenth straight year, the Department achieved collections of more than \$1 billion, with a total of \$1.38 billion – most of it passed on to families
 - HFS expects to collect \$1.40 billion in child support during Fiscal Year 2019 and Fiscal Year 2020
- DCSS services include:
 - Parent Locate
 - Paternity Establishment
 - Establishment of child support orders
 - Enforcement of child support orders
 - Collection and distribution of child support obligations

Child Support Services

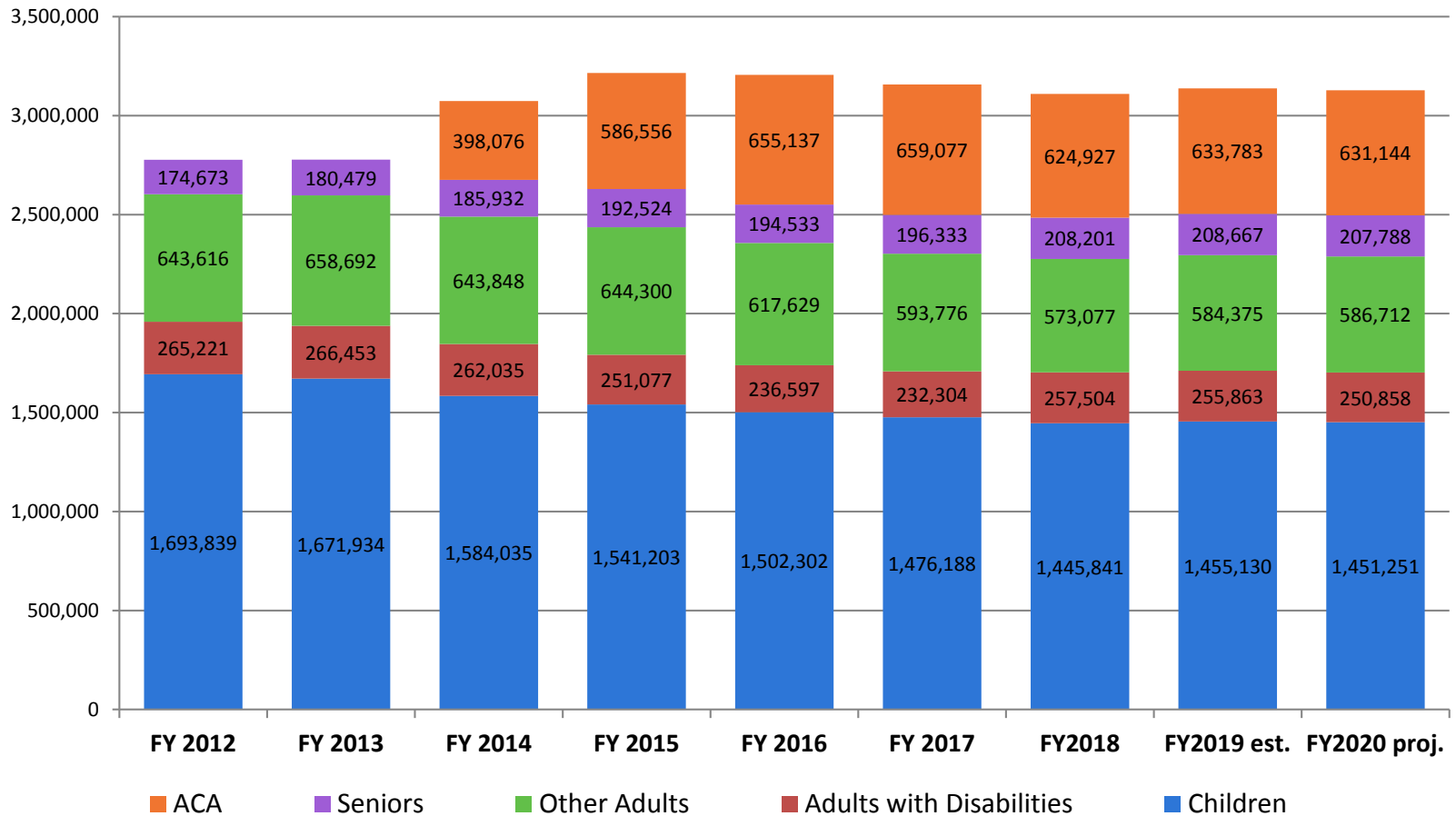
- Continues refinement of work processes to reduce costs, increase efficiencies and improve the customer experience
 - Implements Federal Electronic Document Exchange (EDE).
 - Allows DCSS to send and receive important documents from other states
 - Loads documents automatically into DCSS electronic file system for future use and retrieval
- Assumes only 15 cents of every Fiscal Year 2020 child support services operational dollar comes from the General Revenue Fund

Providing Healthcare Coverage

- HFS provides healthcare to more Illinoisans than any other insurer
- FY 2020 Projected Medical Assistance Enrollment: 3.13 million*
 - Children: 1.45 million
 - Seniors: 207,788
 - Adults with Disabilities: 250,858
 - Other Adults: 586,712
 - ACA Adults: 631,144

** Excludes enrollees in partial benefit programs*

Medical Assistance Average Enrollment



Reflects average annual enrollees
 Excludes enrollees in partial benefit programs

Medical Assistance

Fiscal Year 2020 Budget Highlights

- Maintains current Medical Assistance eligibility and services
 - Including coverage for low income individuals under the Affordable Care Act (ACA)
- Continues enrollment in HealthChoice Illinois, the statewide Medical Assistance managed care program
 - Assumes over 75% of Medical Assistance clients enrolled
 - Embraces collaboration with provider and managed care partners to continue improvements in data sharing and data-driven decision making to maximize quality outcomes for Medical Assistance clients

Medical Assistance

Fiscal Year 2020 Budget Highlights

- Includes \$580 million (over 80% federally-funded) to support the 1115 federal demonstration waiver and state plan amendments to better integrate physical and behavioral healthcare for Medical Assistance clients
 - Implements integrated health homes to improve the care coordination infrastructure for participants, especially those with complex conditions
- Contains new HFS headcount to coordinate behavioral healthcare improvements and to increase collections/cost avoidance from third party payers
- Reflects appropriation levels sufficient to allow HFS to continue processing Medical Assistance bills to the Comptroller on a timely basis

Medical Assistance

Fiscal Year 2020 Budget Highlights

- Managed Care Provider Assessment
 - Provides new revenue for the Medical Assistance program
 - Reduces the program's reliance on general funds by \$390 million
- Cigarette Tax Changes
 - Imposes a new tax on electronic cigarettes
 - Increases the state cigarette tax from \$1.98 to \$2.30 per pack
 - Revises cigarette tax distribution formula
 - Redirects current general funds deposits to the Healthcare Provider Relief Fund
 - Reduces the Medical Assistance program's reliance on general funds by an additional \$332 million
- HFS strives to minimize the Medical Assistance Program's reliance on net General Revenue Fund (GRF) tax resources
 - In FY 2018, only 18 cents of every gross Medical Assistance dollar spent came from net GRF tax dollars

Investing in Behavioral Health

- Begin integrated health homes in FY2020 to improve the care coordination infrastructure for participants, especially those with complex conditions
- Provide infrastructure for achieving the goals of the N.B. Consent Decree

Investing in Behavioral Health

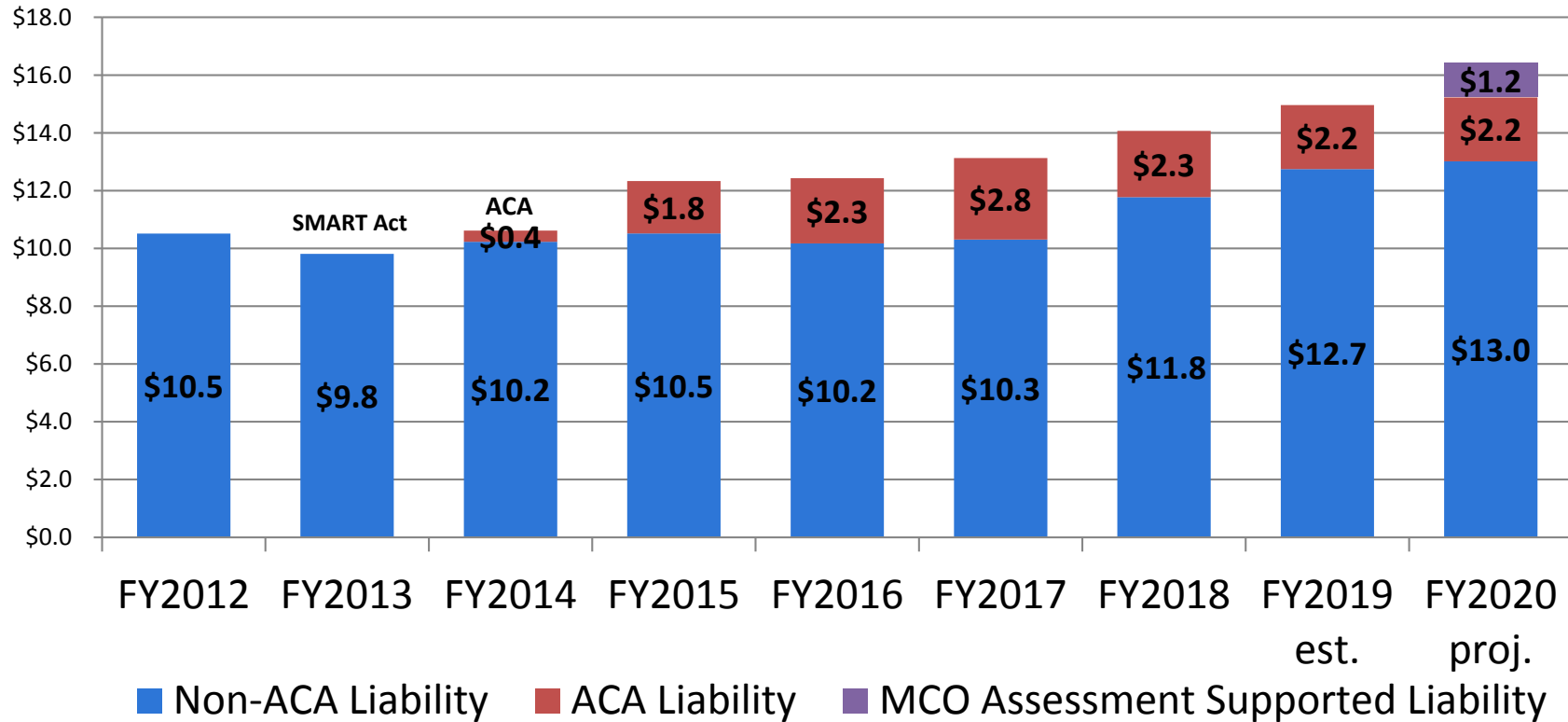
- Promote integrated delivery of behavioral and physical health care through rollout of targeted waiver pilots
 - Residential and inpatient treatment for individuals with substance use disorder (SUD)
 - Clinically managed withdrawal management
 - SUD case management
 - Peer recovery support
 - Crisis intervention services
 - Evidence-based home visiting
 - Assistance in community integration/supportive housing services
 - Supported employment services
 - Intensive in-home services
 - Respite

Medical Assistance Program Integrity

- In FY 2018, the Inspector General achieved over \$191 million in savings, cost avoidance and recoveries
- FY 2020 budget assumes resources for the Inspector General to continue seeking cost avoidance and recoveries in the Illinois Medical Assistance program
 - Data analytics leading to provider audits and recipient analyses to assist in the opioid crisis
 - Provider audits in fee-for-service and managed care
 - Long Term Care Asset Discovery Investigations (LTC-ADI)
 - Provider and client investigations
 - Quality control of Medical Assistance eligibility determinations and provider claims

Historical Medical Assistance Liability GRF and Related Funds

Total Liability in Billions



Program Area Appropriations Comparison (Dollars in Millions)

All Funds

Total By Program	<u>FY2019 Appropriation</u>	<u>FY2020 Appropriation Request</u>	<u>\$ Change</u>
Medical Assistance	\$23,680.0	\$24,567.1	\$887.1
Child Support Services	213.0	218.7	5.6
Program Operations	248.9	263.1	14.3
Cost Recoveries	27.4	29.8	2.4
Inspector General	25.8	26.1	0.3
Total	<u>\$24,195.0</u>	<u>\$25,104.7</u>	<u>\$909.7</u>

General Revenue Fund

Medical Assistance	\$7,859.3	\$7,140.7	(\$718.6)
Child Support Services	27.0	28.3	1.3
Program Operations	38.8	53.7	14.9
Inspector General	5.1	5.1	0.0
Total	<u>\$7,930.2</u>	<u>\$7,227.8</u>	<u>(\$702.4)</u>

1. Numbers may not appear to add due to rounding.