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Pritzker Administration Providing \$75 million to Hospitals to Continue Fight Against COVID-19

Hospital Assessment Program proposal could provide additional \$250 million

Springfield – Illinois hospitals have begun receiving \$75 million in new stability payments to help fight COVID-19, the Illinois Department of Healthcare and Family Services (HFS) announced today. The funds will help hospitals continue to provide essential COVID-19 services to their communities in the coming weeks and months.

"We recognize that hospitals on the front lines against COVID-19 need support and they need it now," said Theresa Eagleson, HFS director. "We're incredibly thankful to the medical professionals who are serving Illinoisans during this public health crisis, and we are committed to doing all we can to help them."

Stability payments are being issued in installments until July 1, 2020 through the state's Medicaid Managed Care Organization (MCO) partners. Hospitals began receiving the first installments in late April.

The COVID-19 pandemic has brought unprecedented challenges to the healthcare industry. While some providers have experienced an onslaught of suspected or infected patients, others have a looming shortfall of revenue due to delayed elective procedures or patients with chronic conditions seeking care in different ways that reduce risk of exposure to the virus.

"This added support to face the COVID-19 crisis and the aftermath will be crucial to communities that are at the front lines of the fight," said Senator Kimberly A. Lightford, Senate Majority Leader and Joint Caucus Chair of the Illinois Legislative Black Caucus. "Hospitals are vital not only for healthcare but as engines of economic opportunity and jobs. We must continue providing the resources they need for their staff, their patients and their surrounding neighborhoods."

To offer further support, a bipartisan working group created last year to extend the Hospital Assessment Program has agreed to a proposal that would bring nearly \$250 million more dollars annually to hospitals throughout the state. This will maximize federal participation in Medicaid and move to a more dynamic payment system that is responsive to the needs of individual member decisions on where to seek care.

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HOSPITALS/AD-1

"Hospitals perform a central role in every community throughout our state," said Senator Heather Steans. "The importance of hospitals has never been higher, so our support should be stronger, especially for hospitals relying more on state Medicaid resources for funding. I'm pleased that we all came together in a bipartisan manner to accomplish this goal."

The Department has submitted the proposal to the federal government and advocated for quick approval to solidify the future for hospitals across the state.

"With this proposal, we ensure that more Medicaid dollars will come into Illinois, with vital support being directed to those who are most in need," said Senator Dave Syverson, Deputy Senate Republican Leader. "As Illinois continues to fight COVID-19, this strong hospital assessment program will provide much needed resources to those who have been indispensable to all of us and who will continue offering such essential protection and care in the future."

Overall, \$3.8 billion would be provided to hospitals through the renewed assessment program. In addition to the additional funding, \$150 million dollars would be offered to hospitals for innovative future healthcare projects under guidelines that are being developed.

"It has never been more crucial for all of us to come together and support hospitals throughout Illinois," said Representative Tom Demmer, Deputy Republican Leader. "With this proposal, we are committing resources to the professionals who are working every day to protect us and our communities."

"For communities of color that have always faced immense healthcare challenges and are now in the midst of an unprecedented crisis, the hospital assessment program agreement will offer a range of necessary resources and support," said Representative Elizabeth Hernandez, co-chair, Illinois Legislative Latino Caucus. "Those who are risking themselves every day deserve nothing less than our unwavering help."

With authorization from the General Assembly and approval from the federal government, the new program would operate from July 1, 2020 until the end of 2022.

"As one who has dedicated their life's work to supporting quality healthcare and hospitals, I believe it is essential that we all come together at this time of emergency to bring more resources to the courageous men and women who are protecting our communities," said Representative Camille Lilly. "This proposal will play a significant part in accomplishing that mission."

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HFS has also submitted several federal Medicaid waivers asking for new flexibilities for patients and providers. The department is still awaiting federal guidance on some of the requests. Information about submitted and approved new flexibilities, including new expansive guidance on telehealth options, can be found on the HFS website at https://www.illinois.gov/hfs/Pages/coronavirus.aspx

More information for clients and providers is available on the HFS website at www.HFS.Illinois.gov. Individuals wanting to apply for benefits or check on their case are encouraged to visit <u>www.ABE.illinois.gov</u>.

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