



# Jil's Statehouse Report

News from Springfield from State Rep. Jil Tracy  
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## Cut State Spending First

It is no secret that Illinois is facing some dire financial straits, but it seems as if all the talk regarding shoring up the state's budget situation is fixated on tax increases. There are quite a few places in the Illinois budget that could be looked to for cuts before even mentioning higher taxes. Let's not be too quick to forget that during the recent impeachment investigation we heard about past Governor Blagojevich's expanded health care programs without proper General Assembly authorization or appropriation. When the Department of Human Services staff was asked how many people were added under the expansion and at what cost, even they were unsure.

In almost all of the talk about cutting state spending and balancing the budget, healthcare programs, and Medicaid in particular, are usually left untouched. No one wants to deny healthcare to our State's most vulnerable citizens I am not advocating the elimination of state subsidized healthcare programs. However, I also think we need to take a closer look at all programs, Medicaid included, and institute reforms and cost saving measures which achieve the purposed goals of these types of services.

Let's look at some basic facts of Illinois Medicaid, which currently makes up 40% of the state budget.

- Estimated enrollment in Illinois: 2.4 million residents (1 out of 5 Illinoisans)
- 1 out of ever 2 births is covered by Medicaid in Illinois
- 2 of every 3 Illinois nursing home residents are paid for through Medicaid
- 1 out of 3 Illinois children receive care through Medicaid programs
- Medicaid is the largest health insurer in Illinois

Medicaid was formed in 1965 to cover low-income healthcare. It is financed with Federal and State funds at a rate of 1 federal dollar for every 2 state dollars. Illinois has two types of Medicaid, mandatory and optional. Programs that are categorized under Mandatory Medicaid receive the federal match. However, Medicaid programs which are enacted by the state and do not receive a federal match are considered optional. In Illinois sixty percent of Medicaid is mandatory, while the remaining 40% is optional. This means Illinois taxpayers foot the total bill for just under half of all Medicaid programs.

Most of the optional coverage was contained in programs greatly expanded under former Governor Blagojevich. For instance, under the All Kids program created by the ex-Governor there is no income cap for parents of the recipients. In other words, anyone and everyone qualify. Sadly, the many residents who legitimately qualify and need these services found the initiatives were indeed too good to be true because many doctors opted not to treat these patients due to Illinois' four to six month payment backlog. Another major problem is no proof citizenship or even Illinois residency is required to receive Medicaid services. There are many other similar instances such as these within the Illinois Medicaid system that must be addressed before any talk of increased taxes is considered.

How can we improve Illinois' Medicaid system?

- Explore managed care plans. In Illinois only 7% of the population receive healthcare coverage through managed care plans, while our surrounding states have anywhere from 44% to 89% of their programs under some form of managed care.
- End unfunded expansions of current and new Medicaid programs.
- Ensure all Medicaid enrollees meet eligibility requirements.
- Require Medicaid bills to be paid within the same Fiscal Year, instead of the current process of allowing the state to carry over billions in unpaid bills to the next year.
- Enact benefit cost containments, ensuring Medicaid services are only used for those who truly need it.
- Improve oversight and care coordination.

What will be important to remember when crafting a budget for the coming year is the residents of Illinois want to see a drastic change in the "business as usual attitude" that has dominated Springfield for the past six years. Illinoisans want to see a valid effort to curtail unnecessary spending and reduce government waste, before they are asked to contribute more of their hard earned money. Simply allowing those who have spent Illinois into the largest debt in state history free rein of additional revenue without serious structural reforms would be foolish. One of my good colleagues put it like this: "Illinois does not have too little revenue, we have too much spending." I couldn't agree more.