

**Illinois Department of Healthcare and Family Services
SMART Act Implementation Report for Fiscal Year 2013**

(Dollars in thousands)

SMART Act Item Number	Category	Item Name	Item Detail	Original FY13 Savings Estimate	Revised FY13 Savings Estimate March 2013	Final FY13 Savings March 2014
1	Eligibility	Family Care adults	Reduce eligibility to 133% FPL; eliminate coverage for grandfathered adults 185%-400%	\$49,884.7	\$51,339.2	\$40,059.0
2	Eligibility	General Assistance adults	Eliminate state coverage for all clients	\$16,681.3	\$16,136.8	\$16,572.2
3	Eligibility	Illinois Cares Rx	Terminate program	\$72,154.0	\$72,154.0	\$72,154.0
4	Eligibility Verification	Enhanced eligibility verification – private vendor and implement improved data matches	Utilize vendor with access to national databases to verify financial eligibility. Department of Employment Security (DES) to collect and report wage data from larger employers more frequently.	\$350,000.0	\$150,000.0	\$2,595.0
5	Eligibility verification	Long-term care asset testing	Tightened asset testing policy for seniors applying for nursing homes (savings should begin accruing in FY14)	\$3,000.0	\$3,000.0	\$0.0
6	Optional Service	Adult dental	Eliminate services for adults except for emergency care	\$35,428.2	\$35,428.2	\$57,697.4
7	Optional Service	Adult chiropractic	Eliminate services	\$884.5	\$907.0	\$1,194.4
8	Optional Service	Adult podiatry	Limit service to diabetics	\$5,200.0	\$5,200.0	\$4,542.0
9	Optional Service	Adult eyeglasses	New policy: one pair every 2 years	\$9,819.5	\$9,819.5	\$4,878.1
10	Optional Service	Group psychotherapy for NH residents (and related transportation)	Eliminate services	\$14,256.1	\$14,256.1	\$4,126.5
11	Optional Service	Pediatric palliative care	Make law inoperative before implemented	\$4,500.0	\$4,500.0	\$4,515.0
12	Optional Service	Adult speech, hearing and language therapy services	Set annual maximum of 20 services per year	\$411.0	\$411.0	\$896.9

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13	Optional Service	Adult occupational therapy services	Set annual maximum of 20 services per year	\$596.7	\$596.7	\$5,297.8
14	Optional Service	Adult physical therapy services	Set annual maximum of 20 services per year	\$2,544.9	\$1,908.7	\$5,941.9
15	Optional Service	Hospice	Adopt Medicare policy to not pay for other care services when an individual is in hospice care	\$3,000.0	\$3,000.0	\$9,967.2
16	Optional Service	Home health	Reduce services through utilization controls	\$2,000.0	\$2,000.0	\$5,737.3
17	Optional Service	Durable medical equipment	Impose utilization controls on oxygen, diabetic supplies, nebulizers and other medical equipment	\$30,017.5	\$30,017.5	\$7,121.1
18	Utilization Controls	Adult detox services in hospitals	Impose concurrent review and limit adult detox inpatient admissions to one every 60 days	\$25,492.4	\$25,492.4	\$26,500.0
19	Utilization Controls	Baby deliveries	Only pay normal vaginal delivery rate for C-sections, unless medically necessary (savings began accruing in the fourth quarter of FY13)	\$2,854.0	\$1,427.0	\$120.0
20	Utilization Controls	Hospitals: potentially preventable readmissions	Establish performance-based payment system related to potentially preventable readmissions	\$40,000.0	\$10,000.0	\$6,200.0
21	Utilization Controls	Hospitals: preventable conditions (never events)	Modify payment for hospital stays if a provider preventable condition occurs during that period (awaiting federal approval)	\$30,000.0	\$1,000.0	\$0.0
22	Utilization Controls	Bariatric (weight loss) surgery	Impose utilization controls (nine month savings in FY13)	\$3,000.0	\$3,000.0	\$2,257.3

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23	Utilization Controls	Coronary artery by-pass grafts	Impose utilization controls (savings should begin accruing in FY14)	\$2,600.0	\$2,600.0	\$0.0
24	Utilization Controls	Eligibility for nursing facilities change minimum Determination of Need (DON) score from 29 to 37	Change DON from 29 to 37 (prohibited by the federal government)	\$4,400.0	\$0.0	\$0.0
25	Utilization Controls	Eligibility for supportive living facilities (SLF) change minimum Determination of Need (DON) score from 29 to 37	Change DON from 29 to 37 (prohibited by the federal government)	\$3,300.0	\$0.0	\$0.0
26	Utilization Controls	Ambulance services	Change law requiring ambulance transportation between 24 hour medically monitored institutions (i.e. hospitals/nursing homes)	\$1,500.0	\$1,500.0	\$3,133.6
27	Utilization Controls	Non emergency transportation	Reduce utilization	\$4,000.0	(\$3,200.0)	\$7,449.7
28	Utilization Controls	Pharmaceuticals: prescriptions in Long Term Care settings	Require pharmacies to dispense brand name drugs in no more than seven days' supply for recipients in long term care settings	\$150.0	\$150.0	\$190.0
29	Utilization Controls	Pharmaceuticals: monthly four prescription policy	Limit prescriptions to four per month - can be increased based on prior authorization or other specialty drug/condition exception (implemented in stages during FY13)	\$180,000.0	\$90,000.0	\$62,195.5
30	Utilization Controls	Pharmaceuticals: medication therapy management	Pilot project to test effectiveness	\$500.0	\$0.0	\$0.0

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31	Utilization Controls	Pharmaceuticals: cost avoidance	Reject claims where a patient has a third party payer that has not been billed first	\$40,000.0	\$13,000.0	\$18,832.8
32	Utilization Controls	Pharmaceuticals: hemophilia protocols/clotting factor reimbursement	New protocols for treatment of hemophilia patients; new reimbursement methodology for clotting factor products	\$11,995.3	\$2,300.0	\$2,303.7
33	Utilization Controls	Pharmaceuticals: AIDS medications	Implement new protocols for treatment of AIDS patients	\$3,000.0	\$3,300.0	\$2,572.5
34	Utilization Controls	Pharmaceuticals: cancer - biological	Implement prior approval, utilization limits and pricing strategies on certain physician administered drugs	\$5,000.0	\$13,500.0	\$13,500.0
35	Utilization Controls	Pharmaceuticals: transplants medications	Require prior approval for brand immunosuppressive products that have generic equivalents. Work with hospitals to initiate immunosuppressive drug therapy for transplant patients with generic drugs, rather than expensive, brand name drugs.	\$2,700.0	\$2,200.0	\$2,500.7
36	Utilization Controls	Wheelchair repairs	Require prior approval on wheelchair repairs	\$800.0	\$800.0	\$373.9
37	Utilization Controls	Incontinence supplies	Quantity limit of 200 per month (from 300)	\$5,000.0	\$5,000.0	\$7,494.3
38	Utilization Controls	Advanced imaging, cardiac imaging, pain management and back surgery	Reduce utilization	\$13,600.0	\$0.0	\$0.0

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39	Utilization Controls	Veterans' benefit enhancement	Move services to Federal VA for qualifying veteran clients (HFS is working with the Department of Veterans Affairs regarding implementation)	\$2,000.0	\$1,000.0	\$0.0
40	Cost Sharing	Co-pays	Implement full federally allowable co-pays on services	\$44,125.0	\$44,125.0	\$21,758.6
41	Cost Sharing	Children receiving home services such as in the Medically Fragile - Technology Dependent (MFTD) Medicaid Waiver	Changes to reflect cost sharing based on parental income (500% of federal poverty level) and new flexible rules for families, reducing utilization. Start 9/1/12 (not implemented due to litigation).	\$15,000.0	\$0.0	\$0.0
42	Rate Adjustment	Federally Qualified Health Centers - Managed Care	Eliminate need for HMO wrap-around payment	\$13,200.0	\$13,200.0	\$4,766.2
43	Rate Adjustment	Long term acute hospital (LTAC) rates for ventilator dependent patients	Adjust rates and prevent other hospitals from qualifying as a LTAC	\$30,000.0	\$10,000.0	\$5,108.2
44	Rate Adjustment	Excellence in Academic Medicine	Eliminate	\$13,800.0	\$13,800.0	\$13,800.0
45	Rate Adjustment	Nursing Facility - nursing DD rate add-on	Eliminate \$10 add-on for clients with a developmental disability (DD)	\$472.0	\$472.0	\$439.3
46	Rate Adjustment	Nursing Home bed holds	Eliminate nursing homes and ICF-DD (included in DHS budget) bed hold for adults age 21 and over	\$8,305.0	\$6,488.0	\$6,597.6

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47	Rate Adjustment	Supportive Living Facility rates	Delink rate increase from new nursing home tax funded nursing home rate increase effective for services rendered on or after 5/1/11	\$20,800.0	\$20,800.0	\$16,986.4
48	Rate Adjustment	Power wheelchair rates	Reimburse for power wheelchairs at actual purchase price rather than current practice of Medicare rate minus 6%	\$1,900.0	\$475.0	\$104.6
49	Rate Adjustment	Pharmaceuticals	Limit reimbursement to qualifying providers receiving discounted drug prices from manufacturers under Sec. 340B of Public Health Services Act to no more than their cost. Require eligible providers to participate in 340B and pass savings to State.	\$15,000.0	\$7,500.0	\$4,104.0
50	Rate Adjustment	Sexual Assault Survivors Emergency Treatment Program rates	Change from reimbursing provider charges to paying Medicaid rates	\$1,839.7	\$1,839.7	\$2,157.4
51	Care Coordination	Initiatives include: Integrated Care Program Phase II, Dual Eligibles Capitation Demonstration, Innovations Program - adults, Innovations Program - children	Focus on most expensive clients with complex health/behavioral health needs (delayed federal approval for dual eligibles)	\$16,075.0	\$16,075.0	\$5,341.2
52	Care Coordination	Chronic mental health care coordination	Expand care coordination to additional persons with chronic mental health conditions residing in nursing homes	\$36,851.2	\$311.5	\$0.0

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53	Care Coordination	Improve birth outcomes	Develop a statewide multi-agency initiative to improve birth outcomes and reduce costs associated with babies being born with low and very low birth weight and fetal death (savings should begin accruing in FY14)	\$25,000.0	\$12,500.0	\$0.0
54	Other	Dental grants	Eliminate new state-only funded grants for FY13	\$1,000.0	\$1,000.0	\$1,000.0
55	Other	Recipient Eligibility Verification vendors (revenue item)	Increase the number of vendors with connections to HFS systems and increase fees for transactions processed through those connections	\$1,000.0	\$1,000.0	\$1,000.0
56	Other	Hospital outpatient drugs rebates (revenue item)	Collect drug rebates on drugs provided in outpatient settings (Invoicing to begin in FY14)	\$20,000.0	\$5,000.0	\$0.0
57	Other	Third party liability	Contract with vendor to enhance HFS' current collections efforts	\$10,000.0	\$10,000.0	\$4,724.4
58	Other	Recovery audit contractor (RAC) payment recapture audits	Implement RAC audits as a supplement to Inspector General's reviews (delayed implementation)	\$21,875.0	\$7,306.3	\$0.0
59	Other	Pharmaceuticals	Savings related to a significant number of high cost name brand drugs going generic	\$77,700.0	\$116,100.0	\$125,521.6
60	Other	Contracts no longer eligible for federal match	Allow contract to expire after June 30, 2012	\$3,000.0	\$3,000.0	\$3,000.0
61	Other	All Kids application agent payments	Eliminate payments to All Kids application agents	\$850.0	\$850.0	\$850.0

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62	Rate Reductions	General medical provider rate reductions	Reduce most medical provider reimbursement rates by 2.7% effective July 1, 2012, with statutory exceptions	\$240,000.0	\$240,000.0	\$252,240.1
63		Indirect SMART Act Savings	FY13 liability savings that cannot be allocated to a particular SMART Act item	\$0.0	\$0.0	\$169,200.0
Totals				\$1,600,063.0	\$1,105,586.6	\$1,037,619.4