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
    – 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

## Bar Chart Description

- **Reflects average annual enrollees**
- **Excludes enrollees in partial benefit programs**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ACA</th>
<th>Seniors</th>
<th>Other Adults</th>
<th>Adults with Disabilities</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>1,693,839</td>
<td>174,673</td>
<td>643,616</td>
<td>265,221</td>
<td>1,671,934</td>
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<td>FY 2013</td>
<td>1,671,934</td>
<td>180,479</td>
<td>658,692</td>
<td>266,453</td>
<td>1,671,934</td>
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<td>FY 2014</td>
<td>1,584,035</td>
<td>185,932</td>
<td>643,848</td>
<td>262,035</td>
<td>1,584,035</td>
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<td>FY 2015</td>
<td>1,541,203</td>
<td>192,524</td>
<td>644,300</td>
<td>251,077</td>
<td>1,541,203</td>
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<tr>
<td>FY 2016</td>
<td>1,502,302</td>
<td>194,533</td>
<td>617,629</td>
<td>236,597</td>
<td>1,502,302</td>
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<tr>
<td>FY 2017</td>
<td>1,476,188</td>
<td>196,333</td>
<td>593,776</td>
<td>232,304</td>
<td>1,476,188</td>
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<tr>
<td>FY 2018</td>
<td>1,455,130</td>
<td>208,201</td>
<td>573,077</td>
<td>257,504</td>
<td>1,455,130</td>
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<td>FY 2019 est.</td>
<td>1,451,251</td>
<td>208,667</td>
<td>584,375</td>
<td>255,863</td>
<td>1,451,251</td>
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<tr>
<td>FY 2020 proj.</td>
<td>1,451,251</td>
<td>207,788</td>
<td>586,712</td>
<td>250,858</td>
<td>1,451,251</td>
</tr>
</tbody>
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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


Non-ACA Liability | ACA Liability | MCO Assessment Supported Liability

$10.5 | $9.8 | $10.2 | $10.5 | $10.2 | $10.3 | $11.8 | $12.7 | $13.0

$1.2 | $2.2
# Program Area Appropriations Comparison

(Dollars in Millions)

<table>
<thead>
<tr>
<th>Total By Program</th>
<th>FY2019 Appropriation</th>
<th>FY2020 Request</th>
<th>$ Change</th>
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<tbody>
<tr>
<td>Medical Assistance</td>
<td>$23,680.0</td>
<td>$24,567.1</td>
<td>$887.1</td>
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<tr>
<td>Child Support Services</td>
<td>213.0</td>
<td>218.7</td>
<td>5.6</td>
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<tr>
<td>Program Operations</td>
<td>248.9</td>
<td>263.1</td>
<td>14.3</td>
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<tr>
<td>Cost Recoveries</td>
<td>27.4</td>
<td>29.8</td>
<td>2.4</td>
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<tr>
<td>Inspector General</td>
<td>25.8</td>
<td>26.1</td>
<td>0.3</td>
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<tr>
<td>Total</td>
<td>$24,195.0</td>
<td>$25,104.7</td>
<td>$909.7</td>
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<table>
<thead>
<tr>
<th>General Revenue Fund</th>
<th>FY2019 Appropriation</th>
<th>FY2020 Request</th>
<th>$ Change</th>
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<tbody>
<tr>
<td>Medical Assistance</td>
<td>$7,859.3</td>
<td>$7,140.7</td>
<td>($718.6)</td>
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<tr>
<td>Child Support Services</td>
<td>27.0</td>
<td>28.3</td>
<td>1.3</td>
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<tr>
<td>Program Operations</td>
<td>38.8</td>
<td>53.7</td>
<td>14.9</td>
</tr>
<tr>
<td>Inspector General</td>
<td>5.1</td>
<td>5.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>$7,930.2</td>
<td>$7,227.8</td>
<td>($702.4)</td>
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1. Numbers may not appear to add due to rounding.