

STATEMENT
A.J. WILHELMI, PRESIDENT AND CEO
ILLINOIS HEALTH AND HOSPITAL ASSOCIATION

ILLINOIS HOSPITAL TRANSFORMATION REVIEW COMMITTEE

WEDNESDAY, AUGUST 8, 2018
CLINTON BUILDING
401 S. CLINTON STREET, 7TH FLOOR
CHICAGO, ILLINOIS

Good morning, Committee Co-Chairs Senator Syverson and Representative Harris, Healthcare and Family Services Director Bellock, and members of the Illinois Hospital Transformation Review Committee.

I am A.J. Wilhelmi, President and CEO of the Illinois Health and Hospital Association, here on behalf of our more than 200 hospital and health system members across the state.

First, I want to again express our deep appreciation to all of you who served on the Legislative Medicaid Work Group and provided outstanding leadership, dedication and support in developing the redesigned Hospital Assessment Program – which includes the Hospital Transformation Program – as embodied in Senate Bill 1773 / Public Act 100-581.

This critical achievement was the direct result of serious and thoughtful deliberations – not to mention many meetings and calls at every hour of the day and night, weekends, and holidays.

Now, IHA and the hospital community are ready to roll up our sleeves and work with you on developing key recommendations and criteria for the Hospital Transformation Program.

As you know from our many discussions with the Work Group on the redesigned assessment program, we are very committed to ensuring that we have a strong Medicaid program for the state's most vulnerable residents for years to come – and to assisting hospitals in making necessary reforms to their healthcare delivery systems so that they can best meet the needs of their local communities and populations and continue to be financially sustainable.

To that end, in June, IHA formed a transformation task force – with 18 hospital CEOs, representative of our diverse membership across the state, including 9 IHA Board members. The task force is chaired by Dr. James Leonard of Carle Foundation Hospital and a former Chair of the IHA Board.

To help us with this important work, we have retained Health Management Associates (HMA), which has extensive experience on hospital transformation in other states. We are pleased that HMA representatives could be with us today to talk about lessons learned and principles from other states that may be applicable to Illinois' situation.

In many of those cases, there were significant funding advantages for transformation compared to the funding available in Illinois. However, regardless of funding, HMA has found that ***agreeing on basic principles for transformation is critical to success.***

The IHA task force has already had two meetings with productive discussions about several key principles that can help guide your committee's work:

- Reform is about meeting needs of the community across the continuum of care, not about meeting the needs of the providers;
- Delivery system reform is about the entire system and requires carefully thought through partnerships;
- Reform outcomes must be sustainable with rational payment systems;
- Accountability has to be in place before funds are delivered; and
- Adequate time is needed for proper planning.

The task force is aiming to reach consensus on a set of principles and policy recommendations on hospital transformation to bring to the IHA Board this fall, and then to this committee. We hope these principles and recommendations will help guide the Transformation Review Committee's work as you develop recommended rules.

We all recognize and understand that healthcare is changing and evolving, and that our hospitals and health systems need to change and evolve. We look forward to working with you on this critically important program.