



**OFFICE OF GOVERNOR PAT QUINN**  
**LEGISLATIVE AFFAIRS, GARY HANNIG, DIRECTOR**

**SUPPORT SB2840 HAM #2 (Rep. Feigenholtz/Sen. Steans)**  
*SAVE MEDICAID ACCESS AND RESOURCES TOGETHER ACT (SMART ACT)*

**Background**

The Illinois Medicaid system is on the brink of collapse and the \$2.7 billion hole in Medicaid must be addressed this spring. Illinois will end this current fiscal year (through June 30) with \$1.9 billion in unpaid Medicaid related bills. Without solving the Medicaid crisis this spring, the program will continue to eat into the rest of the budget, limiting our ability to fund critical state priorities, including education, public safety and the capital construction program.

**Bill proposal**

The SMART Act bill was developed after a review of the entire Medicaid program by representatives from each Caucus. It scales Medicaid to fit existing appropriations through **spending reductions, utilization controls and provider rate cuts**, including:

- Eligibility is reduced to 133% Federal Poverty Level for the adults in the Family Care program.
- IL Cares Rx is terminated, but “Extra Help/Low Income Subsidy” provides federal assistance to low-income seniors and people with disabilities eligible for Medicare.
- Improvements to integrity measures to aggressively target client and provider fraud:
  - Enhanced eligibility verification of income, residency and identity is required at intake and for annual redeterminations; and
  - Expanded authority of the HFS Inspector General to deny, suspend and recover overpayments and conduct pre-payment and post-payment provider audits to avoid “pay and chase”.
- Some optional services are eliminated, such as group psychotherapy, and adult chiropractic services.
- Utilization controls are placed on certain optional services, such as adult detox services, adult dental services (restricted to emergencies), adult podiatry services (restricted to diabetics), and adult eyeglasses (limited to 1 every 2 years).
- Medicare standards are adopted for certain services, such as for weight-loss surgery, home health agencies, hospice care, and hospital readmissions and “never events” (the most serious form of medical error).
- Limits are placed on adult and children’s prescriptions to four per month with additional prescriptions available based on patients’ needs.
- Co-pays are increased to the federal maximum for pharmaceuticals, emergency room non-emergent care and for Federally Qualified Health Centers (FQHC’s).



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- Safety net and critical access hospitals will not receive a rate cut, while all other hospitals will receive a 3.5% rate reduction. All other provider groups receive a rate cut of 2.7% except doctors, dentists, and FQHCs.
- The Cook County “1115 Waiver” is authorized to allow Cook County Health and Hospital System to enroll their patients into a limited Medicaid Program, with the federal government and Cook County each paying 50%, at no cost to the state. Coverage for all clients in the General Assistance program is eliminated, but the Waiver will provide healthcare for some of this population.