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HFS announces action plan to help hospitals struggling during budget impasse

SPRINGFIELD -- Working to protect hospitals at the greatest financial risk during the state budget impasse, the Department of Healthcare and Family Services today is announcing a financial action plan. Through a package of advance payments and agreements, HFS is providing funding assistance to the most vulnerable hospitals.

Using Fiscal Year 2015 lapse period funding authority, the department recently agreed to provide \$32 million in advances on expected claims to eight "safety net" hospitals. These institutions are receiving an amount equivalent to what they are expected to bill over a two-month period. They will be required to repay the advances in the future.

"Unfortunately, healthcare providers, patients, and others who depend on state services are the ones who are caught in the middle of the current budget impasse," said John Hoffman, director of communications for HFS. "The department is doing what it can, but it is up to the General Assembly to pass a balanced budget so hospitals keep their doors open for our most vulnerable citizens."

The following hospitals are receiving advances. These are among those most dependent on Medicaid resources for their operations.

- St Anthony Hospital-Chicago
- Mount Sinai Hospital
- Norwegian American Hospital
- La Rabida Children's Hospital
- Loretto Hospital
- Jackson Park Hospital and Medical Center
- South Shore Hospital
- St Bernard Hospital

In addition, HFS has agreed to suspend a repayment plan with Roseland Community Hospital in Chicago. Roseland owes the state \$3.4 million in assessments, a tax that hospitals are required to pay, and had agreed to make monthly repayments. That requirement is now being delayed pending a budget agreement for FY16.

"We understand that this action plan is no guarantee for any institution, but we are doing everything within our authority to help areas with the most need," said Hoffman. "Hospitals and other service providers need budgetary certainty so that they can continue to serve our at-risk communities."

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