

# Illinois Human Services Commission

## 2013-14 Annual Report



**June 30, 2014**

"I want to thank the Illinois Human Services Commission for its willingness to serve the state's most vulnerable populations, and help make sure programs are easily accessible while also being cost effective. I look forward to our work together to create better outcomes for the people of Illinois."

– Governor Pat Quinn

**Illinois Human Services Commission**  
**2013-14 Annual Report**

|   |    |
|---|----|
| 1. Foreword.....  | 3  |
| 2. Commissioners and Staff.....   | 5  |
| 3. Background and Structure.....  | 8  |
| 4. Report of the Combined Workgroups on Increasing Options & Opportunities<br>and One Health & Human Services System..... | 10 |
| 5. Report of the Framework Workgroup .....  | 14 |
| 6. HSC Briefings on FY2015 Budget.....  | 16 |
| 7. 2014-15 Agenda .....   | 19 |
| 8. Appendix: HSC Comments on 1115 Waiver Proposal .....   | 20 |
| 9. Appendix: Perspectives from the Commission.....  | 23 |
| 10. Appendix: Rules of Order.....   | 31 |

## 1. Foreword

A study by Yale's Global Health Leadership Institute found that for every dollar the U.S. spends on healthcare, we spend 90 cents on social services; in peer countries the ratio is two dollars of social service spending for every dollar of healthcare. And though U.S. healthcare spending is among the highest in the world, when combined with social services spending the U.S. spends only 29% of GDP compared to peer countries' 33% to 38% of GDP.

The Yale study also found that "countries with high healthcare spending relative to social spending had lower life expectancy and higher infant mortality than countries that favored social spending".

The evidence confirms what practitioners and advocates for human services know. Human services provide basic needs and are a critical component of the health of the individual, family, community and nation.

This is a dynamic time in Illinois and in the U.S. for health and human services. The most significant healthcare reform legislation is in implementation mode, and states like Illinois are using this opportunity to make positive changes to their healthcare systems. With this focus on healthcare, human services and its delivery system is rightly involved and implicated.

Like other states, Illinois devoted much effort during the past decade – and with great intensity in the past five years – to maximizing its federal match. The human services system, as a result, has been transitioned to Medicaid to the greatest extent possible. With all of these changes, it is important to devote time, energy and resources to thoughtful deliberation and design of the health and human services system that we want for Illinoisans – whether they are Medicaid-eligible or not.

The Illinois Human Services Commission (HSC) was formed by Executive Order in 2009 by Governor Quinn and created by legislation in 2013 "to undertake a systematic review of human services programs with the goal of ensuring their consistent delivery in the State." The current HSC was formed in 2013 through gubernatorial appointment and includes diverse stakeholders in its membership.

Because of the relationship between human services delivery and health—and healthcare funding—the Commission chose for its 2013-14 year to advocate for and make specific recommendations regarding three state initiatives that should create a stronger connection between health and human services, and move the state toward more consistent and more effective service to people.

This report summarizes the work so far of the three HSC workgroups, whose work will continue into the 2014-15 year. Of note are recommendations the HSC made to the Governor regarding the state's 1115 waiver application, a significant proposal to allow greater flexibility in the use of federal matching funds for health and human services. Late in the year, the Commission shifted its attention to focus on informing

legislators and the public of the serious consequences of the underfunding of human services. That work, in the form of budget briefings, is also included in this report.

The work of the HSC moving forward will include strong participation in the Governor's Office of Health Innovation and Transformation (GOHIT) work groups and influence on the FY2015-16 state budget. Related to the study referred to at the beginning of this section, the HSC will also continue to discuss how it can play a role in emphasizing the importance of human/social services in ensuring the overall health and well-being of individuals and communities.

## 2. Commissioners and Staff

### **Steering Committee**

Grace Hou, Co-Chair  
Woods Fund of Chicago

Greg Wass, Co-Chair  
State of Illinois

Barbara Otto  
Health & Disability Advocates

Candace McCarthy King  
Dupage Federation on Human Services Reform

Jack Kaplan  
United Way of Metropolitan Chicago

Judith Gethner  
Illinois Partners for Human Services

Jim Lewis  
Chicago Community Trust

Sara Moscato Howe  
Illinois Alcoholism & Drug Dependence Association

Dr. Wynne Korr  
University of Illinois School of Social Work

### **From the Illinois General Assembly**

Representative Patti Bellock  
Illinois House of Representatives

Representative Sara Feigenholtz  
Illinois House of Representatives

Senator Mattie Hunter  
Illinois Senate

Senator William Delgado  
Illinois Senate

## **Members**

Ahlam Jbara  
Illinois Coalition for Immigrant & Refugee Rights

Amy Rynell  
Heartland Alliance for Human Needs & Human Rights

Andrea Durbin  
Illinois Collaboration on Youth

Anne Irving  
American Federation of State, County and Municipal Employees Council 31

Arden Handler  
University of Illinois School of Health

Dave Lowitzki  
SEIU Healthcare Illinois Indiana

Dee Ann Ryan  
Vermillion County Mental Health Board

Dora Maya  
Arden Shore Children & Family Services

Ed McManus  
McManus Consulting- Disability Services

Evelyn Diaz  
Chicago Department of Family & Support Services

Gaylord Gieseke  
Voices for Illinois Children

J. Maichle Bacon  
Winnebago County Health Department

Janine Lewis  
EverThrive Illinois

James Alexander  
Illinois Action for Children

Juan Calderon  
Puerto Rican Cultural Center

Mary Hollie  
Lawrence Hall Youth Services

Michael Shaver  
Children's Home + Aid

Miriam Link-Mullison  
Jackson County Health Department

Pamela Rodriguez  
Treatment Alternatives for Safe Communities

Vickie Smith  
Illinois Coalition Against Domestic Violence

Victor Dickson  
Safer Foundation

Wendy Duboe  
United Way of Metropolitan Chicago

**Ex-Officio**

Bobbi Gregg  
Illinois Department of Children and Family Service

Candice Jones  
Illinois Department of Juvenile Justice

Christopher Koch  
Illinois State Board of Education

John Holton, Ph.D  
Illinois Department on Aging

Julie Hamos  
Department of Health Care and Family Service

Dr. LaMar Hasbrouck  
Illinois Department of Public Health

Michelle Saddler  
Illinois Department of Human Services

S.A. Godinez  
Illinois Department of Corrections

**Staff**

Ashley Lapse  
Office of the Governor

### 3. Background and Structure

The Illinois Human Services Commission (HSC) was first formed by Governor Quinn by Executive Order in 2009, and extended in 2011. A bill to permanently establish the Commission was signed into law by the Governor effective January 1, 2013. The statutory purpose of the Commission is to undertake a systematic review of human services programs with the goal of ensuring their consistent delivery in the State. In particular, the Commission is charged with:

- Ensuring adequate appropriations for the provision of human services
- Establishing processes for determining fair, adequate, and timely reimbursement
- Maintaining efficient management of publicly funded programs and services
- Implementing best practices within the human services field.
- Creating outcome measures and accountability mechanisms.
- Developing projections for future human services needs based on demographic trends and other related variables.

A progress report is due to the Governor and General Assembly on June 30 of each year.

A steering committee was formed for the new Commission, including representatives from the human services community statewide. The steering committee recommended approximately 40 members to the Governor from applications received via [appointments.illinois.gov](http://appointments.illinois.gov). The members of the new commission are a diverse group of human services leaders from across the state, including community-based providers, advocates, foundations, academics, labor, and legislators and leaders from state government.

For 2013-14, the steering committee and Commission chose three areas of focus, with workgroups dedicated to each area responsible for research, outreach and recommendations for the present report.

**Workgroup 1:** Group members serve as a stakeholder advisory body for the Illinois Framework project, which is leveraging federal investments to adopt more efficient and integrated processes for health and human services delivery.

**Workgroup 2:** The Increasing Options & Opportunities working group is a stakeholder body providing input and guidance to the state to help ensure coordination and information sharing among different efforts, accountability to the individuals impacted by changes, and accessibility for those who need it most.

**Workgroup 3:** The One Health & Human Services System working group serves as a stakeholder body to identify challenges and opportunities to improve the state's health and human services delivery system so that individuals in need can better find their path to recovery, employment, independence, and productivity.

Quarterly meetings of the Illinois Human Services Commission and the ad hoc workgroup meetings are held in Chicago and Springfield and are open to the public.

Meeting notices and agendas are posted to the HSC's website in advance. Documents distributed at the public meetings are available within a week following the meeting on the HSC website.

## 4. Report of the Combined Workgroups on Increasing Options & Opportunities and One Health & Human Services System

### *Background*

The Human Services Commission is a legislatively mandated body that is comprised of members appointed by the governor with the goal of improving the state's health and human service delivery system by addressing the quality of direct services; but also by seeking to improve accessibility, accountability, and coordination among professionals and agencies in service delivery. Membership of the HSC is comprised of a diverse group of individuals from the non-profit, foundation, and government sectors.

The "Increasing Options and Opportunity" and "One Health and Human Services System" objectives, respectively, are to: 1) provide input and guidance on the state's effort with the aim of ensuring coordination and information sharing amongst the different efforts, accountability to the individuals impacted by the changes, and accessibility for those who need it most, and 2) identify challenges and opportunities for improvement in the state's health and human services delivery system so that this system may provide its services in a way where individuals in need can find their path to recovery, employment, independence, and productivity in the most efficient and effective way possible.

### *Joint Effort on 1115 Waiver Application*

Upon the release of the Path to Transformation (1115 waiver) draft application, the co-chairs of these two workgroups quickly recognized their need to engage workgroup members in a process to develop comments and feedback on the draft application. These two work groups had a direct connection to the activities proposed in the Path to Transformation application. Thus, the groups came together to form one group to collaborate on the Human Services Commission response and recommendations on the Path to Transformation application.

The joint working group met several times early in 2014 to gather feedback and develop our recommendations. The combined groups agreed that comments would fall in four categories:

- Recommendation that the state take into consideration the importance of cultural competency for all of the initiative under the Path to Transformation proposal.
- Recommendation that the state develop a section in the proposal that provides high level details on how they plan to include stakeholders in the development of an implementation plan as well as process for including

stakeholders in the implementation of any of the Path to Transformation initiatives.

- Recommendation that the state provide more detail to stakeholders on the impact of efforts to capture Costs Not Otherwise Matchable (CNOM) and any potential impact of opening up the Medicaid State Plan to secure CNOM.
- Recommendation that the state include more detail on how they plan to incorporate social determinants of health – other than housing – into their plan to transform the system. While there are many references to multi-disciplinary approaches, there is not much detail on how the state intends to incorporate non-clinical, non-medical supports that are delivered largely by human services agencies.

Finally, while there was general agreement that it was not appropriate for the HSC to specify a process for implementing the waiver, the group did express concern that the proposal doesn't include a section that provides a framework for how initiatives in the waiver proposal would be implemented. The group agreed that it was appropriate that the HSC recommend to the state that it create a section of the proposal that provides a high level description on how the state will approach implementation and how stakeholders at all levels will be engaged in that process.

The workgroups presented draft recommendations to the full Commission during the April 2014 meeting. The recommendations were approved with minor changes and were then submitted to the State of Illinois. A copy of the recommendations is included in the Appendix to this report.

### *One Health & Human Services System*

*The following is the original charter developed by the One Health & Human Services System workgroup in 2013:*

The state of Illinois has an array of health and human services and programs provided by several different state departments and thousands of community partners across the state.

The health and human services systems design is currently being driven by the Affordable Care Act, Medicaid, and managed care mandates. A regrettable consequence of the focus on Medicaid and the state's tight fiscal constraints are dramatic decreases in general revenue investment that have resulted in steep cuts or elimination of important services that will lead to future increased cost burdens to the state. In this context, there needs to be increased focus on the system from person-centered perspectives. In addition, while the health and human services system is in transition, it is critically important to ensure the safety net is in place.

The HSC will serve as the stakeholder body that will identify challenges and opportunities for improvement in the state's health and human services delivery

system so that individuals in need can find their path to recovery, employment, independence, and productivity in the most efficient and effective way possible.

Working Guiding Principle:

Creating a person-centered health and human services delivery framework and improving the system(s) for those who use and need human services will be the focus of the HSC's work.

Outcomes:

- Ensure that human service consumers become and remain enrolled in whatever health insurance option they qualify for;
- Ensure that human service providers understand what they need to do to receive funding through Medicaid, insurance, and managed care organizations, and that they actually do it; and
- Ensure that a safety net remains available for consumers and providers who fail at step one or two.

Questions:

- How are we going to measure success?
- What do state officials need in order to achieve these outcomes?
- What do providers and consumers need to achieve these outcomes?
- Who do we need to get involved? State-side, providers, community reps?
- What existing efforts are in place to move us toward these goals?
- What strategies have proven successful at local and state levels?
- What still needs to happen?

*Increasing Options & Opportunities*

*The following is the original charter developed by the Increasing Options & Opportunities workgroup in 2013:*

|  |   |
|--|---|
| Goal or Charge (How will the human service and health delivery systems change as a result of this work?) | Increasing options & opportunities work group has two primary objectives: 1) to create a forum for a cross-sector dialogue addressing opportunities for re-envisioning long-term care services and supports; and 2) to provide input and feedback on Illinois' efforts to realign home and community based services as a part of implementing the SMART Act and implementing an 1115 Medicaid waiver. |
|--|---|

|  |   |
|--|---|
| Challenges before the group (What in the current landscape serves as barriers to achieving the goal?)      | Ensuring funding is in place for options needed for special populations that are consumer and family oriented; the range of special populations that need options; ensuring that key stakeholders are at the table; need to engage new payers (health plans)  |
| Opportunities before the group (What in the current landscape serves as catalysts for achieving the goal?) | Illinois is applying for a grant from the Center for Medicare & Medicaid Innovation—State Innovation Model grant. The Options and Opportunities working group can serve as a mechanism to help engage stakeholders and provide “air time” for new ideas and innovations that are being discussed as a part of the State Health Care Innovation Plan. In addition, the working group can also provide a forum for proposals to re-align the states home and community based services into a larger 1115 global waiver. |
| Year One Work (What can be achieved this year)?  | Definition of special populations; begin list of metrics to recommend to the state that focus on human needs and well-being/quality of life; identification of key stakeholders and getting them to the table   |
| How will we know we have accomplished this year one work?  | Definition; metrics   |
| Year 2-3 (What should be done in the next 2-3 years to get closer to the goal)?                            | Monitor progress on metrics; assessment of options; review of options in relation to new payer structure  |

## 5. Report of the Framework Workgroup

The Illinois Framework for Healthcare and Human Services (Illinois Framework), a multi-agency collaborative, coordinates the use of shared technology and business processes across Illinois' federally-funded healthcare transformation initiatives. Framework has four broad goals:

- **Provide consumers easier access** to the range of needed services.
- **Redesign business processes** around shared information to deliver improved services at the right time for lower cost.
- **Improve outcomes** through data-driven decision tools utilizing multiple data sources with accurate and timely information.
- **Leverage and reuse technology** to maximize investments, increase operational efficiency and reduce administrative burden.

Given the centrality of the Framework goals to the efficient and effective delivery of human services across the state, Framework appeared to be an important area for Human Services Commission engagement. The Framework has already identified the need for external advisory bodies and so the Commission sought ways in which it could serve in that capacity while still maintaining its status as an independently constituted state commission. In its initial meeting with Framework staff, an HSC workgroup identified several ways it appeared that the HSC could be helpful to the Framework process:

- Engagement of Departments of Corrections and Juvenile Justice The Departments of Corrections and Juvenile Justice have not been thought of conventionally as “human service” providers, yet with growing emphasis on treating latent causes of criminal activity among offenders and diverting offenders to social services, these departments are likely to become increasingly engaged with human services providers. Consequently, they will need to have better capability for sharing data across state agencies that have been part of the Framework. To facilitate that system development, the workgroup recommended that the Departments of Corrections and Juvenile Justice be formally included among Framework participating agencies. ***The HSC adopted a resolution to that effect and Corrections and Juvenile Justice were subsequently added to Framework.***
- Performance Measures With the advent of Budgeting for Results, collection and dissemination of data is becoming increasingly important. The HSC could assist Framework with interfacing with human service providers to ensure that data is put to its best use both by the state and among providers themselves. State agencies also may benefit from assistance with sharing of data from local health departments pertaining to internal business processes that need to align with state programming.

- Consumer Data Screen A significant component of the Framework is integrating client data collected across one or more state agencies and making that information available to case workers in real time for use in their service planning with their clients. Framework staff and the workgroup determined that the Commission could be helpful to Framework with designing data-aggregating client case files and the requisite screens to present that data to case workers. This work would be performed at the appropriate point in overall system design.
- Advocacy for Framework The workgroup considered ways in which the HSC could be helpful in obtaining resources for Framework implementation. Potential work included messaging to legislators, providers and other leadership around items included in the coming year budget. However, while the overall components of the state's information systems are subject to annual budget deliberations, there is no single budget for the Framework. Given the revenue uncertainties peculiar to this year's budget-making process and resulting extraordinary complications for budget-making, Framework leadership ultimately recommended that the HSC defer attempting to help in this way this year.

## 6. HSC Briefings on FY2015 Budget

Because of the issues concerning availability of state funding in FY15 for health and human services needs, the HSC and its member organizations sponsored two budget briefings, in Chicago and Springfield, during the closing weeks of the General Assembly's spring session. The Springfield briefing was held during a session day, April 30, at the Illinois State Museum close to the Capitol, and the Chicago briefing was held at the Bilandic Building in downtown Chicago on May 2.

The purpose of the budget briefings was *"Drilling down on the Illinois state budget and understanding the impact on human services and communities."*

Panelists for the briefings included State Representative Greg Harris, Acting Budget Director Jerry Stermer, Illinois Department of Human Services Secretary Michelle Saddler, and members of the Illinois Human Services Commission.

Nearly 200 people attended the combined briefings, with attendees representing providers, organizers, advocates, community residents, and foundations.

Co-sponsors included:



The following is an excerpt from materials presented at the briefing:

The Illinois fiscal situation is at a crossroads. If legislators do not take action and maintain current revenues, a “default budget” will go into effect that will implement deep, indiscriminate, and cascading program cuts across all state agencies, including health and human services, criminal and juvenile justice, public health, aging and disability services, employment services and education. These cuts will hit our communities just as the state is working to recover from unprecedented recession. As the Human Services Commission we believe that the “default budget” is not good for the Illinois economy and will have a devastating impact on already overburdened state systems.

The Governor’s “recommended budget” would maintain the current level of revenue and allow the state to provide the services that Illinois residents value. This is a critical opportunity to end the recent cycle of crisis budgets and short-term solutions and to put Illinois on a sustainable path for growth.

**Q.** Haven’t we heard this before? It seems like the state budget is in crisis every year.

**A.** The scheduled rollback of current income tax rates on January 1, 2015, will result in a dramatic loss of revenue – close to \$2 billion in FY 2015 and \$4.8 billion in FY 2016.

- This revenue loss represents a bigger financial hit to Illinois than the two worst years of the recession.
- In some instances, deep cuts in state spending will result in the subsequent loss of federal matching funds,

**Q.** What will the “default budget” (the Governor’s “not recommended” budget) mean for our state’s human services infrastructure?

**A.** The “default budget” for FY 2015 would cut \$397 million from the Department of Human Services (DHS), \$129 million from the Department on Aging, and \$87 million from Department of Children and Family Services (DCFS).

- Funding for many DHS programs would be slashed by 24 percent.
- Budget cuts to Healthy Families Illinois and Parents Too Soon could jeopardize federal funding through the Maternal, Infant, and Early Childhood Home Visiting program.
- Inadequate DHS funding for developmental disabilities and mental health services could put the state in violation of several federal court orders requiring the transition of eligible individuals from institutional to community-based care.
- Cuts in DCFS could violate various consent decrees arising from federal class action lawsuits that require the state to maintain acceptable levels of child protection and foster care services.

- Local communities will bear the brunt of this impact as the safety net continues to crumble for children and youth, families, seniors, the disabled, and the ill.

**Q.** Shouldn't the state look at reducing spending first?

**A.** Over the past five years, there has been a cumulative reduction of **\$5.7 billion** in General Funds program spending, according to the Governor's Office of Management and Budget.

- The state's 2012 Medicaid reform legislation reduced annual program costs by more than \$1 billion. The backlog of outstanding Medicaid liabilities, which stood at \$2.1 billion at the end of FY 2012, is expected to be eliminated by the end of FY 2014.
- The Department of Human Services has been continually hit hard by budget cuts over the past five years, including 26 percent from developmental disability grants, 25 percent from community mental health services, and 27 percent from addiction treatment services. General Funds resources for Department of Children & Family Services have been cut by 22 percent since FY 2009.
- Many of the cuts being proposed won't actually save money. For example, if funding is cut for the Community Care Program on July 1, those seniors will instead be placed in nursing homes that cost \$3,000 - \$6,000 a month, vs. about \$860 a month for the community-based program. If funding is cut for Redeploy Illinois, many youth now served in the community for \$6,300 a year will be incarcerated at an annual cost of \$111,000 a year.

Sources: Illinois state government agencies

## 7. 2014-15 Agenda

### *Governor's Office of Health Innovation and Transformation (GOHIT)*

For 2014-15, the HSC steering committee members will be representing and reporting back to the HSC on the progress of the GOHIT workgroups that have been formed around various aspects of the state's health and human services transformation agenda, including the 1115 waiver application. Steering committee members have all been requested to participate on the GOHIT workgroups, with Grace Hou named the co-chair of the Services and Supports Workgroup. It is the hope and the design that the work of the GOHIT workgroups will leverage the work of and expertise present in the HSC membership.

The HSC co-chairs, at the request of GOHIT, engaged regional funders to coalesce around a funding strategy to assist the state of Illinois to implement its Plan for Health Innovation and Transformation (the Plan), an effort to transform Illinois' healthcare and human services system to one that provides high quality care and health outcomes, and is efficient.

On June 12, GOHIT leaders presented the current status of the Plan and its implementation to funders. The team provided information about the implementation process, current resources and activities that are supporting the planning process, and additional funding needs.

The goal of the session was that participants would learn about: 1) the Illinois Plan for Transformation and federal opportunities to assist in its funding; 2) State deadlines that relate to the Plan and its implementation process; 3) Resources needed to effectively develop Plan implementation and ensure stakeholder input and oversight; and 4) Obtain input about ways to appropriately engage foundations.

### *FY2015 and FY2016 State Budgets*

For next year, the HSC hopes to be more proactive in its effort to inform and influence the state budget. The HSC will request time with leadership at the Governor's Office of Management and Budget and with Appropriations committee chairs from the Illinois General Assembly during the development of the state's FY2016 budget to discuss state human services needs and interrelationships with healthcare funding.

### *Continuation of FY13-14 Workgroups*

At its June 18 meeting, the Human Services Commission agreed to continue the three workgroups begun in FY13-14 into the FY14-15 year.

## 8. Appendix: HSC Comments on 1115 Waiver Proposal

### **Human Services Commission (HSC)**

Comments and Recommendations

State of Illinois' Path to Transformation

1115 Waiver Proposal

March 10, 2014

### **Human Services Commission (HSC) Background**

The Human Services Commission (HSC) is a legislatively mandated body that is comprised of members appointed by the governor with the goal of improving the state's health and human service delivery system by addressing the quality of direct services; but also by seeking to improve accessibility, accountability, and coordination among professionals and agencies in service delivery. Membership of the HSC is comprised of a diverse group of individuals from the non-profit, foundation, and government sectors.

The HSC has developed work groups to help frame its work; and two of the work groups have direct connection to the work proposed in the Path to Transformation. These two work groups are "Increasing Options and Opportunity" and "One Health and Human Services System" whose objectives, respectively, are to: 1) provide input and guidance on the state's effort with the aim of ensuring coordination and information sharing amongst the different efforts, accountability to the individuals impacted by the changes, and accessibility for those who need it most, and 2) identify challenges and opportunities for improvement in the state's health and human services delivery system so that this system may provide its services in a way where individuals in need can find their path to recovery, employment, independence, and productivity in the most efficient and effective way possible. In this regard, and given the vast scope and reach of the Path to Transformation proposal; the insights and perspectives from the HSC are critical. On February 13<sup>th</sup>, these two HSC work groups met to review the February 10<sup>th</sup> draft of the Path to Transformation proposal. The joint work group has developed the following recommendations and submitted them to the full HSC for their approval for submission.

### **Comments and Recommendations on February 10<sup>th</sup> Draft of Path to Transformation proposal:**

The HSC's Increasing Options and Opportunities and One Health & Human Services work groups commend the state's ambition and vision in Path to Transformation, and agree that now more than ever the state needs to focus on transforming payment models, health delivery system performance, and population health challenges facing the state. We believe that the Path to Transformation represents a

critical next step in reforms undertaken by the state in recent years, and we acknowledge that many of the components of the proposal have been conceptually embraced and promoted by providers in both the health and human services delivery system. The following comments and recommendations reflect the HSC's joint work group's interests in seeing meaningful stakeholder engagement in the planning for implementation of these bold initiatives as well as the careful consideration of how such structural changes in the delivery system will impact vulnerable populations.

1. The Path to Transformation lays out an exciting and bold vision for how to transform Illinois' health delivery system and the HSC joint work group agrees now is the time to undertake such a challenge. **We strongly recommend the state develop a section in the next draft of the proposal that provides high level details on how they plan to include stakeholders in the development of an implementation plan as well as a process for including stakeholders in the implementation of any of the Path to Transformation initiatives.**

2. The current system of care leverages Medicaid for behavioral health care needs for various populations which are the responsibility of various state agencies. As we move toward what should be a better and broader system of care using Medicaid, we need to clearly assess how this new system is going to impact---positively or negatively---the current system of care. Any such negative impacts should not necessarily discourage our pursuit of a stronger Medicaid system, but do need careful consideration, planning and discussion with the current providers and stakeholders. **The HSC joint work group strongly suggests the state conduct and share an impact assessment with stakeholders that reviews how the existing system of care relies on Medicaid for behavioral health and project how that existing system will be impacted.** The work group recognizes that the submission and ultimate approval of the Path to Transformation proposal is a process, so we make this recommendation with the understanding that this can be happening in tandem with the waiver approval process. This level of detail will be essential to any implementation planning process for the Path to Transformation, as well as for advancing the goals of the proposal with key stakeholders.

For example, the Department of Children and Family Services (DCFS) leverages Medicaid funding to support behavioral health care and services offered as part of the residential treatment provided for 1600 state wards. DCFS must provide those clinical services as required by mandate and consent decrees, so leveraging Medicaid match helps enhance the overall clinical care capacity and budget of DCFS. The "match" generated by providers of residential treatment is returned (through statute) to the DCFS Children's Services Fund so that the match benefits DCFS children and families. An impact study would show the existing match generated for children in residential treatment and current uses of the match. It would then show the impact of a revised and broadened system under the waiver. Will the same amount of money be available for those children in DCFS care? Will the same or additional services be provided? Will those Medicaid-matched services have to be

managed by a 3<sup>rd</sup> party under the waiver system? What is the impact of any new or additional expectations for Medicaid service on current providers and the infrastructure they have had to develop over many years of providing Medicaid-matched care for wards?

3. The HSC joint work group lauds the state's vision for improving access and quality of care in an integrated, person centered approach to delivering care. We also appreciate the state's recognition of the need for addressing education and training of the workforce to be able to meet the demands of the evolving health delivery system. However, we feel **the state needs to affirmatively state its' commitment to creating a "culturally competent" health delivery system. We strongly recommend that the state commit explicitly to embracing the US Department of Health and Human Services' National Standards on Culturally and Linguistically Appropriate Services (CLAS).** From community health workers, to direct care workers to physicians and clinical specialists, a truly competent health delivery system will include training, technical support and independent evaluation of how the delivery system is meeting competency measures.

4. To truly bend the cost curve on health care expenses and make a significant impact on population health, Illinois should pay close attention to both the social determinants of health and other prevention efforts. While the joint work group sees specific references in the Path to Transformation to social determinants such as housing and food and nutrition, clinical prevention, disease and behavioral health screenings, **we recommend the state include other social determinants of health such as income and employment supports, community prevention services, such as teen pregnancy prevention and violence prevention services, and other activities and policies that promote health and wellness.** Illinois' Medicaid system should be designed to elevate and prioritize approaches that address the social determinants of health and prevention.

In conclusion, the HSC and the joint work group stand ready to support the state as it embarks on this endeavor to transform the health delivery system. If you should have any questions regarding these recommendations, please feel free to contact the Co-Chairs of the Increasing Options & Opportunities (Wynne Sandra Korr, [wkorr@illinois.edu](mailto:wkorr@illinois.edu), and Barbara Otto, [botto@hdadvocates.org](mailto:botto@hdadvocates.org)) and the Co-Chairs of the One Health and Human Services System (Sara Howe, [showe@iadda.org](mailto:showe@iadda.org), and Candace King, [cking@dupagefederation.org](mailto:cking@dupagefederation.org)).

Submitted on Monday, 10<sup>th</sup> of March, 2014

## **9. Appendix: Perspectives from the Commission**

At the final HSC meeting of fiscal year 2014, commissioners were invited to share their perspectives on the current state and future vision of human services in Illinois. The following documents were submitted in response to that request.



Substance use disorders (SUD) are a preventable, treatable, chronic disease, yet 20.6 million Americans who needed treatment for an SUD last year did not receive it according to the 2012 National Survey on Drug Use and Health. The statistics for Illinois are just as astounding. According to the 2003 Illinois Household Study, there are approximately 1.5 million residents in need of addiction treatment yet in state fiscal year 2013; only 74,613 received the services they need. Drug and alcohol addiction is a health condition that can be prevented and treated effectively, and with cost savings to the health care, criminal justice, child welfare and social services systems. **Relapse rates for treatment of addiction to alcohol, opioids, and cocaine are less than those for hypertension and asthma, and equivalent to those of diabetes.**

The Affordable Care Act (ACA), with its strong SUD-related provisions, represents a tremendous opportunity to close the addiction treatment gap and ensure access to critically needed SUD services. The ACA requires that all newly-Medicaid eligible adults receive a package of benefits consistent with the essential health benefits required of qualified health plans in the Exchanges. The law includes substance use disorder and mental health services in the essential health benefits requirements, and requires that they be provided in a manner consistent with the Wellstone/Domenici Mental Health Parity and Addiction Equity Act. The figures above call attention to a critical issue: the current community-based provider system does not have adequate capacity to meet the expected increase in demand for SUD treatment services. Thus, IADDA strongly urges the state to embark on a meaningful expansion of the current SUD prevention and treatment system.

Meaningful expansion cannot occur without significant rate reform. A 2014 study by Advocates for Human Potential found a two-decades-long pattern of virtually level reimbursement rates for SUD treatment providers, resulting in a compelling need for a *significant* rate increase. AHP examined the effects of labor rates over an 18-year period of 1994 to 2012, finding SUD treatment providers are reimbursed at rates 79% below what comparable health settings are compensated. If providers were compensated in congruence with the Medical Care Consumer Price index over the two decades between 1990 and 2010, they would be reimbursed at rates 118% higher than current reimbursement rates. The study shows how dramatically the current rate deficiency jeopardizes the capacity of the treatment system to provide quality care to Illinois citizens with substance use disorders at a time when significant numbers of citizens are being newly insured through healthcare reform.

Finally, while the ACA also addresses preventative and wellness services, what is unclear at this time is what role our extensive, existing *evidenced-based* prevention system will play in the new health environment. Additionally what is unknown is how two decades of effective prevention services will be included in the future of integrated healthcare delivery to continue to support communities, families and youth across the country as the ACA is fully implemented. It is important for the State and the addiction prevention system to better understand how healthcare reform will strengthen the existing addiction prevention infrastructure, what provisions in the ACA relate to SUD prevention, current federal prevention initiatives, how the Act will impact state and community prevention efforts, and new and expanded opportunities for promoting and advancing the prevention field.

As the Act and its provisions are implemented over the coming years, the SUD prevention and treatment system has a tremendous opportunity to expand successful programs and initiatives, be a subject matter expert on prevention and treatment strategies, and play an integral role in incorporating SUD services into mainstream healthcare. We look forward to being a part of the legacy that will result from the integration of SUD prevention and treatment services into the fabric of the American healthcare system.

## HUMAN SERVICES AND THE STATE BUDGET CRISIS

**Gaylord Gieseke**  
**President, Voices for Illinois Children**

During the spring legislative session, the Human Services Commission organized two budget briefings that focused on the urgent need to maintain stable revenue and support essential services for vulnerable populations across Illinois. In January 2015 — midway through the fiscal year — the income tax rates enacted in 2011 will expire. In the FY 2015 budget approved by the General Assembly, the looming revenue loss (about \$2 billion) is obscured by interfund borrowing and other fiscal maneuvers. Most state agencies will receive funding at the same level as in FY 2014. Many human services programs will remain underfunded, and some will be hit by significant budget cuts. Community-based service providers will again face long delays in payments from the state.

- The approved budget neglects the problem of serious understaffing in the Department of Human Services (DHS) for processing applications for medical assistance, income assistance, and the federally funded Supplemental Nutrition Assistance Program (SNAP).
- Funding for child care assistance will be cut by \$84 million. It is not yet clear how DHS will implement these cuts. An estimated 17,000 children could lose access to services. A plan to lower family copayments, which were increased substantially in both 2010 and 2011, will likely be shelved.
- The Home Services Program for individuals with physical disabilities will be cut by about \$8 million. Funding will be \$47 million below the Governor's recommendation for maintenance of current service levels.
- In the Department on Aging, \$38.5 million will be cut from the Community Care Program, which provides services for seniors who might otherwise need nursing home care. Funding will be \$132 million below the level proposed by the Governor. In the absence of policy changes, underfunding this program will likely result in additional delayed payments to service providers.
- General Funds support for the Department of Children and Family Services, an agency facing multiple challenges, has steadily eroded over the past five years. Appropriations for FY 2015 will be flat — 20 percent below the FY 2009 level.

The Human Services Commission must continue to address the critical issue of the impact of the state budget on the most vulnerable members of our communities. Unless the General Assembly extends current income tax rates, the outlook for FY 2016 will be much worse. Revenue from income taxes will be almost \$5 billion below current levels. Resources for human services, which have been repeatedly battered over the past five years, will be vulnerable to even more devastating cuts.

# HEARTLAND ALLIANCE

## ENDING POVERTY

Heartland Alliance for Human Needs & Human Rights, a member of the Illinois Human Services Commission, believes that all of us deserve the opportunity to improve our lives. Each year, we help ensure this opportunity for nearly one million people around the world who are homeless, living in poverty, or seeking safety. It is through that lens that we understand the importance and value of human services in Illinois.

Human services are woven throughout the fabric of community life across the state and are a critical infrastructure of economic well-being for Illinois. They are programs and services we encounter often, but might not even recognize as human services: food pantries, early childhood learning, violence prevention, disability services, workforce development, services for seniors, and much more.

We are heartened by the concerted efforts of the Human Services Commission to improve the systems and policies that impact human services across our state. Important opportunities are being seized, such as opportunities to integrate health care and human services. Yet, many challenges lie ahead that threaten to continue the erosion of critical services in Illinois. As the budget crisis in Illinois worsens and the debate over how to fix our revenue problems continues, the undergirding of human services remains tenuous:

- The FY15 budget is incomplete. While in many ways a "flat" budget, there were still cuts to certain key programs, like child care and the Community Care Program, and as we move forward, the failure to deal with revenue will lead to a further erosion of services.
- With the expiration of the 5% income tax, the state will lose about \$2 billion in revenue, resulting in significant underfunding of state services.
- A flat budget is a cut budget. Each year, providers are faced with increasing costs. Without increases that reflect these increase costs, the effect of flat funding is to reduce the resources available to support providers.
- If the state does not address the loss of revenue, which will be about \$5 billion in FY16, even programs that avoided cuts in this budget will face potentially drastic cuts.
- The failure to address our revenue crisis for FY 15 and beyond will mean that the state's backlog of unpaid bills will continue to grow.

Human services programs are wise investments, strengthening individuals, families and communities. Yet as the state looks for ways to address these budget issues, human services are repeatedly on the chopping block, rather than addressing the underlying cause of these budget constraints: inadequate revenue. Human services support some of the most disadvantaged and vulnerable people and families in Illinois, such as immigrants, seniors, people with disabilities, or people experiencing homelessness. Deep cuts threaten the security of millions of people who rely on human services to get by. As a state we can and must do better.



June 22, 2014

Human Services Commissioners:

Illinois Partners for Human Service, a statewide organization of over 800 human services providers representing every significant field of service, remains concerned today about the quality of service available to vulnerable individuals across the state.

The State of Illinois, and therefore we as a community of state residents, provide a wide variety of human services for children, seniors, persons with disabilities, persons with mental illness, persons plagued by addiction, low-income mothers, struggling youth, the homeless, and others whose quality of life depends upon our collective support.

The recent Recession put unprecedented stress on the ability of the State of Illinois to provide these services at levels that meet need, compensate service providers at an adequate level and in a timely way, and provide the quality that Illinois residents deserve and expect. In recent years, almost all state service programs have had to reduce the number of persons served, and provider quality inevitably suffers as payment rates remain stable even as costs increase, and many service workers wonder if their jobs will exist year to year, and sometimes even month to month.

The FY 15 budget passed by the General Assembly in the spring of 2014 perpetuates a service provision system that barely, and in some instances inadequately, covers the scope of need of vulnerable persons in Illinois. The State managed to provide modest increases in youth and after-school programming, a small homeless youth services program, supportive housing, drug treatment, prevention of abuse/neglect of disabled adults, prevention of child psychiatric lockouts, HIV/AIDS prevention and treatment and personal needs allowances for CILA/ICFDD residents. It decreased child care, community care, home services and anti-violence programs with the hope that actual service costs could be picked up in a future fiscal year.

These modest increases and on-going funding of programs at levels already too low, were accomplished by the state continuing to “borrow” money from itself, failing to fully fund contracted raises, deferring payment of bills and reducing funding for state group health insurance – all necessitated by the failure to address the long-term revenue needs of the state by either continuing the 2011 income tax or restructuring the overall tax system such that it raises higher and new revenues from sectors of the

Illinois economy capable of paying it. This approach to paying for a core state function, as well as education, health care and others, by continually developing “work-arounds” of structural revenue problems, will continue to leave service gaps and sacrifice quality by under-compensating service providers for their actual costs.

The State will continue to provide basic services to hundreds of thousands of persons, but many more will remain homeless, or fail to finish school, will descend into drug addiction, will burden their families and friends because of mental illness, will be unable to live independently, or age in their own homes because providers could not raise enough money from private donors to cover what should be the obligation of an entire state and its community of residents.

The overall state budget is filled with essential state functions and the human services sector should not be in the position of having to compete with other vital state functions. Rather, the ultimate answer resides in working to provide human services efficiently and effectively, and the state addressing the structural problems of its revenue mix so as to provide adequate and stable revenue going forward.

On Behalf Of,

Judith Gethner, Executive Director  
Illinois Partners for Human Service

As a member of the Human Services Commission with a background in the intellectual/developmental disabilities field, I am offering comments about the state of services to people with intellectual/developmental disabilities in Illinois. First and foremost, it is well known that Illinois is far behind the rest of the country in support for I/DD services and in the way it delivers those services. Illinois ranked 42nd in I/DD spending as compared to aggregate personal income (according to the highly regarded study "State of the States in Developmental Disabilities" for 2013). And at a time when most of the country has moved away from large congregate care for this population, Illinois has more people living in institutions than all but two states. However, Gov. Quinn is to be commended for his efforts to curb reliance on institutional care.

The DHS Division of Developmental Disabilities urgently needs to redesign the way it selects people for services; the current "PUNS" system is haphazard and not transparent. And significantly, although many adults have recently been funded for services as a result of a class action lawsuit, there has been no selection of children for four years because the General Assembly has appropriated no funds for that purpose.

The legislature adopted a strong policy statement last year stressing the need to develop employment opportunities for people with disabilities, but there has been no appropriation for the initiative yet.

Two positive notes: The Division has embarked on a project to redesign its service coordination system to make it more effective, and its program of in-home services was ranked one of the best in the country by the National Core Indicators Program.

--Ed McManus

(Mr. McManus retired from the Division of Developmental Disabilities in 2011 and currently operates a disability consulting practice.)

## 10. Appendix: Rules of Order

The following rules of order were proposed and adopted by the HSC in its first meeting on September 25, 2013.

### HSC Member Responsibilities

- Follow and respect the ground rules that we will agree upon today.
- Concentrate on *systems*, not programs.
- “Put your HSC hat on.” Represent perspectives and interests of your respective organizations while seeking person-centered solutions.
- Come with a focus on those who use and need human services and the aspiration for improving the current health and human services systems.
- Attend all commission meetings in person. No phone participation is permitted.
- Actively listen, contribute, and learn; and participate in workgroups
- Be committed to a collaborative learning process, work toward consensus on hard issues, and keep an open mind toward reasonable compromise.
- Respect HSC decisions.
- Only Commission members can vote. Proxy representatives not preferred but accepted for work groups.
- If any of the above expectations cannot be met, members will remove themselves from the Commission.

### Meeting Etiquette

- Start and stop on time
- Silence cell phones and put them out of sight
- Be respectful of others even when you disagree
- No grandstanding
- One at a time
- Monitor your air time
- Stay on topic
- Respect the facilitator’s role
- Help the group abide by the rules of order