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**State of Illinois Ordered to Increase Payments on \$2 Billion in Overdue Medicaid Bills
Caused by State Budget Impasse**

*State Must Expand Payment to Preserve Safety Net System Serving Children, People with Disabilities, and Elderly
Across the State*

CHICAGO—Today, a federal court order directs the State of Illinois to expand the amount of funds paid to medical providers and managed care organizations serving more than three million Medicaid patients, despite the ongoing state budget impasse. The court found that the State disregarded previous orders to pay and ordered the parties to negotiate a plan for increased payments before June 20.

In her conclusion, Judge Joan Lefkow of the United States District Court stated that:

[a]lthough the court means no disrespect to the Comptroller, who faces an unenviable situation, it finds that minimally funding the obligations of the decrees while fully funding other obligations fails to comply not only with the consent decrees, but also with the court's previous orders. Council for the classes have represented that they do not at this time demand or seek immediate payment in full. They contend that payments to the [Managed Care Organizations] must be sufficient to sustain the services to members of the classes. This is a reasonable position.

The court noted that Illinois chose to prioritize certain core priority payments—including pension payments, debt services, K-12 education, safety net medical providers, and state employee salaries—that are paid in full each month. The plaintiffs argued that then, only if the state has dollars left, would it make payments to Medicaid, imperiling the entire program by putting access to care, provider enrollment, managed care participation, and the solvency of Illinois's health care safety net at risk.

The order came after a court hearing on June 6, 2017 when attorneys from the Sargent Shriver National Center on Poverty, Legal Council for Health Justice, and Goldberg Kohn returned to federal court to hold the State of Illinois accountable to reimburse medical providers statewide for Medicaid-funded care.

Some medical providers in Illinois have been delaying payment of salaries, taking out additional business loans, and facing closure or staff layoffs. Thomas Yates, executive director for Legal Council for Health Justice says, "This ruling reaffirms the importance of Medicaid to more than three million Illinois residents, the majority of whom are children, elderly, disabled, or members of low-wage working households, who rely on this program for essential medical care."

Shriver Center president John Bouman warns, "We are now seeing the very real threat to the vital functions of government caused by the failure to produce a budget. The policy disputes now blocking the budget should be fought out on some other battlefield. Carrying out and paying for the vital functions should be the first priority of governing."

Illinois Medicaid recipients are represented by Thomas Yates (Legal Council for Health Justice); Stephanie Altman and John Bouman (Sargent Shriver National Center on Poverty Law); and Dave Chizewer (Goldberg Kohn).

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Legal Council for Health Justice uses the power of the law to secure dignity, opportunity, and well-being for people facing barriers due to illness and disability. Our evidence-based medical-legal partnership programs work uniquely with health and hospital systems to train and support the care provider network, provide direct representation to referred patients, and conduct systemic advocacy to promote health equity among populations facing chronic, disabling, and stigmatized health and social conditions. www.legalcouncil.org

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