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State of Illinois Ordered to Increase Monthly Payments for Healthcare

Payments are essential to sustain access to care during the budget impasse, even if other state priorities suffer

CHICAGO—In the face of the State of Illinois’s ongoing budget impasse, a federal court today ordered the state to substantially increase monthly outlays to pay bills for healthcare provided under the Medicaid program. Under the court’s order, if the budget impasse continues, the state Comptroller is obliged to pay \$586 million toward the state’s Medicaid obligations monthly, as opposed to the current payments of about \$160 million. The state will be able to claim reimbursement for half of those expenditures from the federal government.

The court-ordered payment, which is the amount the state ordinarily pays in years when there is a budget in place, will prevent the \$4 billion backlog of unpaid bills from growing larger. The court also ordered the state to pay \$2 billion toward the backlog of unpaid bills over the next 12 months, with the goal of getting it down to the amount owed before the state budget impasse started.

In issuing the order, Judge Lefkow additionally emphasized that the State shall, “prioritize appropriate preference to ‘Safety Net Hospitals’ and other providers most crucial to affording the plaintiff class members’ access to federally mandated healthcare services.”

“The court’s order prevents the collapse of the healthcare system that serves children, families, seniors and people with disabilities across Illinois,” said David Chizewer, an attorney with the Chicago law firm Goldberg, Kohn, who is part of the team representing the healthcare beneficiaries. They are also represented by attorneys from the Sargent Shriver National Center on Poverty Law (Shriver Center) and Legal Council for Health Justice.

Although the court had previously ordered the state to make Medicaid payments during the budget impasse, for two years it has been paying only a small percentage of those bills. The growing backlog of unpaid bills precipitated the current crisis. “Without these payments, doctors, hospitals, clinics and other key healthcare providers would stop seeing Medicaid patients, or else simply go out of business altogether,” said Tom Yates, of Legal Council for Health Justice.

“It is important to note that the Illinois General Assembly met today, the last day of the fiscal year, to try finally to pass a full year fully funded budget,” said the Shriver Center’s John Bouman. “We urge them to get that work done and to be sure it includes a path to pay down the back bills. That is the only sure way through this thicket.”

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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. All programs partner 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 stigmatizing health and social conditions. www.legalcouncil.org

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