



An Update on Claims Payment: A Letter to Providers from the Illinois Department of Healthcare and Family Services

The Illinois Department of Healthcare and Family Services values the commitment you have made in helping ensure that our participants receive the medical care and services they need during this economic downturn. As a result of reductions in state revenues due to the economic downturn, the Illinois Office of the Comptroller is suffering severe cash flow. Decreased sales tax, personal and corporate income taxes are the main contributing factors to this current crisis. This downturn is significantly impacting the release of Medicaid payments and delaying the current 30-day payment schedule for children's claims and the 60-day payment schedule for adult claims that the Department has maintained since July 2006. The Department would like to clarify that the current payment schedule delays are not related to the level of appropriation for physician payments but are due to the cash flow issues. The Department has sufficient appropriations this fiscal year to timely pay all physician claims. The Offices of the Governor, Comptroller and Treasurer agreed upon a plan to borrow \$1.4 billion dollars to pay backlogged state bills. As a result, approximately \$860 million in Medicaid bills were paid in late December.

It is hoped that an federal economic stimulus package expected to be passed early in the Obama administration will provide much needed fiscal relief to states in the form of increased federal matching funds on Medicaid expenditures.

The Department recognizes that the current economic downturn in the state maybe creating disruptions and considerable hardships in your practice. The Department appreciates your continued cooperation and support of the Medicaid programs and your on-going patience and understanding as we work through the slow down in payment schedules. Above all, your continued service to our participants during the period of economic difficulty is critical to the health of our participants and must not go unrecognized. The Illinois Office of the Comptroller has committed to work with its state agencies and state payees to minimize any disruptions created by these circumstances and to make as many payments as possible on a daily basis as available revenues allow. The Department of Healthcare and Family Services is also committed to doing all it can to ease the impact of this statewide fiscal crisis on your practice.

Please continue to communicate with your Illinois Health Connect Provider Service Representative, or the Illinois Health Connect Provider Helpdesk staff at 1-877-912-1999, during this economic downturn. Our Illinois Health Connect Provider staff are dedicated to working with you and the Department.