

Medicaid hit with \$106 million cut from Illinois budget deal

RECOMMENDED

By KERRY LESTER and NICK SWEDBERG - *Associated Press* - Friday, April 24, 2015

SPRINGFIELD, Ill. (AP) - Illinois nursing homes are at a loss for how they will deal with a roughly \$65 million cut in state Medicaid funding made by Gov. Bruce Rauner's office as part of a budget fix for this fiscal year.

Pat Comstock, executive director of Health Care Council of Illinois, said managers at nursing homes might have to go without paychecks as they scramble to figure out how to cut spending without violating state mandates for staffing and level of care. Her organization represents the more than 730 nursing homes in the state.

"This is so massive and so devastating that it's going to take us a while to figure out how we're going to cope," Comstock said Friday.

Rauner's office said Thursday that it's cutting \$106 million from Medicaid, the health care program for low-income and disabled people, as part of a deal with legislators to close a \$1.6 billion gap in the fiscal year that ends in June.

The governor's office says providers of certain services will see their reimbursement rates reduced by 16.75 percent. Hospital and mental health services will be exempt from rate reductions, but hospitals will have to pay an additional assessment as part of the legislation.

Besides Medicaid, services for young homeless people and victims of domestic violence and rape also will see funding reduced.

The details of how the cuts will affect various agencies came roughly a month after lawmakers approved legislation to close the budget hole. It includes \$1.3 billion in transfers from special funds and a 2.25 percent across-the-board cut.

The \$35.7 billion budget that the Legislature passed last spring didn't provide enough funds to pay for promised programs and services as lawmakers delayed a vote on whether to extend the state's temporary income tax increase, which expired in January. Lawmakers and Rauner spent the early months of the new year negotiating a solution to plug the hole.

The Department of Human Services will see an overall loss of \$1.1 million, according to a document released by Rauner's budget office. Within that, a \$419,000 cut is being made to domestic violence shelters and a \$103,000 reduction to homeless youth services. A mental health program involving psychotropic drugs will be cut by \$42,000. Human Services spokeswoman Veronica Vera said developmental disabilities and mental health are the only two programs that are not affected.

The state's community colleges will see a \$6.37 million cut, according to data from the Illinois Community College Board. Matthew Berry, a board spokesman, said the cut will not have an immediate impact on the colleges because it occurred late in the school year, but it could affect services over the summer as schools are forced to dig into reserve funds.

Rauner's budget office also says the Monetary Award Program, which assists students in need of financial help with college, will face a cut. The office did not give a specific dollar amount.

Hospitals in Illinois negotiated with lawmakers and the Rauner administration last month to avoid a cut by accepting an increase in the tax they pay through the hospital assessment program.

Illinois Hospital Association spokesman Danny Chun said hospitals will share paying an extra \$27 million over the last three months of the fiscal year. He said this will avoid a loss of matching federal money that would have been cut as a result of a Medicaid funding reduction.

Information on the latest round of cuts follows a House panel's examination of the governor's suspension of \$26 million in social service and public health grants on Good Friday - a move that surprised some lawmakers who thought they had handled the problem with the legislative fix.

Rauner budget director Tim Nuding told lawmakers early in the week that he will "do a better job communicating" as the governor's office works with the Legislature on a budget for the fiscal year starting next July to fill a much larger \$6 billion hole. State Sen. Dan Kotowski, one of two Senate appropriations chairs, called Thursday's move a "stark contrast to the letters that were sent out on Good Friday without any notice."

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