



CATHOLIC CONFERENCE OF ILLINOIS

Legislative Update

Social Services
Social Justice
Immigration
Prison Ministry
Senior Issues

Provided by:
Marilou C. Gervacio
Director of Social Services/Social Justice

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The Illinois General Assembly adjourned its spring legislative session in the early hours of June 1. Much of the work the last few days of session focused on a number of Medicaid reforms to try to rein in spending for the program, coming up with a budget for FY 2013, and attempting to develop a plan for pension reform of public employees. They were unsuccessful in agreeing on a pension reform plan before the end of the regular session, but it appears the Governor could be calling back the Senate and House for a special session to deal with this issue. We are waiting to see what, if any, action will take place on this over the summer.

Gambling expansion was also passed by the Illinois General Assembly to generate revenue for capital projects proposed a couple of years ago. However, the Governor has indicated he is opposed to the legislation as passed, but he has not yet taken action either way on it.

Overview: Medicaid Reforms

Various Medicaid reforms passed in the last few weeks of session. Senate Bill 2840 set out a number of changes to the program, which is expected to help reduce Medicaid liability by \$1.4 billion. Among the changes are the elimination of a number of “optional” services, such as dental care and the Illinois Rx program (prescription drug program for seniors). Other changes include a reduction in the eligibility for FamilyCare and limiting covered prescriptions. In addition, reforms have been included to reduce fraud in the program and remove ineligible persons who are currently receiving benefits. Also, most physicians will not receive rate cuts but there will be cuts in payments to many hospitals and nursing homes. However, community and safety-net hospitals will not receive rate cuts.

In addition to these changes, Senate Bill 2194 was passed to provide for a \$1/pack increase in the cigarette tax. It is expected that this revenue, along with federal match, will also help reduce the state’s Medicaid liability. Senate Bill 2194 also sets out rules for what is considered charity care by hospitals, which can impact a hospital’s tax status. Hospitals can earn and maintain tax exempt status through factors such as free and discounted care, “subsidies” to the Medicaid program, and other “community benefits.”

Another significant development is Senate Bill 3261, which sets out eligibility criteria for free care. In urban areas, patients who have incomes under 200 percent of the federal poverty line (FPL) can receive free charity care. In rural and critical access hospital areas, persons under 125 percent of FPL can receive free care.

One other bill on Medicaid to note is Senate Bill 3397, which also passed both the House and Senate. This bill limits the ability of the state to carry over its Medicaid obligations to the next fiscal year. Under the bill, Medicaid obligations carried over in FY 2013 cannot be more than \$700 million; in FY 2014 and after, the cap will \$100 million.

Overview: FY2013 State Budget Appropriations

In addition to these various reforms in Medicaid, over the last few days of session, the General Assembly passed a \$33.7 billion operating budget for FY 2013. As expected, there were a number of cuts to social services programs from FY 2012. Here are just a few social services-related line items of interest. We are continuing to analyze the budget as passed; the budget is also awaiting the Governor’s consideration. SB 2454 sets out most of the line items relating to social services programs.

Department on Aging

<u>Line item</u>	<u>Appropriation</u>	<u>Compared to Gov.'s proposed budget</u>
Community Care Program	\$687,124,400	Same
Comprehensive Care Coordination	\$57,406,400	Same
Ombudsman	\$1,348,400	\$1 million less than Gov. proposed budget
Home Delivered Meals (formula and non-formula)	\$10,748,200	Same
Elder Abuse	\$10,000,000	Almost \$2.5 million less than Gov. proposed budget

In addition, the Department is moving forward on a plan to redesign case management under the Community Care Program. Under the plan, the Area Agencies on Aging would take over the assessment function from Care Coordination Units (like Catholic Charities in Chicago and Kankakee (Joliet)). It seems that the reason for the Department doing so is that they believe this could help draw down additional federal money. However, there are concerns that this could actually cost more money because funding will likely be needed to help Area Agencies on Aging, most of which do not have expertise in direct service delivery, to try to create the needed infrastructure to do this work. Also, separating the assessment function from provision of other case management services into two different agencies can cause significant confusion for elderly persons in this program. CCI will continue to track this issue and express any concerns to the Department.

Department of Children and Family Services

(GRF=General Revenue Fund, CSF – Children’s Services Fund)

<u>Line item</u>	<u>Appropriation</u>	<u>Compared to Gov.'s proposed budget</u>
Institution & Group Home Care	\$139,327,900 (GRF) + \$96,711,100 (CSF)	Same
Counseling & Auxiliary Services	\$11,107,300 (GRF) + \$12,047,200 (CSF)	Same

Department of Human Services

Note: Funding was appropriated to keep open the state facilities for mental health and persons with developmental disabilities that had been proposed to be closed by the Governor earlier this year.

<u>Line item</u>	<u>Appropriation</u>	<u>Compared to Gov.'s proposed budget</u>	<u>Compared to FY 2012 appropriation</u>
Grants for Child Care (GRF)	\$466,063,400 (All Funds)	Approx. \$10 million more than Gov. proposed budget	Almost \$6 million less than FY 2012
Community Based services for Persons with Developmental Disabilities	\$936,373,400	Approx. \$39 million less than Gov. proposed budget	
Addiction Treatment (Medicaid Eligible) -	\$43,396,400	Approx. \$2 million more than Gov. proposed budget	Almost \$7 million less than FY 2012
Community Based Addiction Treatment Services	\$60,940,500	Approx. \$3 million less than Gov. proposed budget	Almost \$3 million less than FY 2012
Emergency Food Program (GRF)	\$201,500		\$7,400 less than FY 2012
Emergency & Transitional Housing (from IL Affordable Housing Trust Fund)	\$9,083,700		Same
Homeless Youth	\$3,098,100 (GRF) + \$1,000,000 (Affordable Housing Trust Fund)		GRF appropriation is approx. \$130,000 less than FY 2012, but funding is added from Affordable Housing Trust Fund
Homeless Prevention	\$1,000,000 (GRF) + \$3,000,000 (Affordable Housing Trust Fund)		GRF appropriation is approx. \$485,000 less than FY 2012, but funding is added from Affordable Housing Trust Fund

Department of Corrections

Also of note is that funding was appropriated to keep the correctional facilities and youth centers open that the Governor had proposed to close. This includes Tamms Correctional Center; however, the plan is to convert Tamms from a supermax facility into a medium-security facility.

State Legislation

The following are a few of the bills we were tracking this spring.

House Bill 4985/Senate Bill 2894 (Guardians-Fees-Appoint-Limits) *Was not voted on by the House or Senate.* This bill called for fees for the filing of guardianship petitions. There was a concern from the original bill that these fees would be imposed on indigent persons and on the agencies, like Catholic Charities in Decatur, who work with low-income persons in guardianship cases. The bill was amended and exempted indigent persons from having the fee imposed on them, addressing this concern. Therefore, CCI took a neutral position on the bill, as amended. However, the bill did not move forward this session.

Senate Bill 3773 (FOIA-Nonprofit Agencies) *Passed Senate Executive Committee; held on 2nd Reading in the Senate pending further discussions.* This legislation went through various amendments, but the basic intention of its sponsor, Senator Sandoval, was to make the state grant process more transparent. However, the versions of the bill that were proposed called for duplicative reporting by grant recipients and asked for information already available through existing means. The latest version of the bill called for the Governor's Office of Management and Budget to create a database to which grant recipients would have to submit certain information. CCI opposed the bill. The bill did pass the Senate Executive Committee with the promise made by Senator Sandoval to hold it on 2nd Reading in the Senate while further discussions took place with the Governor's office and other interested parties on how this could be implemented. We will continue to track this bill.

House Bill 5278 (Human Trafficking Limitations) *Passed both House and Senate; pending consideration by the Governor.* The bill amends the current state law on human trafficking to improve the effectiveness of state law in prosecutions for human trafficking. The bill also is aimed at providing more resources to go to supportive services for survivors of human trafficking. CCI supported the bill, which passed both the House and Senate and now waits consideration by the Governor.

Senate Bill 1064 (Private Detention Moratorium) *Passed the Senate, passed House Executive Committee, failed in the House.* This bill would have prohibited the State and local governments from contracting with private companies to operate civil detention centers. The bill came about because of a proposed immigrant detention center to be operated by Corrections Corporation of America in Crete. Current Illinois law already prohibits private companies from operating criminal correctional centers. CCI supported the bill, as the building of more detention centers, rather than exploring alternatives to detention, diminishes family unity and separates many immigrant families. The bill passed the Senate but did not pass the House, although the vote was very close. There is a possibility the legislation could be proposed again in the fall. In the meantime, the local residents of Crete and others will continue in their local efforts to persuade the Village of Crete and ICE to not build the detention center.

House Bill 4603 (Car Title Loan Limitations) *Did not pass House Consumer Protection Committee.* This bill would cap the interest rate on auto title-secured loans to 36 percent as well as put other limits on these types of loans. CCI supported the bill, but it did not pass out of the House Consumer Protection Committee and did not receive further consideration this spring.

House Resolution 861 (Urge Congress – 2012 Farm Bill) & Senate Resolution 665 (Farm Bill-Food Nutrition Program) *Both resolutions passed their respective chambers.* These resolutions called on Congress to pass a federal Farm Bill that would protect and strengthen federal food and nutrition programs. CCI supports these resolutions. A federal Farm Bill is currently under consideration by Congress.