



ILLINOIS ACADEMY OF
FAMILY PHYSICIANS

Written Statement/Testimony for Congressional Record

TO: The Honorable U.S. Representatives Davis, Quigley, Rush and Schakowsky
FROM: Illinois Academy of Family Physicians
RE: Federal Medicaid Cuts: Implications for Patients, Providers, and our Community
DATE: June 9, 2011

Medicaid needs protection in the face of budget challenges.

Since its inception, Medicaid has been the key source of health coverage stability. Today, more than 42 million of the nation's low-income children, families, seniors, and people with disabilities depend on its crucial role as a safety net for vulnerable populations.

Congress recognized Medicaid's important role in our nation's health coverage structure in the Affordable Care Act. One important provision of the Act ensures stable Medicaid coverage by requiring states to hold steady on Medicaid eligibility until 2014 for adults and 2019 for children. To date, these stability protections have worked exactly as intended, preventing states from reducing Medicaid eligibility as well as from adding red-tape barriers to enrollment just when people need help the most.

As family physicians, we promote both high quality care and maintenance of basic essential health services for Medicaid recipients. To that end, our national policy on Medicaid supports the following principles:

- federal share should be increased if Medicaid enrollment is increased by federal legislation;
- payment for primary care services should be at least equal to Medicare;
- the patient-centered medical home model of care with appropriate payment for case management/care coordination should be implemented broadly;
- a benefit profile should be required that includes first dollar coverage of preventive services;
- cost-containment determined by evidence-based research;
- a clear definition of medical necessity based on evidence;
- Medicaid should support health information exchange through adequate infrastructure investment and electronic medical records by means of adequate payment for electronic visits and related services;
- pay for performance and other quality improvement activities rooted in evidence-based research;
- current pharmaceutical benefits for dual eligibles should be maintained if those benefits cover more drug costs than does the Medicare benefit;
- coverage of tobacco cessation counseling, pharmaceuticals and other assistive methods should be included;
- federal financial participation in territorial assistance programs should be equitable;
- coverage of pharmaceutical and oral health benefits should be mandatory; and
- Medicaid programs should provide continuous eligibility for at least twelve months.

In Illinois, the Illinois Academy of Family Physicians has been strongly invested in the development and implementation of Illinois Health Connect (IHC), the Medicaid primary care case management (PCCM) program since its inception in 2006. IHC was implemented as a means of extending the PCCM model from prior programs to a broader swath of state Medicaid beneficiaries. Participation in PCCM is a requirement for enrolled patients. IHC now serves two-thirds of all eligible Medicaid beneficiaries (approximately 1.9 million Illinois citizens) and 15% of the total state population. IHC has emphasized patient contact with a primary care provider (PCP). All patients enrolled in Illinois Health Connect must designate a PCP as their medical home, and a phone assistance line is maintained to field patient questions and complaints. With regular contact and continuity of chronic disease care occurring in this setting, the model aims to simultaneously promote preventive services and reduce redundancy of services delivered. IHC is administered by Automated Health Systems (AHS) through contract with the Illinois Department of Health and Family Services.

In 2009, 5442 medical homes were enrolled in Illinois Health Connect, providing the capacity to see 5.3 million clients. Participating providers are expected to provide direct access to enrollees 24 hours per day, seven days per week, maintain a minimum number of weekly office hours, provide timely appointment availability based on specific criteria, provide and coordinate maternal and child health services, and agree to institute an action plan for enrollees with chronic diseases.

Also in 2009, Illinois spent nearly \$14.4 billion on Medicaid out of nearly \$50 billion in total spending. Nearly 2/3rds of Medicaid spending came from Federal funds (state budget documents). So, the internal estimate of nearly \$750 million in savings each year represents nearly 5% of total Medicaid spending or about 1.5% of total state spending. Costs grew 7.6% from 2004-2007 vs 8.6% 2001-2004 (Statehealthfacts.org).

Given the quality outcomes and savings accomplishments, this program has been internally evaluated and recently, with the support of the Commonwealth Fund, will also be objectively evaluated by the Robert Graham Center <http://www.graham-center.org/online/graham/home.html>. Without such evaluation, Illinois Health Connect is at risk within the state, and any potential lessons for other states will be lost. The Commonwealth evaluation is an opportunity that may preserve essential programs for Illinois Medicaid patients, and that may be instructive for other states looking for ways to make their Medicaid programs more effective and efficient. Since Illinois Health Connect is focused on vulnerable patients, the results are critical to determining which medical home model attributes are most effective in helping improve patient outcomes. We will share the reported results upon their availability.

Our case study and evaluation is one example of innovative approaches that states can seize to improve Medicaid outcomes, realize savings, and improve access to a medical home.

While there is no doubt that state budget problems are serious and warrant attention, taking health care away from millions of American seniors and children is the wrong response. Any cuts would be in direct opposition to our nation's goal of reducing the number of uninsured. Moreover, cutting Medicaid would threaten the fragile economic recovery, since cuts to Medicaid translate into significant cuts in state business activity and jobs. The economic and health care security of millions of Americans is at substantial risk if the stability provisions in the Affordable Care Act are weakened.

We therefore urge you to stand firm and vigorously oppose any efforts to weaken Medicaid. Our Academy at both the state and federal level looks forward to working with you on behalf of the more than 42 million recipients who rely on Medicaid for vital coverage, and the providers who serve them.