

March 11, 2021

## STATE ADVOCACY ALERT

ACTIONS REQUESTED: 1) Contact your state senators and urge them to co-sponsor [Senate Bill 2006](#) and [Senate Bill 177](#), legislation to reform the unfair policies and practices of the Medicaid Managed Care Organizations (MCOs) and state-regulated commercial health plans. To look up your state senators and their contact information, [click here](#), go to the "Find Officials" section, and enter your local address. To send emails to your senators, [click here](#).

2) Tell your story and sign the petition to legislators in support of Prior Authorization reform legislation (HB711/SB177): visit the Your Care Can't Wait Coalition website: <https://www.yourcarecantwait.org>.

BACKGROUND: As part of its managed care advocacy efforts, IHA strongly supports two critical bills introduced in the General Assembly that address high-priority challenges identified by member hospitals and health systems.

- Senate Bill 2006, sponsored by Senator David Koehler, proposes practical reforms to reduce administrative burden and red tape that serve as barriers to care for Medicaid beneficiaries enrolled in MCOs, many of whom have complex medical and social needs. This IHA initiative builds on the gains made under Senate Bill 1321 (Public Act 101-0209) by requiring (1) transparency in the state's MCO contracts and policy guidance; (2) standardization of MCO hospital readmission practices; and (3) accountability for unfair MCO policies that are unilaterally applied across hospitals and health systems. See IHA's [fact sheet](#) and [position paper](#).
- House Bill 711 and Senate Bill 177, filed by House Majority Leader Greg Harris and Assistant Senate Majority Leader Linda Holmes, respectively, propose much-needed guardrails to ensure that patient care is not disrupted or delayed by inappropriate, excessive, or confusing prior authorization programs implemented by state-regulated health plans, including MCOs. The Your Care Can't Wait coalition, which includes IHA and 26 other provider and advocacy groups, recently [announced](#) its strong support of the proposed Prior Authorization Reform Act. A summary of the Coalition's recent survey on the effect of prior authorization on patients is [here](#).

## TALKING POINTS:

*Members are encouraged to customize these talking points to provide specific examples of the effect of Medicaid managed care and the broken prior authorization system on their patients and organizations.*

- We urge you to support and sign on as co-sponsor of two critically important bills – Senate Bill 2006 and Senate Bill 177 -- legislation to reform the unfair policies and practices of the Medicaid Managed Care Organizations (MCOs) and state-regulated commercial health plans.

## Senate Bill 2006

- Hospitals appreciate the many steps the Department of Healthcare and Family Services (HFS) has taken over the past two years to hold the Medicaid Managed Care Organizations (MCOs) accountable for their performance, reduce claim denials, and resolve provider disputes.
- Nevertheless, administrative hassles and red tape continue to create unnecessary access barriers for low-income and vulnerable communities, undermine the financial stability of hospitals, and hinder constructive relationships between providers and MCOs.
- As Illinois battles the COVID-19 pandemic, now more than ever, hospitals and the patients they serve need the MCOs to

deliver on their promise of providing integrated, coordinated care for more than 2.5 million Medicaid beneficiaries, many of whom have complex medical and social needs and live in communities at high risk for COVID-19.

- Senate Bill 2006 would go a long way toward moving past these long-standing administrative challenges. Key provisions would:
  - Require HFS to make its contract and policy guidance to the MCOs publicly available, which is standard practice in other states;
  - Establish much-needed guardrails around unfair hospital readmission practices; and
  - Hold the MCOs accountable for clinical and payment policy changes that are not aligned with state law, regulation, and guidance.
- We urge you to support the commonsense reforms in SB2006, which will create a more transparent, standard, and fair Medicaid managed care program. Please sign on as a co-sponsor of this critically needed Medicaid managed care reform legislation.

Senate Bill 177: Talking points for the Prior Authorization Reform Act are [here](#).

- We urge you to support and sign on as a co-sponsor of SB177.

For questions or additional information, please [contact IHA](#).

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