



ISMS PRINCIPLES FOR MEDICAID WAIVER APPLICATION

Purpose:

To improve the health of low-income individuals and families, the aged, blind, and disabled enrolled in or eligible for the Illinois Medicaid program and to control Medicaid costs by offering competition, choice and program stability.

Goals:

- To assist the State of Illinois in obtaining legal authority to reform the Illinois Medicaid program either through application for a Section 1115 Medicaid waiver through the Social Security Act or an alternate method, such as an Interstate Compact.
 - To propose changes in Medicaid funding which will result in cost efficiency, transparency and fraud control.
1. Fund Illinois Medicaid through federal block grants or spending caps in exchange for greater program flexibility, simplified administration and regulation relief.
 2. Administer funding separately for indigent medical care and for the elderly, blind and disabled.
 3. Promote reasonable and fiscally responsible eligibility standards for patient participation in the Medicaid program.
 4. Patient responsibility- Premiums and copayments for those above 150% of FPL (federal poverty level) should be in addition to the Medicaid fee schedule. Copayments for nonemergency use of the Emergency Room should be stratified based on income levels.
 5. Change Medicaid from a “defined benefit” to a “defined contribution” program in order to promote cost efficiency, increase access to care, lessen the fiscal burden on the State of Illinois, restrict unnecessary care and combat fraud.
 6. Patient empowerment and choice-Managed care should not be mandatory but instead should be an option for Medicaid enrollees. Managed care should compete with other models of care such as the medical home developed through the primary care case management program. In addition, beneficiaries should be given a choice between traditional Medicaid and a variety of private, customized, managed care plans with variable deductibles, copayments, benefits and coinsurance.
 7. A reformed Medicaid program should promote choice, access to quality health care and

financial protection for patients by implementing Health Savings Accounts; by offering premium support on a sliding scale basis; paying providers on a fee for service basis; Unfinished Business Report G (A-12) assuring transparency; creating incentives to cut cost, upgrade coverage and improve their living status; evaluating outcomes; and providing a grievance process for beneficiaries.

8. Medicaid should establish pilot projects that allow evaluation of health insurance programs such as health savings account plans and other means of financing health care as applied to health care for the medically indigent.

9. Consider financial and/or benefits rewards for responsible use of benefits by beneficiaries and disincentives or penalties for irresponsible use of benefits such as co-payments for inappropriate use of the emergency department.

10. Promote wellness programs and appropriate, customized preventive testing.

11. Health care education and literacy must be an important part of any Medicaid Waiver and Medicaid should provide financial support for comprehensive health education and literacy activities performed by physicians. Medicaid should develop creative, non-traditional patient educational programs such as training via video and the internet. Additionally, Medicaid should develop initiatives in cultural competence and provide cultural competence resources for physicians.

12. Maximize the principles of Cash and Counsel¹ to help patients and providers use the Medicaid system optimally. These counseling programs should also be utilized to encourage community-based alternatives to nursing home care.

13. Care coordination should be physician led and physicians should receive adequate compensation for time and effort spent in coordinating care to allow physicians and their staffs to spend adequate time with patients who have chronic and often complicated illnesses.

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14. Promote usage and technical advances in home health care technology.

15. Encourage anti-fraud activity such as hospital and nursing home audits.

16. To ensure patient access to care, physician compensation must be adequate.

¹ Cash and Counseling programs have traditionally been used to give individuals with disabilities the option to manage a budget and decide what mix of goods and services best meet their personal and health care needs.