



PRESS RELEASE

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**600,000 CHILDREN IN COOK COUNTY
TO RECEIVE BETTER ACCESS TO HEALTH CARE**

June 24, 2005...Chicago, IL...In a settlement announced today and provisionally approved by federal District Court Judge Charles Kocoras, the Blagojevich Administration and attorneys representing low-income children in Cook County have agreed on a plan that will dramatically affect children's access to health care under the Medicaid program in Illinois. The Blagojevich Administration's effort to work with children's health advocates to resolve the 13-year old lawsuit builds on its commitment to devoting significant resources to children's health care.

"We've been making great progress over the last two and a half years in giving more children and their parents access to health coverage. In his first three budgets, Governor Blagojevich provided funding to expand health care to more than 313,000 uninsured working families and kids. With the agreement we presented to the court today, we'll not only resolve a legal complaint that's been pending through three administrations, but also build on our recent success by making sure kids who are at risk of missing out on important health services actually make it to the doctor and back again for follow up visits," said Barry Maram, Director of the Illinois Department of Public Aid, the lead state agency involved in the settlement.

The agreement announced today addresses concerns first raised in 1992 that children covered by Medicaid in Cook County were not able to see doctors and receive recommended well-child services. In provisionally approving the settlement, Judge Kocoras ordered that the affected families receive notice of the provisions of the settlement, and he set a hearing date in early November to hear any objections and to give the settlement final approval.

The agreement is designed to ensure children from low income families in Cook County have access to regular, consistent physician care. The plan includes increases in pediatrician reimbursement rates to help attract and retain more doctors in the Medicaid program, as well as bonus payments to doctors who successfully keep their young patients from missing important services and falling through the cracks. The rate increases and bonus payments have the potential to more than double what pediatricians are currently paid by Medicaid for well-child care (rather say how many more docs will come on board or how many more patients will be served). In addition, dental providers will receive a major increase in reimbursement rates to the levels paid by the State employee dental plan. The State will also contract with a third party vendor to provide a referral network for families to assist them in getting necessary care and services.



“This settlement will begin to change the landscape for children receiving Medicaid by attempting to put them on equal footing with children who are privately insured,” said Stephanie Altman, from Health & Disability Advocates (HDA), one of three organizations representing the plaintiffs.

To remedy the problems with children’s access to health care, the proposed settlement includes:

- **Provider Incentives.** The settlement will expand the pool of doctors available to serve Medicaid recipients and improve the regularity by which patients are served. By increasing provider rates, more physicians should be willing to participate in the program. Additional incentives for physicians who achieve goals of providing regular, consistent well-child care will improve the overall quality of care that these children receive.
- **Payments to Federally Qualified Health Centers (i.e., “clinics” in low-income neighborhoods, which are known as FQHCs).** Payments to FQHCs will be increased. The adjustments are designed to encourage these centers to be proactive in providing children with the full slate of well-child services, including immunizations and well-child doctor visits.
- **Notices.** Informational notices will continue to be sent to recipients, including class members with some enhancements for better communication.
- **Reports/Monitoring.** The State will create a series of quarterly reports, which it will share with the plaintiffs, that will help identify the success of the new measures in increasing the level of health care provided to children on Medicaid. The State will be in a better position to identify which children are not receiving care so that the State can make sure that children do not “fall through the cracks.”
- **Specialty Care.** The State will fund a study on the access of children on Medicaid to specialty care to to develop more information as to whether additional steps are needed to increase access to those services.
- **Enhanced physician referral system.**

The settlement is an illustration of the Blagojevich administration’s commitment to ensure that children have access to quality and affordable health care in Cook County and throughout the State.

“This settlement helps move Illinois towards a reliable health care system for children receiving Medicaid, which we hope will provide them with accessible, quality preventive medical and dental services forming the foundation of a healthy childhood,” said John Bouman, counsel from the Sargent Shriver National Center on Poverty Law.



“We are encouraged by the Blagojevich administration's agreement to address the problems that it inherited from prior administrations,” said Fred Cohen, counsel from Goldberg Kohn, a Chicago law firm that took on the case on a pro bono basis. “The problems addressed in the lawsuit, however, are difficult to solve, and this agreement is just one step along a path. The team that represents these children is committed to continuing to work with the State to make sure that we reach the end of that path.”

The settlement comes after a decision by Federal Judge Joan Humphrey Lefkow was issued in August 2004, finding that the Illinois Department of Public Aid and the Illinois Department of Human Services were violating the rights of Medicaid-eligible children in Cook County to receive health care under the Medicaid program. Specifically, the Court ruled that the State has failed in its obligations to provide these children with access to care from doctors that is equal to the access to care received by privately insured children, and to ensure that these children receive the preventive health services required by the federal Medicaid program known as Early and Periodic Screening, Diagnostic, and Treatment services (EPSDT).

In her opinion, Judge Lefkow explained the meaning of “equal access” to medical care contained in Medicaid law: “[t]he [children] are entitled to access equal to that of children with private insurance.” The Court expressly concluded that: “the [children] have met their burden of establishing that the defendants have violated their rights by failing to provide them with equal access to medical services. Plaintiffs simply do not have access to medical services which is equal to that of privately insured children.”

In addition, Judge Lefkow ruled that the State has failed to establish “a Medicaid program designed to provide all EPSDT services to all Medicaid-enrolled children on a timely basis.” Under the EPSDT program, the state is obligated to ensure that children receive well-child care, including regular examinations and immunizations, and the state must *effectively* inform all eligible individuals of the availability of these EPSDT services.”

The Court also ruled that managed care organizations, which serve approximately 15% of Medicaid-eligible children, have failed to provide requisite levels of preventive health care. The rate at which children receiving Medicaid attain preventive health care screenings from managed care organizations was lower than the rate for children on Medicaid who were not in managed care.

The case was originally filed in 1992 by lawyers at the Legal Assistance Foundation of Metropolitan Chicago who are now affiliated with two public interest organizations: Stephanie Altman and Thomas Yates of Health & Disability Advocates and John Bouman of the Sargent Shriver National Center on Poverty Law. In 2000, the Chicago law firm of Goldberg Kohn Bell Black Rosenbloom & Moritz, Ltd. agreed to commit its expertise on a pro bono basis.



The parties believe that this landmark agreement should help provide a real “medical home” for children in the Medicaid program and ensure that these children receive timely and appropriate preventive health care services to allow them to reach their full potential.

The plaintiffs have demonstrated a great desire to ensure that children have access to quality and affordable health care in Cook County. The administration's willingness to work on a mutually agreed upon settlement also demonstrates the Governor's commitment to focus significant resources on children and their access to health care, rather than a lengthier court process. That commitment has been demonstrated by the following:

- The Blagojevich administration has met the State's budget crisis without resorting to cuts in rates paid to doctors and other health care providers.
- The Blagojevich administration expanded eligibility for the KidCare program from 185% to 200% of the Federal Poverty Level as of 7/1/03. In calendar year 2003, Illinois added 60,000 children to its Medicaid programs and now delivers health coverage to more than one million children across the State. In all, Illinois has expanded health care coverage to 313,000 more working families and their children.
- In July 2004, the Kaiser Commission reported that Illinois was second in the nation in the last six months of 2003 in the number of children added to its KidCare or SCHIP program and first in the nation in expanding coverage to working parents through Family Care.

Outreach efforts have accomplished significant achievements.

- In 2004, the Blagojevich administration streamlined the KidCare application process, making it easier and faster to apply.
- The Illinois Department of Public Aid has redoubled outreach efforts and partnered with some of the largest school districts in the State to distribute informational flyers about KidCare and the new income levels.
- The Blagojevich administration has dramatically expanded SCHIP eligibility for parents, under the theory that parents who have health care are more likely to take care of their children's health needs.
- The Blagojevich administration believes in a pro-active approach to the overall issue of children's health. One example is the launch of the Illinois Healthy Women program, which offers a full range of reproductive health care to 70,000 women



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coming off of Medicaid each year. The goal is to improve the health of newborns by helping their mothers plan and space out pregnancies.

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HDA is a national policy group that advocates on behalf of low-income people for access to health care and disability related programs on the state and federal level. Since 1994, they have played a leadership role on the national level in the design and implementation of changes in federal Social Security disability programs. Contact: Tom Yates or Stephanie Altman, (312) 223-9600, tyates@hdadvocates.org or saltman@hdadvocates.org.

The Sargent Shriver National Center on Poverty Law, www.povertylaw.org, works in Illinois and nationally to champion law and policy promoting equal opportunity and support for low-income individuals, families, and communities so that they can escape poverty permanently. Contact: John Bouman, Advocacy Director, (312) 368-2671, johnbouman@povertylaw.org.