February 16, 2018

The below memo details an initial analysis of Illinois Governor Bruce Rauner’s Fiscal Year 2019 (FY19) proposed budget. It provides an overarching view of important health and human service priorities within the Governor’s FY19 proposed budget.

While the Governor’s FY19 proposed budget seems to include less severe cuts than in previous years, it still continues the theme of additional proposed cuts to health and human services, attempting once again to balance the budget on the shoulders of those who can least afford it. Further, his proposed budget relies on a roll-back of the state income tax and cost-shifting of teacher pensions from the state to the local level. The proposed budget also does not address the state’s $8.8 billion backlog of unpaid bills and assumes the general assembly will approve a $1.2 billion supplemental funding bill for this current fiscal year (FY18). Lastly, if the Governor and the General Assembly aren’t able to agree on the assumed savings in his proposed budget, it would mean his proposed budget exceeds estimated revenues for FY19 by approximately $1 billion. You can find the text of the Governor’s budget address here and the full details of his FY19 proposed budget here.

EverThrive Illinois believes every Illinoisan deserves the opportunity to live their healthiest lives. We know that our work towards realizing this vision must include steps to eliminate health disparities and inequities. The Governor’s FY19 proposed budget does not come close, and in fact takes us steps backwards, in realizing this vision for our children, youth, women and families. Governor Rauner should go back to the drawing board and revise his proposed budget to remove the cuts currently being proposed in a variety of health and human service programs (see below for more details) and instead support investments in these sectors in order to begin repairing the damage done over the past 3 years due to the state budget impasse. We call on the Governor to fully fund the health and human service programs our families and communities rely on, including: Medicaid; school-based health centers; infant mortality reduction programs; Sudden Infant Death Syndrome (SIDS) reduction and awareness programs; and community mental health and substance abuse treatment services.

Additionally, in order for our state to move forward, adequate and sustainable revenue is critical. That is why EverThrive IL supports the “Fair Tax Now” campaign. This campaign is being led by the Responsible Budget Coalition (RBC), of which EverThrive IL is a proud member. The Fair Tax Now campaign is a statewide effort to put a fair tax on the ballot in 2018. We strongly believe the fair tax is an essential step towards a long-term and permanent solution to address Illinois’ on-going fiscal crisis and to truly begin to support the health and well-being of our families and communities. For more on the Fair Tax Now campaign, visit the RBC website here.

For questions or to speak further about the information within this policy memo, please feel free to reach out to EverThrive IL's Policy Director, Nadeen Israel, at nisrael@everthriveil.org or (312) 491-8161, ext. 26.

NOTE: The below compares funding in the Governor’s FY19 proposed budget vs FY18 appropriated levels. When available and appropriate, the below also compares the Governor’s FY19 proposed budget vs the FY15 appropriated funding level (FY15 was the last full IL state budget before the 2+ year state budget impasse began).
Governor Bruce Rauner’s Fiscal Year 2019 (FY19) Proposed Budget - Highlights

1. Illinois Department of Public Health (IDPH)
Overall, the FY19 Proposed Budget for IDPH is $620.2 million, of which $112.4 million comes from the General Revenue Fund (GRF) and the remainder comes from a variety of federal and other state funds.

This represents an increase of $37.8 million, which includes an increase of $3.3 million GRF, when compared to FY18 appropriated funding for DPH. The remainder of this proposed increase relies on newly identified federal funds that the Illinois Department of Public Health hopes to secure in FY19 for combating the opioid epidemic.

Funding for many programs in the FY19 DPH proposed budget is level when compared to FY18 appropriation. However, when compared to funding levels in FY15, the last full IL state budget before the 2+ year state budget impasse began, funding for many of these programs still represents a reduction. The following is not an exhaustive list but a snapshot of the funding levels in the Governor’s FY19 proposed budget for DPH:

A) Expenses Associated with School Health Centers - $1,151,100
   - Flat funding compared to FY18 appropriation
   - ~10% cut (reduction of $127,900) compared to FY15 funding level of $1,279,000

B) Grants for Community Health Center Expansion Program - $1,364,600
   - Flat funding compared to FY18 appropriation
   - Flat funding compared to FY15 funding level

C) Grants for Immunizations and Outreach Activities - $4,157,100
   - Flat funding compared to FY18 appropriation
   - -8% cut (reduction of $358,000) compared to FY15 funding level of $4,515,100

D) Expenses Associated with the Childhood Immunization Program - $138,300
   - Flat funding compared to FY18 appropriation
   - -3% decrease (decrease of $3,900) compared to FY15 funding level of $142,200

E) Expenses for Promotion of Women’s Health - $485,000
   - Flat funding compared to FY18 appropriation
   - -2% increase (increase of $10,900) compared to FY15 funding level of $474,100

F) Expenses of Women’s Health Programs - $200,000
   - Flat funding compared to FY18 appropriation
   - Flat funding compared to FY15 funding level

G) Perinatal Services - $1,002,700
   - Flat funding compared to FY18 appropriation
   - -9% cut (reduction of $86,400) compared to FY15 funding level of $1,089,100

H) Grants to Family Planning Programs for Contraceptive Services - $423,400
   - Flat funding compared to FY18 appropriation
   - -9% cut (reduction of $36,400) compared to FY15 funding level of $459,800

I) Costs Associated with Children’s Health Programs - $1,229,700
   - Flat funding compared to FY18 appropriation
   - Flat funding compared to FY15 funding level
J) Expenses Associated with Breast and Cervical Cancer Screenings and Other Related Activities - $13,512,400
   - Flat funding compared to FY18 appropriation
   - Flat funding compared to FY15 funding level

K) Expenses Associated with Sudden Infant Death Syndrome (SIDS) - $244,400
   - Flat funding compared to FY18 appropriation
   - 2% cut (reduction of $5,600) compared to FY15 funding level of $250,000

L) ACA Marketplace - $5 million (All Federal Dollars)
   - Flat funding compared to FY18 appropriation
   - 83% cut (reduction of $25,000,000) compared to FY15 funding level of $30 million

2. Illinois Department of Human Services (IDHS)
   Overall, the FY19 Proposed Budget for DHS is $6.3 billion, of which $3.7 billion comes from the General Revenue Fund (GRF) and the remainder comes from a variety of federal and other state funds.

   This represents a decrease of $230.4 million, which includes a decrease of $188.2 million GRF, when compared to FY18 appropriated funding for DHS.

   Funding for many programs in the FY19 DHS proposed budget is reduced. The following is not an exhaustive list but a snapshot of the funding reductions in the Governor's FY19 proposed budget for DHS:

   A) Funding reductions of 5% - 8% in DHS Programs Include:
      - Infant Mortality Reduction Programs ($2.3 million, or ~7%, decrease)
      - Addiction Prevention
      - Children’s Place
      - Immigrant Integration Services
      - The Autism Program
      - Supportive Housing Services
      - Arc of Illinois
      - Best Buddies
      - Epilepsy Services
      - Chicago Area Project
      - West Side Health Authority Crisis Intervention

   B) Funding for mental health grants is $106.6 million GRF. This is a reduction of $48.4 million when compared to the FY18 appropriation. The Governor's Office of Management and Budget (OMB) states that this funding reduction is because there was: a decrease in individuals using these services; a shift of funding to Medicaid managed care organizations (MCOs) for providing these services; and a shift of individuals who are now being served by the Affordable Care Act (ACA).

   C) Funding for addiction treatment services is $59 million GRF. This is a reduction of $24.1 million when compared to the FY18 appropriation. OMB states that this funding reduction is because there was: a decrease of individuals using services; and a shift of funding to Medicaid MCOs for providing these services.

   D) Funding for the Temporary Assistance for Needy Families (TANF) is $119.2 million GRF. This is a reduction of $29.6 million when compared to the FY18 appropriation. OMB
states that this funding reduction is because there was a decrease in the use of this program.

E) Funding for child care services is $380.7 million GRF. This is a reduction of $96.1 million when compared to the FY18 appropriation. OMB states that this funding reduction is because there was a decrease in the use of this program. The Governor's FY19 proposed budget does keep income eligibility for child care services at 185% of the federal poverty level (FPL).

Lastly, DHS-funded home visiting programs are level-funded and Early Intervention includes a $3 million increase when compared to FY18 appropriations.

3. Illinois Department of Healthcare and Family Services (HFS)
HFS stated that there are no service reductions or program eligibility reductions in the Governor's FY19 proposed budget. However, there is a 4% provider rate cut which is estimated to be a $150 million reduction in the IL Medicaid program's budget. This rate cut actually represents a 2% cut, but will not be implemented for the first 6 months of FY19. In addition, this rate cut will not affect providers protected by federal guidelines, including drug reimbursement, Federally Qualified Health Centers (FQHC), and Medicare costs. Lastly, HFS has also requested a $494 million supplemental for FY18.

It is also important to keep in mind that Congressional Republicans and President Trump continue to actively work at the federal level to change federal laws and regulations to repeal the Affordable Care Act and make drastic negative changes to the Medicaid program (e.g. block grants or per capita caps; work requirements). If the Congressional Republicans' efforts are successful, the Medicaid program would go back to where it was in 1965! Block grants and per capita caps are nothing but cuts in federal funding that force states to make the tough decisions of cutting eligibility, benefits, or rates. In addition, Congress can go back and further limit funds to the states any time.

EverThrive Illinois strongly opposes any health policy proposal that reduces eligibility, benefits, protections, or rates. We are a leading member of the Protect Our Care Illinois coalition and through this coalition, we will continue to fight against any proposed changes that do not positively contribute to the health and well-being of all Illinoisans. To join the Protect Our Care Illinois coalition, check out the links below.

Your organization can join the coalition here. You, as individuals (or your consumers, patients, members, etc), can join the coalition here.