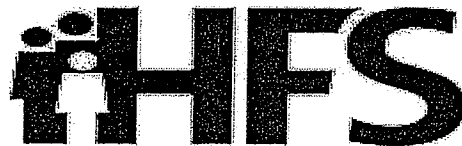


EXHIBIT “6”

Report of Medicaid Services for Persons who are Medically Fragile, Technology Dependent

**Presented Pursuant To
*Public Act 095-0622***



Illinois Department of HealthCare and Family Services

**Pat Quinn, Governor
Julie Hamos, Director**

January 2012

Children enrolled under the MFTD waiver also receive other covered Medicaid services. In Table 3, non-waiver (basic Medicaid) costs of children who would be hospitalized if not for receipt of waiver services are displayed separately from non-waiver costs of children who would otherwise qualify for nursing facility services. Of the 619 waiver participants, 617 received other covered Medicaid services.

Table 3 includes breakdowns of unique users, total costs, and the average cost per child of other Medicaid covered services:

Table 3. Basic Medicaid Services Expenditures by Cost Comparison Group State Fiscal Year 2010 Total Waiver Children: 619			
Level of Care Cost Comparison	Number of Participants	Total Expenditures	Average Per Capita
Hospital	610	\$99,488,004	\$163,632
Nursing Facility	9	\$294,353	\$32,706

Table 4 details the five largest categories of non-waiver (basic Medicaid) services and all other expenditures by cost and percent of total costs for children enrolled in the MFTD waiver. These categories are: Private Duty Nursing and other Nursing Services, Inpatient Hospital Services, Prescription Drugs, Medical Supplies, and Medical Equipment.

**Table 4. MFTD Basic Medicaid Services Detailed Expenditures
State Fiscal Year 2010
Total Children: 619**

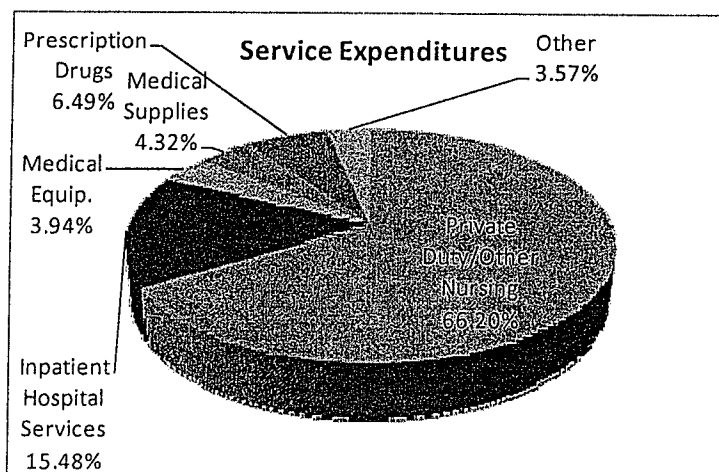


EXHIBIT “7”

AN ACT concerning public aid.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be referred to as the Save Medicaid Access and Resources Together (SMART) Act.

Section 5. Purpose. In order to address the significant spending and liability deficit in the medical assistance program budget of the Department of Healthcare and Family Services, the SMART Act hereby implements changes, improvements, and efficiencies to enhance Medicaid program integrity to prevent client and provider fraud; imposes controls on use of Medicaid services to prevent over-use or waste; expands cost-sharing by clients; redesigns the Medicaid healthcare delivery system; and makes rate adjustments and reductions to update rates or reflect budget realities.

Section 10. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public

this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the donations or benefits or the disbursement of the donations or benefits.

(Source: P.A. 96-20, eff. 6-30-09; 96-181, eff. 8-10-09; 96-328, eff. 8-11-09; 96-567, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1123, eff. 1-1-11; 96-1270, eff. 7-26-10; 97-48, eff. 6-28-11; 97-74, eff. 6-30-11; 97-333, eff. 8-12-11; revised 10-4-11.)

(305 ILCS 5/5-2b new)

Sec. 5-2b. Medically fragile and technology dependent children eligibility and program. Notwithstanding any other provision of law, on and after September 1, 2012, subject to federal approval, medical assistance under this Article shall be available to children who qualify as persons with a disability, as defined under the federal Supplemental Security Income program and who are medically fragile and technology dependent. The program shall allow eligible children to receive the medical assistance provided under this Article in the community, shall be limited to families with income up to 500% of the federal poverty level, and must maximize, to the fullest extent permissible under federal law, federal reimbursement and family cost-sharing, including co-pays, premiums, or any

other family contributions, except that the Department shall be permitted to incentivize the utilization of selected services through the use of cost-sharing adjustments. The Department shall establish the policies, procedures, standards, services, and criteria for this program by rule.

(305 ILCS 5/5-2.1d new)

Sec. 5-2.1d. Retroactive eligibility. An applicant for medical assistance may be eligible for up to 3 months prior to the date of application if the person would have been eligible for medical assistance at the time he or she received the services if he or she had applied, regardless of whether the individual is alive when the application for medical assistance is made. In determining financial eligibility for medical assistance for retroactive months, the Department shall consider the amount of income and resources and exemptions available to a person as of the first day of each of the backdated months for which eligibility is sought.

(305 ILCS 5/5-4) (from Ch. 23, par. 5-4)

Sec. 5-4. Amount and nature of medical assistance.

(a) The amount and nature of medical assistance shall be determined ~~by the County Departments~~ in accordance with the standards, rules, and regulations of the Department of Healthcare and Family Services, with due regard to the requirements and conditions in each case, including

EXHIBIT “8”

Medically Fragile Technology Dependent (MFTD) HCBS Waiver History

Year	Enrolled	Average PMPY*	Total Annual Liability
2000	275	\$157,773	\$43,387,550
2001	349	\$145,845	\$50,899,772
2002	415	\$150,332	\$62,387,651
2003	489	\$162,432	\$79,429,209
2004	536	\$173,772	\$93,141,712
2005	576	\$160,225	\$92,289,404
2006	595	\$163,296	\$97,161,019
2007	611	\$167,583	\$102,393,354
2008	641	\$167,860	\$107,598,048
2009	629	\$178,448	\$112,243,830
2010	622	\$188,210	\$117,066,489

*Per Member Per Year

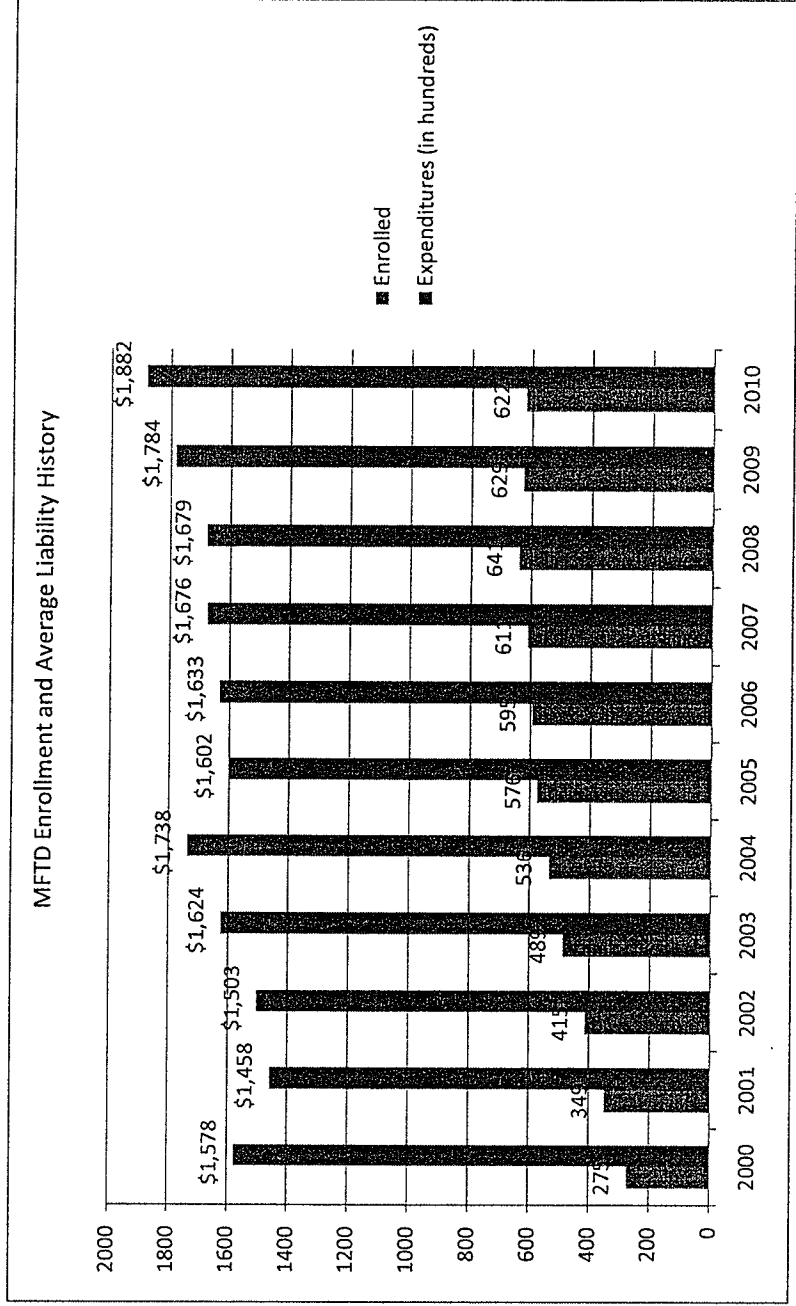


EXHIBIT “9”

201 South Grand Avenue East
Springfield, Illinois 62763-0002

Telephone: (217) 782-1200
TTY: (800) 526-5812

New Medicaid Program for Technology Dependent Children Fact Sheet

Illinois is making several significant changes to the state's Medicaid program for children who are technology dependent, at the same time as we seek to renew the Medically Fragile, Technology Dependent Waiver. The new program reflects the general direction of the Medicaid Program to provide a single point of entry with consistent assessment and care coordination to assist children and their families, along with a philosophy of consumer direction and shared responsibility.

The new program also incorporates discussions of the Department of Healthcare and Family Services' stakeholders group – the Workgroup on Children with Complex Medical Needs – which continually emphasized the need for better care coordination, added flexibility and more consumer-directed care for families. The new program is broadly outlined in the SMART Act (SB 2840), the state's 2012 Medicaid reform legislation, on pages 81-82.

Overview

Currently, the state serves approximately 550 children under the Medically Fragile, Technology Dependent Waiver ("MFTD Waiver") and approximately 500 other technology dependent children under Medicaid who receive in-home services but do not meet the institutional level of care required by the MFTD Waiver. The new program will serve children with a wide range of complex medical needs, allowing more flexibility in accessing and using services as well as creating a single, seamless system of care and oversight. The following is an overview of the program changes underway:

Single Program/Single Point of Entry

- There will be a single program and single point of entry for all technology dependent children who meet the medical criteria and have family incomes up to 500% of the federal poverty limit.
- Services will be based on medical necessity, as determined by a new level of care tool.
- An independent entity will be retained by the Medicaid Program to perform a level of care determination, in order to separate eligibility from care coordination activities.

Care Coordination

- The University of Illinois - Chicago's Division of Specialized Care for Children (UIC-DSCC) will provide a single point of entry and expanded care coordination to all eligible children in this program.
- Care coordinators will help families navigate through the healthcare system and obtain the services their children need.
- Care coordination also will be enhanced to include monitoring of hospital admissions, emergency room use, oversight of medical equipment and supplies, wellness exams, follow-up physician visits, immunizations and other preventive services.

Flexibility of Services

- Personal care services will be available for eligible children and their families.
- Illinois will move from a set number of weekly hours to a dollar amount based on individual medical need. The dollar amount will provide families with the opportunity to stretch dollars and hours by mixing licensed nursing staff with trained personal care attendants.
- The state will offer a limited annual flexible account that will allow families to bank up to one week of nursing and personal care services that may be used at the family's discretion.

Co-Payments

- Co-payments will be established for private duty nursing for all families at or above 150% of the federal poverty limit.
- The maximum co-payments will be set at the level allowed by federal law.

MFTD Waiver Changes, Effective September 1, 2012

- Illinois will re-apply for the MFTD Waiver, with the changes outlined here.
- Parental income will now be considered in determining financial eligibility. Under the SMART Act, financial eligibility for the new program, including for MFTD Waiver services, will be up to 500% of the federal poverty limit (\$115,250 for a family of 4); of 550 children currently in the MFTD Waiver, 95% will continue to qualify under the income cap.
- Private duty nursing, the most widely used service by technology dependent children and those children who use the MFTD Waiver, is not a waiver service. It will continue to be available to all eligible children, when medically necessary.
- Respite has been eliminated, as families will have more flexible use of nursing hours based on a monthly service amount and availability of a flexible account that allows banking of hours.
- Environmental Accessibility Adaptations (EAA) and Specialized Medical Equipment and Supplies (SMES) will be continued, with limits. The total cost for purchase of all EAA and SMES purchases, rental, and repairs may not exceed \$25,000 over five years.
- Cost neutrality of the MFTD Waiver will be based on persons served in nursing facilities with similar medical and technology needs as those in the MFTD Waiver.