

# What's at Stake The Health of Illinois Communities



## Communities Win When Local Hospitals Are Strong

**Illinois hospitals are 24/7 care providers, major employers and economic engines.**

They contribute significantly to the communities they serve, partnering with local organizations to address social needs and promote health and well-being.

**At the same time, many Illinois hospitals are struggling to survive.** Financial pressures from rising costs combine with inadequate reimbursement, increased regulatory burden and massive policy changes through the One Big Beautiful Bill Act (OBBA). Hospitals are strained, yet they continue to invest in patients and communities.

**Discover what's at stake for the health of Illinois communities**

# WHAT'S AT STAKE KEY ISSUES



## Financial

- Illinois Hospitals Face Looming Health Crisis
- OBBBA: A Trillion Dollar Turn in U.S. Health Policy
- Billions in Profits, Millions in Unpaid Claims: Medicaid Insurers Leave Illinois Providers Struggling, Patients Losing Care
- Hospital Expenses Are Up with Purchased Services and Drugs Driving the Increase
- Bad Debt and Charity Care Increased by 25% in the Midwest (between 2022 and 2025)



## Workforce

- Illinois Nursing in Crisis
- Physician Supply Lags Behind Patient Demand Across Illinois
- 1,117 Illinois Hospital Beds Lost Since 2019



## Regulatory Burden

- Study: Illinois Healthcare Providers Pay Highest Malpractice Costs in the U.S.
- Administrative Costs Now Account for 40% of Hospital Total Expenses in Delivering Patient Care



## Community Impact

- Illinois Hospital Community Benefits Have Increased Despite Mounting Financial Pressures
- Illinois State and Local Economic Impact and Jobs
- Your Support Is Critical to the Health of Illinois Communities

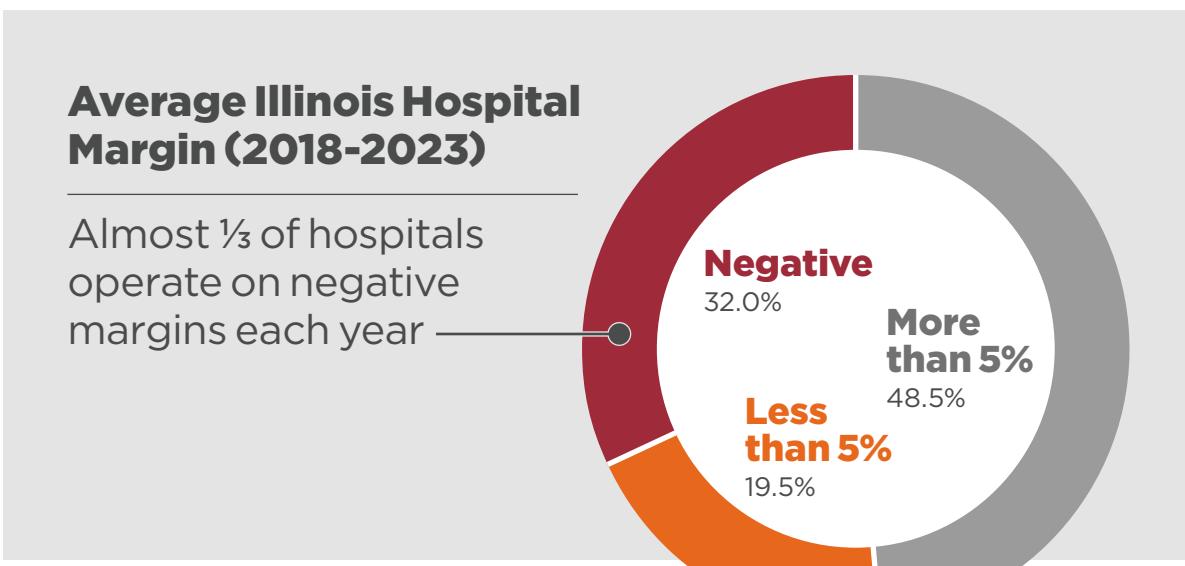
## WHAT'S AT STAKE

# Illinois Hospitals Face Looming Health Crisis

wttw

August 6, 2025

**More than half of Illinois' hospitals have operated on **SLIM TO NEGATIVE MARGINS** over the past decade.**



**50%+\***

More than half of Illinois **safety net** hospitals operated on negative margins

**25%\***

One quarter of **critical access** hospitals operated on negative margins with another quarter operating on thin margins

\*Source: Centers for Medicare & Medicaid Services. Healthcare Cost Report Information System database. 2018-2023. September 2024 Release.

WTTW. Illinois Hospitals Face Looming Health Crisis. August 6, 2025.

## WHAT'S AT STAKE

# The One Big Beautiful Bill Act (OBBBA): A trillion-dollar turn in US health policy



July 10, 2025



**\$57 billion**  
cut in federal Medicaid funding to Illinois  
over the next decade

As many as **500,000** vulnerable Illinoisians—**children, seniors, the disabled**—are expected to lose coverage.

Sources: Illinois Department of Healthcare and Family Services. 2025. | KFF. Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package. July 23, 2025. | PricewaterhouseCoopers. The One Big Beautiful Bill Act (OBBBA): A Trillion-Dollar Turn in US Health Policy. July 10, 2025.

## WHAT'S AT STAKE

# Billions in profits, millions in unpaid claims: Medicaid insurers leave Illinois providers struggling, patients losing care

CAPITOL NEWS  ILLINOIS

August 5, 2025

# Over 2 in 5

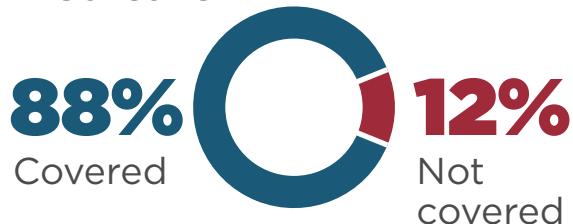
Illinois residents rely on Medicaid and Medicare for their health coverage

**25%**  
are enrolled in **Medicaid**

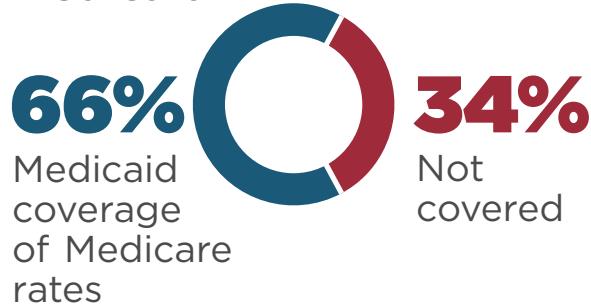
**18%**  
are enrolled in **Medicare**

Yet, government payers do not cover the full cost of providing care

**Medicare:**



**Medicaid:**



Sources: Capitol News Illinois. Billions in Profits, Millions in Unpaid Claim: Medicaid Insurers Leave Illinois Providers Struggling, Patients Losing Care. August 5, 2025. | Illinois Department of Healthcare and Family Services. 2025. | U.S. Census Bureau. American Community Survey. 2023 Estimates.

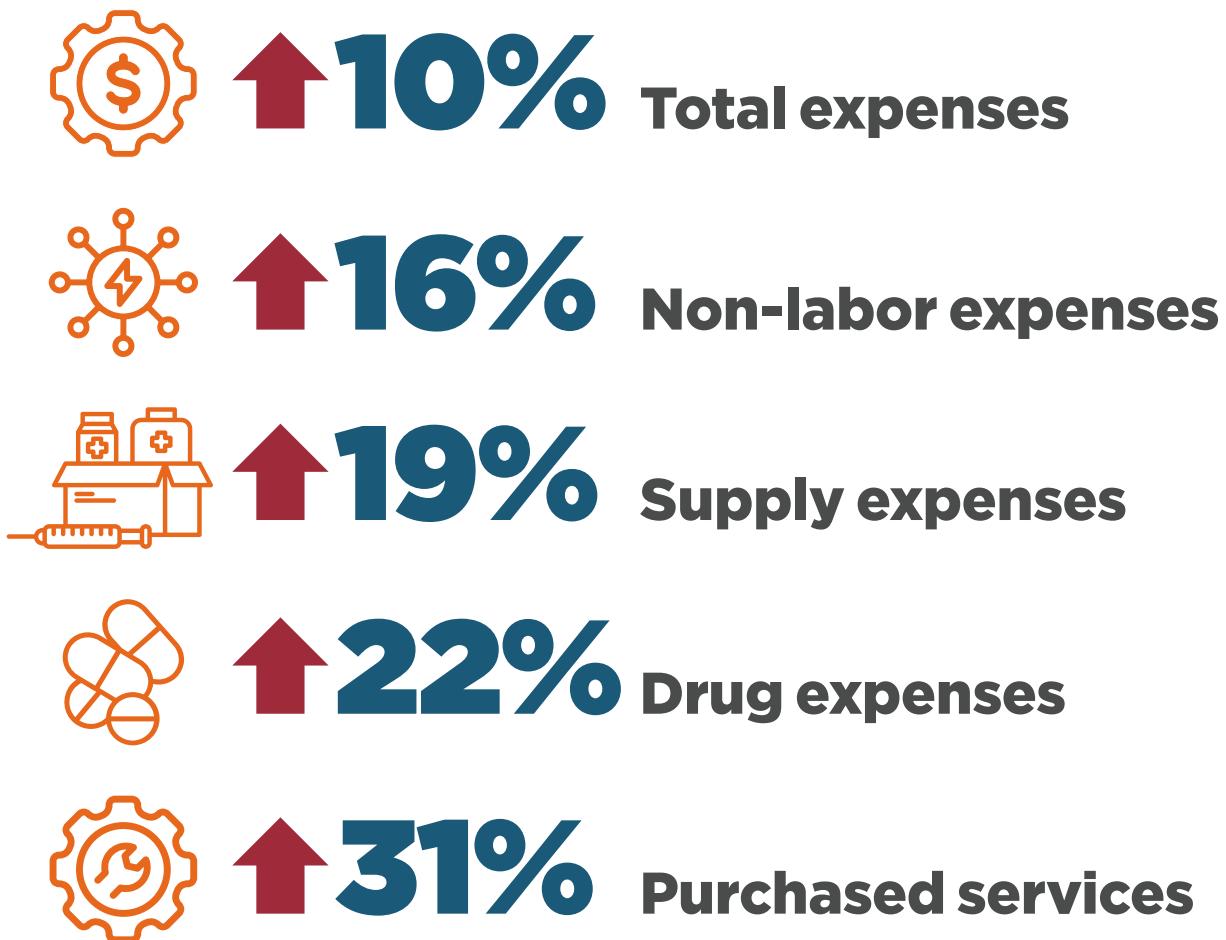
## WHAT'S AT STAKE

# Hospital expenses are up with purchased services and drugs driving the increase

**KaufmanHall**  
a Vizient® company

June 2025

**In the Midwest (Illinois, Wisconsin, Indiana, Michigan, Ohio) YTD 2025 vs. YTD 2022:**



Source: Kaufman, Hall & Associates, LLC. National Hospital Flash Report. June 2025.

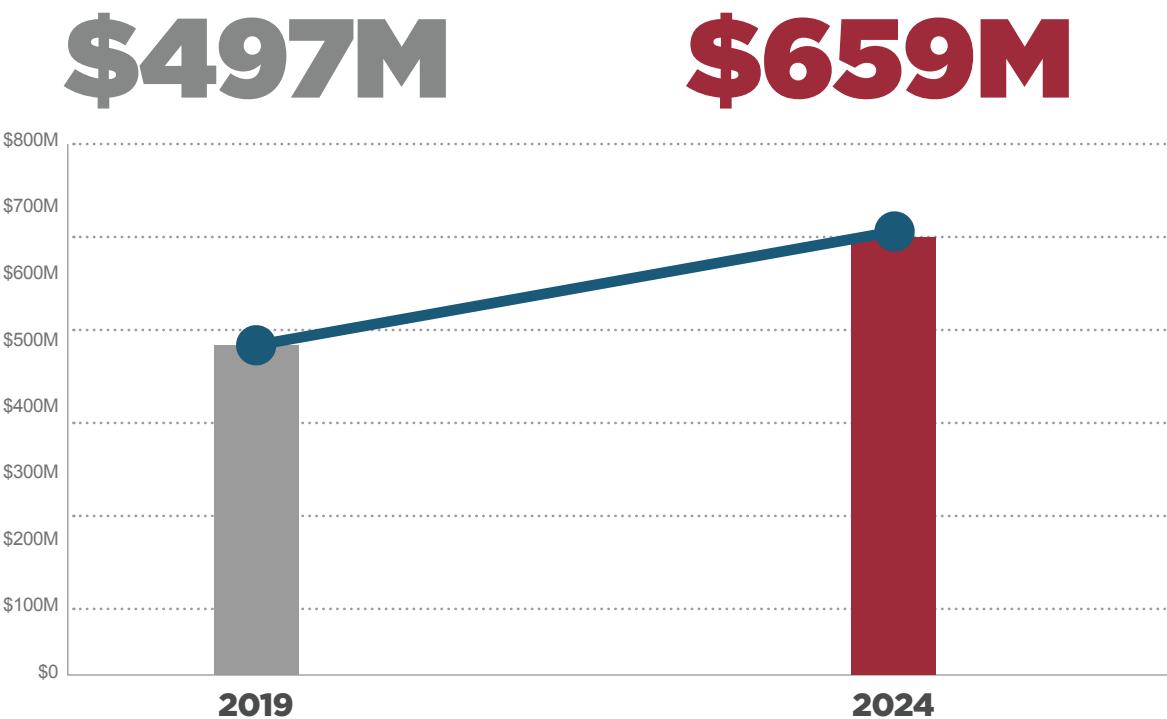
## WHAT'S AT STAKE

# Bad debt and charity care increased by 25% in the Midwest between 2022 and 2025

**KaufmanHall**  
a Vizient® company

September 2024

## Illinois Uncompensated Care (2019 Compared to 2024)



Despite a steady uninsured rate since the implementation of the ACA in 2014, bad debt and charity care have continued to rise, demonstrating the rising cost of healthcare.

Source: Office of the Illinois Attorney General. Illinois Hospital Community Benefit Reports. 2019–2024.

## WHAT'S AT STAKE

# Illinois Nursing in Crisis



Illinois is currently facing a nearly  
**15,000 RN SHORTAGE**



**52%**

of state's nurses  
are over 55

**27%**

are expected to  
retire in next  
five years

**<8K**

nurses graduate  
each year

## Did You Know?

In the U.S., up to **76% of healthcare workers** have reported experiencing violence, with over **80% experiencing verbal violence** and **33% experiencing physical violence**.

Sources: American Hospital Association. The Burden of Violence to U.S. Hospitals. June 2, 2025. | American Nurses Association Illinois. ANA-Illinois Calls for Action on Nursing Shortage at Illinois Senate Health Committee Meeting. March 29, 2022.

## WHAT'S AT STAKE

# Physician Supply Lags Behind Patient Demand Across Illinois

III CICERO INSTITUTE

March 28, 2024

**As supply falls, patients wait longer to see a doctor, and doctors burn out**



**By 2030 Illinois is projecting a **SHORTAGE** of **6,203 PHYSICIANS****

**Primary care alone is projected to be short **1,063 providers****

- There are only **237** residency slots in Illinois for primary care each year
- **45.2%** of those residents will practice out of state
- **32.3%** of Illinois physicians are within retirement range right now

**According to the AAMC, **6,138** residents were in training in Illinois for FY2022**

- **4,979** were Medicare-supported GME slots
- **1,159** were resident training slots **not** supported by Medicare direct GME (the slots hospitals are paying for without federal support)

Sources: Association of American Medical Colleges. GME Fact Sheet Illinois. 2025. | Cicero Institute. Illinois Physician Shortage Facts. March 28, 2024.

## WHAT'S AT STAKE

# 1,117 Illinois Hospital Beds Lost Since 2019



Health Facilities and Services Review Board

**68** Illinois hospitals have needed to  
**CUT SERVICES** since 2019:



**11** Illinois hospitals have stopped  
open-heart surgery

Source: Health Facilities and Services Review Board, 2019–2025.

## WHAT'S AT STAKE

# Illinois' Lawsuit Climate Ranked Nation's Worst



U.S. Chamber of Commerce  
Institute for Legal Reform

## Illinois' Lawsuit Climate Ranked Nation's Worst\*

# #50



Between 2016 and 2023, Illinois produced 20% of the largest "nuclear" verdicts in the United States, **all exceeding \$40 million.**

**The state's unsustainably high number of cases and judgments** drive up the cost of care delivery for providers, government healthcare programs and patients alike.

## Illinois Physician Premiums for Obstetrics and General Surgery

# 4-10X higher

**Than California and Illinois' neighbors  
(such as Indiana, Iowa, and Wisconsin)\***

As hospitals are shouldering ballooning medical professional liability costs, they are forced to limit certain service lines. These exorbitant costs are also making it harder to recruit and retain physicians in high-risk areas such as obstetrics.

\* Sources: Advis, Inc. Illinois' Medical Malpractice Landscape. March 2025. | U.S. Chamber Institute for Legal Reform. 2019 Lawsuit Climate Survey Ranking the States. September 2019.

## WHAT'S AT STAKE

# Administrative Costs Now Account for 40% of Hospital Total Expenses in Delivering Patient Care



American Hospital Association™

September 2024

On top of low reimbursement, hospitals are also dealing with **resource-intensive prior authorization processes and care denials** from both public and private payors.

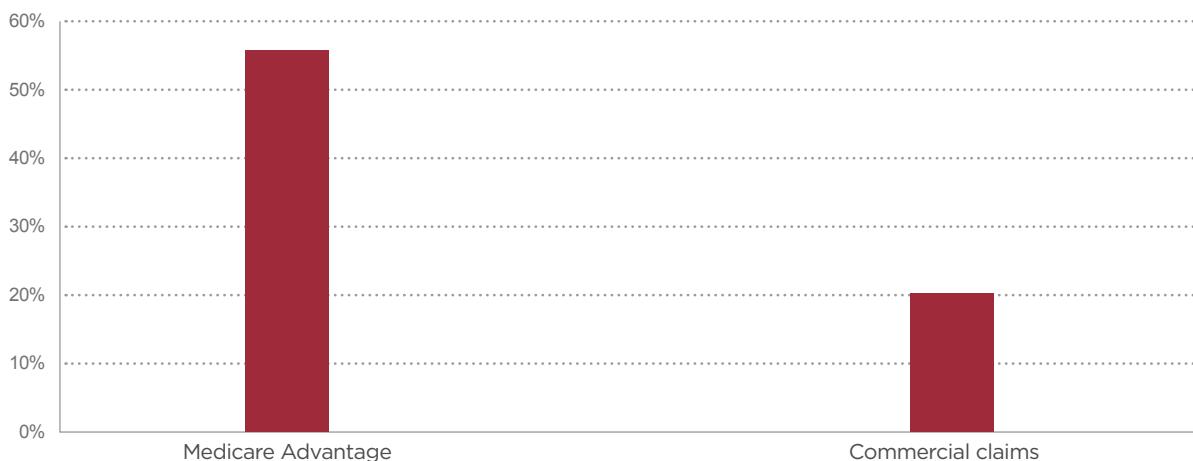
## CARE DENIALS have increased:

**+55.7%**

Medicare  
Advantage  
claims

**+20.2%**

Commercial  
claims

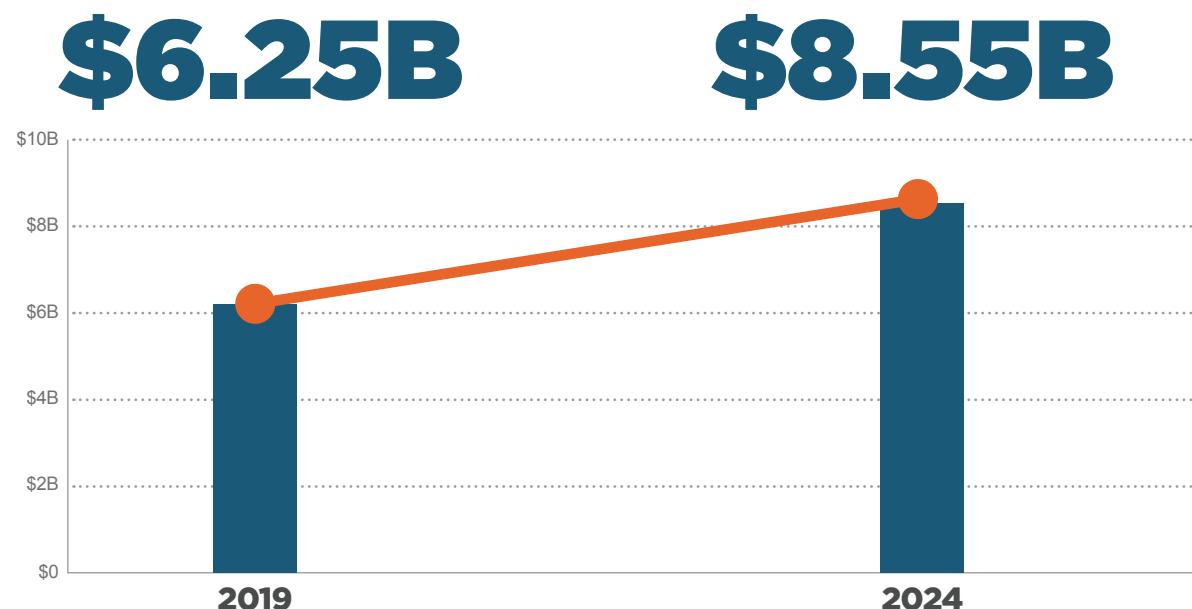


Source: American Hospital Association. Skyrocketing Hospital Administrative Costs, Burdensome Commercial Insurer Policies Impacting Patient Care. September 2024.

## WHAT'S AT STAKE

# Illinois Hospital Community Benefits Have Increased Despite Mounting Financial Pressures

**Total Illinois Hospital Community Benefits**  
(2019 Compared to 2024)



Despite mounting pressures, Illinois hospitals are continuing to invest in their communities. That's because hospitals care about their neighborhoods, towns and cities. It's their mission. It's who they are.

Source: Office of the Illinois Attorney General. Illinois Hospital Community Benefit Reports. 2019–2024.

# WHAT'S AT STAKE

# Illinois State and Local Economic Impact and Jobs

# \$135.5B 2026 Statewide Economic Impact

	<b>PAYROLL</b>	<b>SUPPLIES/ SERVICES</b>	<b>CAPITAL</b>
<b>DIRECT</b>	<b>\$23.6B</b>	<b>\$29.7B</b>	<b>\$4.2B</b>
<b>INDIRECT</b>	<b>\$32.0B</b>	<b>\$40.3B</b>	<b>\$5.7B</b>
<b>TOTAL</b>	<b>\$55.6B</b>	<b>\$70.0B</b>	<b>\$9.9B</b>

# 521,000 Jobs\*

## **Supporting Working Families**

## FTE JOBS GENERATED BY ILLINOIS HOSPITALS

**DIRECT** **202K**

**INDIRECT** **319K**

**TOTAL** **521K**

The infographic displays three categories: DIRECT, INDIRECT, and TOTAL. The DIRECT category is 202K, the INDIRECT category is 319K, and the TOTAL category is 521K. The TOTAL value is the sum of the DIRECT and INDIRECT values, indicated by a plus sign (+) between the two categories.

**1 in 10**

# Illinois jobs is in healthcare

**For every Illinois hospital job, 1.6 jobs are created in other sectors**

\* Source: Illinois Health and Hospital Association. 2026 Economic Impact Report.

## WHAT'S AT STAKE

# The Health of Illinois Communities



## Your Support is Critical

Illinois hospitals are the heartbeat of their communities. They provide lifesaving care around the clock regardless of a patient's ability to pay. They train future clinicians and drive local economies with good-paying jobs. Beyond their walls, they partner with local organizations to address social needs and promote health and well-being. And they do all this despite mounting financial pressures, workforce challenges, and regulatory burdens.

Support Illinois hospitals for a healthier future for you, your families and your constituents.

**Because communities win when local hospitals are strong.**

**To learn more, visit:  
[team-ihc.org/advocacy-policy/  
healing-communities/](http://team-ihc.org/advocacy-policy/healing-communities/)**



Your trusted voice and resource

# What's at Stake



# Communities Win When Local Hospitals Are Strong