Illinois Health and Hospital Association

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Illinois hospitals and their workforces are the backbone of our state's healthcare system. Driven by an unwavering mission to provide high quality, accessible care, hospitals across the state open their doors every hour of every day to everyone, regardless of their ability to pay.

This commitment is especially critical for the 3.4 million Illinois residents who rely on Medicaid for access to healthcare. Medicaid is not just a program – it is a lifeline for low-income families, children, seniors, and individuals with disabilities. It is the cornerstone of healthcare access in our state, and Illinois hospitals have been steadfast partners in ensuring its success.

That is why the menu of proposed Medicaid changes now being circulated on Capitol Hill is so concerning to our membership. The underlying financial objective of many of these proposals is to off-load billions of dollars in federal healthcare funding obligations to the states, which will ultimately jeopardize healthcare coverage for millions of Americans.

Historically, federal levels of healthcare funding for Illinois have been among the lowest in the nation, a significant reason why Illinois sends more tax dollars to the federal government than it receives in federal aid. For this reason, Illinois' current Medicaid rates do not come close to covering the cost of care.

Any initiative to reduce Medicaid funding would be a step backward, threatening the hospitals that serve our most vulnerable communities. Illinois hospitals are still recovering from the strain of the COVID-19 pandemic, which exacerbated existing challenges. Labor and supply costs have surged, and insurance companies continue to delay or deny legitimate claims, further squeezing hospital budgets. In the past five years alone, multiple hospitals in the state have closed their doors due to financial challenges, and more are at risk if any of these proposals are enacted in the form now being considered by Congress.

The consequences of these proposals would be felt most acutely in underserved areas, including rural and urban communities, where hospitals are often the sole providers of essential services. Already, financial pressures have forced many hospitals to make agonizing decisions to reduce or eliminate key services, such as obstetrics care. Reducing Medicaid funding would only accelerate this trend, leaving entire communities without access to important healthcare services.

Illinois hospitals remain committed to their mission of caring for all residents, but they cannot do it alone. Medicaid represents a vital partnership between the state, the federal government, and healthcare providers.

The Illinois Health and Hospital Association (IHA) and hospitals across the state have long supported initiatives that expand access to care, including the Affordable Care Act's Medicaid expansion. Any actions that reduce critical resources for this essential program would have dire consequences for Illinois' healthcare system and the patients who rely on it. Now is the time to strengthen Medicaid, not weaken it. Protecting the Medicaid program is not just a fiscal issue – it is a moral imperative. The health of our communities depends on it.

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