



MAR 22 2017

Administrator
Washington, DC 20201

The Honorable Bruce Rauner
207 State House
Springfield, IL 62706

Dear Governor Rauner:

We understand the challenges that Illinois has had with Medicaid funding and payment to hospitals. As you know, Medicaid rules create a two-year filing window to claim Federal Financial Participation for State medical assistance payments. Based on our interpretation of the American Health Care Act of 2017 (AHCA) we believe that so long as the State of Illinois were to claim for its relevant 2016 medical assistance payments in time for the Secretary to set targeted spending for each enrollee category in April, 2018, then those 2016 expenditures would be used to calculate the target spending amounts. Further, the AHCA contemplates a State appeals process for instances where the State believes the Secretary's calculation was made in error. We are committed to working with all States, including Illinois, to address any state specific issues associated with implementing the AHCA.

Sincerely,

A handwritten signature in black ink that reads "Seema Verma". The signature is written in a cursive style with a large initial 'S' and 'V'.

Seema Verma