



STATE OF ILLINOIS
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FOR IMMEDIATE RELEASE:

March 20, 2017. 03. 19.

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Governor spent \$112 million from the Healthcare Provider Relief Fund for Consultant Contracts and Software

CHICAGO -- Bills for consultants and technology contracts for computer software have helped deplete a fund created for the relief of providers of health care services through Illinois' financially stressed Medicaid program, State Comptroller Susana Mendoza announced Monday.

Doctors and other health care providers around Illinois are waiting six months to a year or more to get paid because the state has not had a balanced budget in more than two years. This fund, as its name suggests, is designed to send relief to health care providers, Comptroller Mendoza said.

"Where are this administration's priorities?" Comptroller Mendoza said. "These funds are supposed to be for critical healthcare services. There is a time and a place for technology upgrades, but our state is in the midst of the biggest financial crisis in its history and we simply cannot put consultants and new computers ahead of vulnerable people."

The state's Medicaid backlog now sits at approximately \$3.5 billion, a major component of the overall bill backlog that now approaches \$13 billion. Because those bills are paid late, taxpayers also must pay an additional \$2 million a month of late payment interest penalties.

In just over two years, Governor Bruce Rauner's administration has spent an estimated \$112 million in Healthcare Provider Relief Funds on various consulting and management fees and contracts for computer software instead of direct payments to providers according to the reports filed with the Office of the Illinois Comptroller.

A single consulting firm – Deloitte Consulting LLP – has received \$27.6 million in consulting fees from the Healthcare Provider Relief Fund between January 2015 and March 2017. The fees are associated with technology initiatives at the Department of Healthcare and Family Services and are part of over \$350 million spent by DHFS overall on consulting and software costs since Governor Rauner took office. Whether those initiatives had successful outcomes has not yet been fully established.



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The new report comes on the heels of findings indicating the Rauner Administration has budgeted nearly \$100 million in additional funding for its Enterprise Resource Planning (ERP) program, an initiative overseen by the Governor's newly created Department of Innovation Technology, which is directed to receive \$1.3 billion in funding in FY2018 according to budget documents.

Comptroller Mendoza has put the brakes on \$27 million in a fund being used for ERP spending pending answers from the administration on the program's costs, progress and results to date.

Comptroller Mendoza announced the findings of her staff's research at a speech at the City Club of Chicago. She noted her commitment to upgrading technology in government, citing her performance as City Clerk of Chicago, where she shifted more than 1.3 million Chicago City Vehicle Sticker customers from a seasonal sales program to year-round sales, bringing in more revenue for the city at lower cost to taxpayers and eliminating long lines for drivers.

"I didn't get a blank check for technology upgrades from the City Council," Comptroller Mendoza said. "I needed to provide transparency, accountability, and results and so should the Governor. The days of the Comptroller's office handing out blank checks for the Governor's pet projects are over. I am going to be the check and balance the Constitution designed this office to be."

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