

KISHWAUKEE HEALTH NETWORK PHYSICIAN HOSPITAL ORGANIZATION

One Kish Hospital Drive
DeKalb, IL 60115

October 26, 2009

Barry S. Maram, Director
Illinois Department of Healthcare and Family Services
Office of Healthcare Purchasing
2946 Old Rochester Road
Springfield, IL 61703

James P. Sledge, Director
Department of Central Management Services
James R Thompson Center
100 W Randolph , Ste 4-500
Chicago 60601-3219

Dear Directors Maram and Sledge:

The Kishwaukee Health Network is a physician hospital organization comprised of Kishwaukee Community Hospital and most of the physicians in DeKalb County. The purpose of the organization is to work together to make sure that the residents of our county have an adequate network of providers and that our providers are contracted with all the managed care plans which our local employers use. To this end, we entered into a contract with Cigna, specifically to provide in-network services to the State of Illinois employees.

Our providers have not been paid for services rendered over the last ten months. Some providers have outstanding claims going back to August, 2008. Even with the recent payments released by the State, the financial burden on the providers is too great for them to be able to continue to deliver quality health care.

One of our larger provider groups, a multispecialty clinic, estimates that it has in excess of 3,300 unpaid State employee health plan claims which total over \$800,000. Our solo practitioners estimate that each is owed between \$4,000 and \$10,000. The hospital is waiting for over \$3.4 million in payments. Millions of dollars owed equates to millions of dollars which are not circulating in the DeKalb economy.

This enormous amount of unpaid claims is exacting its toll on our practices, and we will not be able to carry the State's burden much longer. It not only hurts us as a developing community that our providers are not being paid when they in turn are being pressured to pay their bills, but our doctors and hospital are all local employers, as well. With so much outstanding debt, we are not able to hire more staff and grow our businesses. The entire county is affected.

Unless the State finds a way to honor its obligations to fund the provision of health care services for its employees, our members see the only solution to curtailing so much outstanding debt is to

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terminate their Cigna participation and become out-of-network for State employees. Any services rendered to State employees as out-of-network means a larger patient portion paid from the State employees' own pockets. Some providers will choose not to see State employees at all.

We understand that the State of Illinois has not allocated money to address the mounting debt owed for its employees' health care. However, we constantly read about and see numerous monetary allocations for spending projects which alarms us in light of the large balance owed to health care providers around the State. We encourage the State to do what it can to find a way to make sure its bills are paid first before new programs and projects are begun.

Please remember that money being withheld from physicians and hospitals impairs their ability to provide needed services and return those dollars back into the community. By not paying what is owed to Illinois medical providers, the State is affecting its employees, Illinois businesses, Illinois jobseekers, and Illinois patients in this interrelated economy.

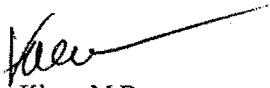
Sincerely,



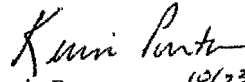
Peter Baum, M.D.
President, Kishwaukee Health Network



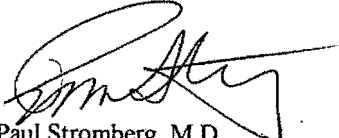
Roger Haab, M.D.
Chairman-Board of Directors
DeKalb Clinic Chartered



Ghori Khan, M.D.
President, Northern Illinois
Physicians Association



Kevin Poorten ^{10/23/09}
President and CEO,
Kishwaukee Community Hospital



Paul Stromberg, M.D.
Board of Directors, Kishwaukee
Medical Associates

cc: The Honorable Pat Quinn, Governor
The Honorable Lisa Madigan, Attorney General
President John G. Peters, Northern Illinois University
Board of Trustees, Northern Illinois University
The Honorable J. Bradley Burzynski, State Senator
The Honorable Robert Pritchard, State Representative
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