

Legislative Audit Commission

RESOLUTION NO. 136

Presented by Senator Righter

WHEREAS, the Prompt Payment Act was adopted by the General Assembly to penalize the State for payment delays and thereby encourage timely payments to vendors; and

WHEREAS, the Prompt Payment Act, while a punitive measure against the State, provides fair compensation to vendors not receiving timely reimbursement for services rendered; and

WHEREAS, the Prompt Payment Act requires the State to automatically pay interest on any bill paid late that generates in excess of \$50 in interest; and

WHEREAS, the Prompt Payment Act allows vendors to request interest on any bill paid late that generates in excess of \$5 in interest, and

WHEREAS, the Department of Healthcare and Family Services has amassed millions of dollars in Prompt Payment interest over the past four years; and

WHEREAS, the vast amount of bills that have generated interest at the Department of Healthcare and Family Services are Medicaid and Group Health Insurance bills; and

WHEREAS, there is substantial evidence that the Department of Healthcare and Family Services is not paying interest on bills paid late as statutorily required by the Prompt Payment Act; therefore,

BE IT RESOLVED, BY THE LEGISLATIVE AUDIT COMMISSION that the Auditor General is directed to conduct a performance audit on the Medicaid Program and the Group Health Insurance Program at the Department of Healthcare and Family Services for compliance with the mandates of the Prompt Payment Act from July 1, 2003 through December 31, 2006; and be it further

RESOLVED, that the audit include but not be limited to, the following determinations:

- the number of bills that have generated in excess of \$50 in interest, by fiscal year;
- the amount of unpaid interest on bills that have generated in excess of \$50 in interest, by fiscal year;

- the amount of paid interest on bills that have generated in excess of \$50 in interest, by fiscal year;
- the number of bills that have generated in excess of \$5 in interest but no more than \$50 in interest, by fiscal year;
- the amount of unpaid interest on bills that have generated in excess of \$5 interest but no more than \$50 in interest, by fiscal year;
- the amount of paid interest on bills that have generated in excess of \$5 interest but no more than \$50 in interest, by fiscal year; and be it further

RESOLVED, that the Department of Healthcare and Family Services and any other State agency, entity or person that may have information relevant to this audit cooperate fully and promptly with the Auditor General's Office in its conduct; and be it further

RESOLVED, that the Auditor General report his audit conclusions as soon as possible and make public his findings and recommendations upon completion in accordance with the provision of Section 3-14 of the Illinois State Auditing Act.

Adopted this 6th day of March, 2007.



Representative Frank J. Mautino
Co-chair



Senator Chris Lauzen
Co-Chair