

**MINUTES OF THE JANUARY 4, 2012, MEETING OF THE HEALTHCARE COMMITTEE OF THE  
BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee (the “Committee”) Teleconference Meeting at 1:00 p.m. on January 4, 2012, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

**IFA Staff Participants:**

**Board Members Participating:**

**Others Participating:**

Dr. William J. Barclay, Committee  
Chairman  
Michael W. Goetz  
Heather Parish

Christopher Meister, Executive Director  
Nora O’Brien, Legal/Financial Analyst

Courtney Shea, Acacia Financial Group  
Shannon Williams, Scott Balice Strategies  
Andrew Wong, Crains Chicago Business  
Rob Walton, Marj Halperin Consulting

**GENERAL BUSINESS**

***I. Call to Order and Roll Call***

Chairman Dr. Barclay called the Committee meeting to order at 1:02 p.m. with the above Board Members, IFA staff and other participants present. The Chairman asked Ms. O’Brien to call the roll. There being three members present, Chairman Dr. Barclay declared the quorum met.

***II. Review and Approval of the October 31, 2011 Minutes***

The Minutes from the Healthcare Committee meeting held on October 31, 2011, were reviewed. Mr. Goetz moved to approve the minutes and Ms. Parish seconded the motion. The Committee unanimously agreed to approve the Minutes.

***III. Review and Approval of the December 5, 2011 Minutes***

The Minutes from the Healthcare Committee meeting held on December 5, 2011, were reviewed. Ms. Parish moved to approve the minutes and Mr. Goetz seconded the motion. The Committee unanimously agreed to approve the Minutes.

***IV. Project Approvals***

Ms. O’Brien presented the following project:

**Item A:           The Children’s Memorial Hospital - \$65,000,000 – Final Resolution**

**The Children’s Memorial Hospital** is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$65,000,000. Bond proceeds will be used to (i) reimburse **The Children’s Memorial Hospital** (“CMH” “Children’s Memorial”, the “Hospital”, or the “Borrower”) for equity spent on the ongoing replacement hospital project (The Ann and Robert H. Lurie Children’s Hospital of Chicago) expected to open on June 9, 2012 and (ii) pay costs of issuance.

The Committee did not have any questions regarding this project.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above project and the motion was seconded by Ms. Parish. The Committee concurred that this project be recommended for Board approval

#### ***V. Medicaid Vendor Payment Program***

Director Meister provided the Committee with an update on the Medicaid Vendor Payment Program. He mentioned that he was quoted in “*Medicaid Payment Backlog Cripples Supportive Living Centers*”, an article in the January 2, 2012 State Journal Register. Ms. O’Brien stated that she would email a link to the article to the Committee. The Medicaid Vendor Payment Program considered by IFA dates back to February, 2011 and attempts to address the Medicaid payment delays by the State of Illinois to Medicaid vendors. Director Meister noted that a short term borrowing proposal that was in front of the legislature in January, 2011 would have addressed this, but that element of the proposal did not pass.

In April, 2011, the IFA Board granted preliminary approval to move ahead with the program. The Board reviewed a proposal that outlined a program to address the late Medicaid payments to Medicaid vendors where a qualified investor would purchase a Medicaid Receivable and the vendor due the receivable would receive payment. When the State is able to pay the receivable purchased by the investor, the investor will get the amount of the receivable, plus any prompt payment interest due to the vendor. Director Meister reminded the Committee that IFA is necessary in this process because of federal law issues with Medicaid receivables that require a state intermediary.

Director Meister reported that a procurement award has been made to Wells Fargo to be the third party administrator for the program. But, for the program to move forward, some mechanics need to be finalized with Central Management Services (CMS), who will be running the program. Mr. Goetz commented that he owns a supportive living center and the center’s Medicaid payments are delayed about six months. He also mentioned that since he owns a senior living center, he would have to abstain from voting on this project when it comes before the IFA Board. Mr. Meister stated that CMS is aware that vendors are under pressure and is working diligently to finalize the mechanics.

Director Meister noted that he would update the Committee of the Whole on this program at the upcoming Board Meeting on January 10, 2012.

#### ***VI. Other Business***

Dr. Barclay asked if there was any other business for the Committee’s consideration. No Committee members or guests had any other business to discuss.

#### ***VII. Adjournment***

Dr. Barclay asked for a motion to adjourn. Mr. Goetz moved to adjourn and Ms. Parish seconded the motion.

The meeting adjourned at 1:20 p.m.

Minutes submitted by:  
Nora O’Brien  
Legal/Financial Analyst