

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION

RICHARD P. CARO, a State of Illinois )  
Taxpayer on Behalf of and for the Benefit of )  
the State of Illinois, RONALD GIDWITZ, )  
and GREGORY BAISE, )

Plaintiff and Plaintiffs-Intervenors, )

v. )

Case No. 07 CH 34353

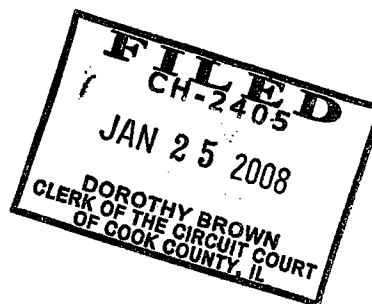
HON. ROD BLAGOJEVICH, Governor of )  
the State of Illinois; THE ILLINOIS )  
DEPARTMENT OF PUBLIC HEALTH; )  
DAMON ARNOLD, Director of IDPH; THE )  
ILLINOIS DEPARTMENT OF )  
HEALTHCARE AND FAMILY SERVICES; )  
BARRY S. MARAM, Director of IDHFS; )  
and DANIEL W. HYNES, Comptroller, )

The Honorable James R. Epstein

Defendants, )

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STATE OF ILLINOIS, )

Intervenor. )



**JOINT STIPULATION**

Plaintiff Richard P. Caro and Plaintiff-Intervenors, Ronald Gidwitz and Gregory Baise, and Defendants, Governor Rod R. Blagojevich, the Illinois Department of Public Health, the Director of the Department of Public Health Damon Arnold, the Department of Healthcare and Family Services, the Director of the Department of Healthcare and Family Services Barry S. Maram (the "Parties"), have agreed to stipulate to the facts and to the admissibility of the exhibits set forth below.

Plaintiffs withdraw the written discovery they propounded on Defendants on January 2, 2008. The Parties forego all oral and written discovery for the purposes of the hearing on Plaintiffs' Motion for Preliminary Injunction. Any further discovery shall

commence pursuant to the Illinois Rules of Civil Procedure after the resolution of the Motion for Preliminary Injunction. The Parties agree that the facts and exhibits stipulated herein shall be the sole evidence submitted for the hearing. To the extent that there are legal conclusions or statements of law set forth below, the Parties do not stipulate. The Parties reserve their right to object to any of the facts and exhibits stipulated to herein on the basis of relevance.

1. Plaintiff Richard P. Caro is a citizen and taxpayer of the State of Illinois and a resident of County of Cook, State of Illinois.

2. Plaintiff-Intervenors Ronald Gidwitz and Gregory Baise are citizens, residents and taxpayers of the State of Illinois.

3. Defendant Rod R. Blagojevich is the Governor and the chief Executive Officer of the State of Illinois. Governor Blagojevich has taken an oath to uphold the Illinois Constitution and the laws of the State of Illinois.

4. Defendants the Illinois Department of Healthcare and Family Services (“DHFS”) and the Illinois Department of Public Health (“DPH”) are State agencies which implement, manage and oversee various public health related programs, including the expanded FamilyCare and Free Breast and Cervical Cancer Screening (“BCC”) programs, respectively that are at issue here.

5. Defendant Barry S. Maram is the Director of DHFS.

6. Defendant Damon Arnold is the Director of DPH.

7. Defendant Daniel W. Hynes is the Comptroller of the State of Illinois.

Pursuant to Article V, §17 of the Illinois Constitution and the State Comptroller Act, 15 ILCS 405, Comptroller Hynes is authorized to order payments out of funds held by the State Treasurer.

8. On March 7, 2007, before a joint session of the Illinois House and Senate, Governor Rod Blagojevich delivered a budget address. The Governor proposed an expansion of State-sponsored healthcare programs, known as "Illinois Covered."

9. Illinois Covered had three main components: 1) coverage for uninsured adults in Illinois; 2) assistance to middle class families so that they can get, keep and afford the healthcare they need; and 3) assistance to help small business pay for health insurance for their workers. FamilyCare was among the programs to be expanded under Illinois Covered.

10. The Fiscal year 2008 budget submitted by the Governor stated that appropriations and spending for Illinois Covered would be included in the FY 08 budget as a separate line item.

11. The Governor proposed a separate line item in the budget for Illinois Covered requesting the sum of \$358 million for Illinois Covered in Senate Bill 1834. The Governor's Illinois Covered appropriation request was not called or voted upon by either house of the General Assembly.

12. In 1997, the federal government passed the State Children's Health Insurance Program ("SCHIP"). The purpose of the program was to help children whose families cannot afford private health insurance but do not qualify for Medicaid to obtain the health insurance coverage they needed.

13. Under SCHIP, Illinois receives a 65% match from the federal government versus only a 50% match under Medicaid. Federal law precludes states switching coverage from Medicaid to SCHIP by requiring maintenance of Medicaid program coverage. However, states have had some flexibility in choosing whether to expand

