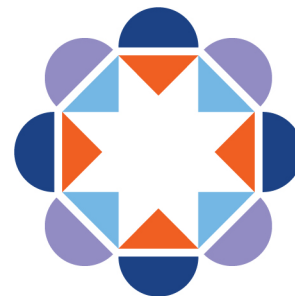


Fiscal Year 2024 Budget Presentation

February 15, 2023



HFS

Illinois Department of
Healthcare and Family Services

JB Pritzker, Governor
Theresa Eagleson, Director

MISSION

Helping **F**amilies **S**ucceed

We work together to help Illinoisans access high quality health care and fulfill child support obligations to advance their physical, mental, and financial well-being.

KEY PROGRAMS

- ▶ Medicaid
- ▶ Child Support Services

More than **1 in 4 Illinoisans** are served by HFS

HFS provides healthcare to more Illinoisans than any other insurer.



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Our Vision for the Future

WE IMPROVE LIVES.

- ▶ We address social and structural determinants of health.
- ▶ We empower customers to maximize their health and well-being.
- ▶ We provide consistent, responsive service to our colleagues and customers.
- ▶ We make equity the foundation of everything we do.

↓
This is possible because...

...WE VALUE OUR STAFF AS OUR GREATEST ASSET.

We do this by:

- ▶ Fully staffing a diverse workforce whose skills and experiences strengthen HFS.
- ▶ Ensuring all staff and systems work together.
- ▶ Maintaining a positive workplace where strong teams contribute, grow and stay.
- ▶ Providing exceptional training programs that develop and support all employees.

...WE ARE ALWAYS IMPROVING.

We do this by:

- ▶ Having specific and measurable goals and using analytics to improve outcomes.
- ▶ Using technology and interagency collaboration to maximize efficiency and impact.
- ▶ Learning from successes and failures.

...WE INSPIRE PUBLIC CONFIDENCE.

We do this by:

- ▶ Using research and analytics to drive policy and shape legislative initiatives.
- ▶ Clearly communicating the impacts of our work.
- ▶ Being responsible stewards of public resources.
- ▶ Staying focused on our goals.



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Meet Chance

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Challenge:

- ▶ Staying in an ER room, Chance couldn't go back home to his family because of his significant behavioral health needs.

Collaboration:

- ▶ A call to the HFS-funded crisis hotline led to a mental health assessment. This provided Chance with immediate and vital crisis stabilization. Then with help from the HFS Bureau of Behavioral Health and a new case manager, Chase joined the Family Support Program for long-term treatment, support and services.

Positive steps forward:

- ▶ Chance is now home and benefiting from a range of programs in his community designed to support his behavioral health needs.



* Name changed for privacy



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HFS Programs Leading Transformation

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- ▶ Significant revamp of Hospital Assessment to meet federal requirements and implementation of MCO assessment to reduce GRF reliance
- ▶ First in the nation to reform the nursing home industry with a new equity-driven payment model
- ▶ First in the nation to provide post-partum coverage for 12 months regardless of immigration status
- ▶ First in the nation to offer medical coverage to undocumented adults aged 42 and older
- ▶ New coverage for diabetes prevention and management programs
- ▶ Ensured the continued provision of critical physical and behavioral health services to our customers and helped to stabilize the financial base of our provider community through a rapid pivot to a telehealth-enabled service delivery mechanism
- ▶ Implemented gender reassignment surgery coverage for transgender customers
- ▶ Established and continue to fund 15 Healthcare Transformation Collaboratives



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HFS Programs Leading Transformation

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- ▶ Received federal planning grant to expand home and community-based waiver services through a cross-agency Money Follows the Person Initiative.
- ▶ Applied for Certified Community Behavioral Health Clinic funding plan to move innovative behavioral and physical health service delivery model into the Medicaid program.
- ▶ New law will ensure child support payments are passed through to families entitled to funds, with up to twice as much of the initiative's net state cost going directly into the hands of the lowest income Illinois families.
- ▶ Held 27 virtual town hall meetings to gather input from families, attorneys, the judiciary, and other concerned Illinoisans to discuss how the current child support guidelines are meeting their needs. Largest, most comprehensive initiative of its type ever conducted.
- ▶ Implementation of the Program of All-Inclusive Care for the Elderly (PACE) will significantly improve the lives of participants and their families.
- ▶ Expanded reproductive health access with new family planning program, new pharmacist contraception services, and increased provider rates.



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Meet the Chang Family

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Challenge:

- ▶ A very high-paid professional working overseas wanted to return to the US. But he had large outstanding child support debts.

Child Support Services intervention:

- ▶ HFS prevented a passport from being issued until the father paid off his child support obligations.

Record-setting collection:

- ▶ The father negotiated an agreement, and a cashier's check for nearly \$2 million arrived at the house of the family in need. This was the largest passport-denial collection ever in the US.



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Commitment to healthcare equity

- ▶ Second round of payments to Healthcare Transformation Collaboratives
 - ▶ Over \$70 million to reduce racial inequities and address social determinants of health
- ▶ Equity-driven nursing homes reform
 - ▶ Increased funding tied to staffing levels and key quality measures, new pay scale for certified nursing assistants
- ▶ Coverage for adult and senior immigrants expanded from age 65+ to 42+
- ▶ Managed Care Organization (MCO) performance management focus on results broken out by race, ethnicity, and geography
- ▶ New, targeted programs
 - ▶ PACE (community-based senior care) to launch in mostly black and brown ZIP codes
 - ▶ Pathways to Success for children with behavioral and mental health needs



COVID-19 Response Efforts

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- ▶ Ensured no one lost Medicaid coverage during the pandemic
- ▶ ARPA funding distribution FY22: \$273m; FY23: \$315m appropriation
 - ▶ Including support for
 - ▶ Ambulance Service Providers
 - ▶ Hospitals
 - ▶ Long Term Care
 - ▶ Specialized Mental Health Rehabilitation Facilities
- ▶ CARES Act funding distribution \$705m between FY21 and FY22
- ▶ Surge Staffing contracts deployed thousand of nurses to 147 hospitals (\$378m). Awaiting total FEMA reimbursement.

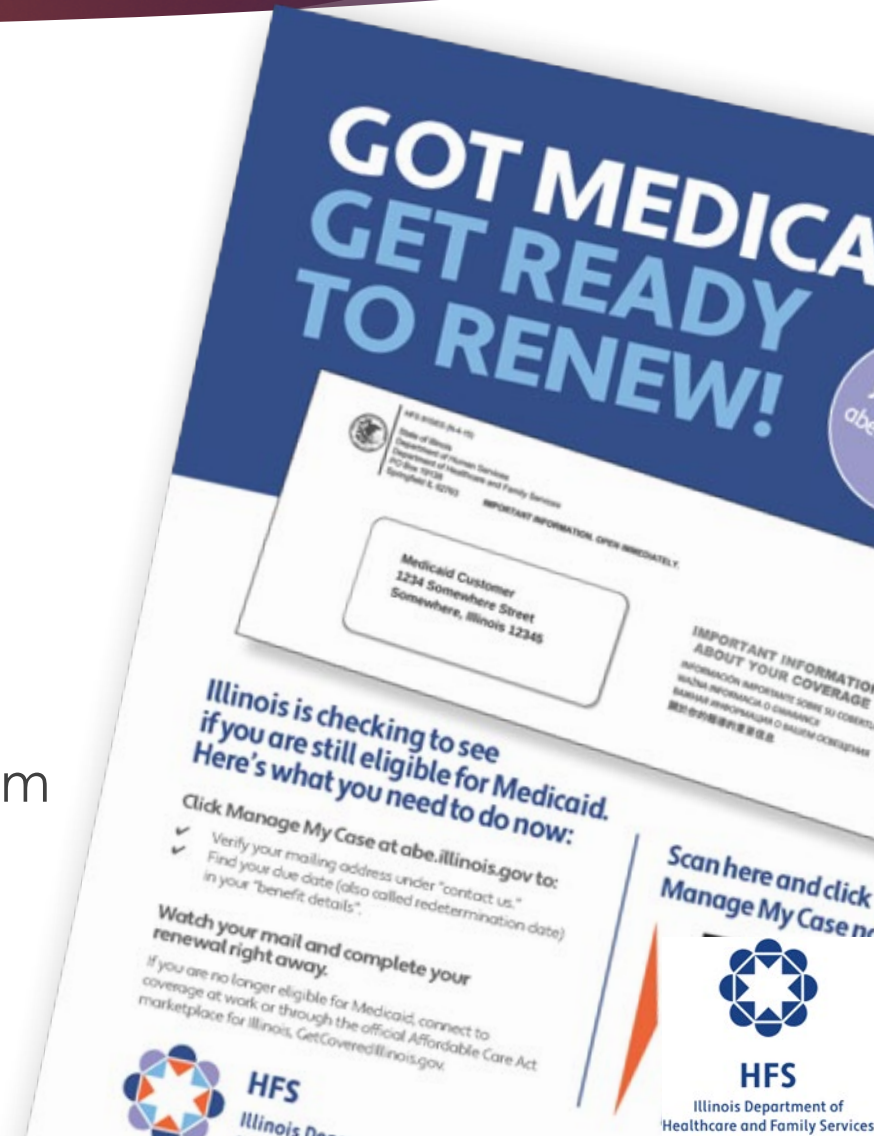


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Continuous Medicaid Coverage Campaign

- ▶ Medicaid customers not asked to renew coverage since March 2020
- ▶ Renewal pause ends March 31st this year
- ▶ HFS will mail renewal notices over a 12-month period to all customers. Clients can renew through the Application for Benefits Eligibility (ABE) website or by phone.
- ▶ Multi-platform outreach campaign with sister agencies. Including paid ads, emails, texts
- ▶ Toolkit for MCOs and partners with flyers, social media, palm cards, phone scripts and more
- ▶ Note: Enhanced continuous-coverage federal match of 6.2% also phases down throughout 2023



HFS – FY24 Goals

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- ▶ Collaborate with provider and managed care (MCO) partners to ensure high quality care, address social determinants of health, reduce disparities and promote racial equity
- ▶ Provide strong child support services by establishing paternity and establishing, enforcing, and modifying obligations that will strengthen families emotionally and financially
- ▶ Stand up a range of innovative programs for more targeted care, stronger data management, smoother customer and provider experiences and more robust understanding of successful health outcomes
- ▶ Even with the phase down of COVID enhanced federal match, only about 18 cents of each dollar spent on Medicaid is expected to come from state income and sales taxes in FY24.



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HFS FY24 Budget Highlights

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- ▶ **Workforce Development** - Reinvest approximately \$450 million for a multi-year program to preserve and grow the healthcare workforce
- ▶ **AABD Asset Limit** - Raise the asset limit for Medicaid enrollees with a disability or age 65+ from the current \$2,000 to \$17,500
- ▶ **Healthcare Transformation Collaboratives** - Includes funding for continued investment in collaborations of healthcare providers and community partners to improve healthcare outcomes, reduce healthcare disparities and realign resources
- ▶ **Health Benefits for Non-Citizens** - Continues first-in-the-nation coverage for older adults not eligible for Medicaid coverage solely due to their immigration status
- ▶ **Long Term Care Reform** - Continues funding and collection of the increased provider assessment associated with nursing home rate reform, promoting equity in care, maximizing federal dollars, paying more for appropriate staffing and improving quality. Over 300 homes representing majority Medicaid now enrolled to receive Certified Nursing Assistant (CNA) wage incentives.



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HFS FY24 Budget Highlights

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- ▶ **\$50 million** (annual, 1/1/24 start) **for targeted rate increases to facilitate health equity by supporting primary care, OB, and behavioral health**
 - ▶ **Physicians:**
 - **Minimum rates at % of Medicare** ~ \$25 million
 - **Incentivize improved Birth Outcomes and target high rates of maternal mortality** by packaging services and increasing OB rates to 80% of Medicare ~ \$5 million
 - Targeted rate add-on for adult **primary care services** to match child services ~ \$3 million
 - ▶ **Behavioral health:**
 - **Transform team-based rates (ACT and CST) to PMPM** ~ \$6 million
 - **Increase hospital step-down** outpatient (IOP / PHP) rates ~ \$8 million
 - **Therapy rates** - Develop specialized rates for LPHAs practicing in CMHCs ~ \$4 million
 - ▶ **Dental:**
 - Enhance rates for **complex work with anesthesia** ~ \$1 million
 - Propose and work with the dental community on a **new assessment** to allow HFS to provide further dental rate increases and expand access

* Numbers may not appear to add due to rounding.



HFS FY24 Budget Highlights

ALL FUNDS (\$ MILLIONS)			
TOTAL BY PROGRAM	FY 2023 APPROPRIATION	FY 2024 REQUEST	\$ Change
Medical Assistance	\$36,563.3	\$36,489.2	(\$74.2)
Child Support Services	\$259.4	\$303.5	\$44.1
Administration	\$290.7	\$332.3	\$41.7
Public Aid Recoveries	\$31.7	\$31.6	(\$0.1)
Office of Inspector General	\$28.3	\$31.5	\$3.2
TOTAL	\$37,173.4	\$37,188.0	\$14.7

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HFS FY24 Budget Highlights

GENERAL FUNDS (\$ MILLIONS)			
TOTAL BY PROGRAM	FY 2023 APPROPRIATION	FY 2024 REQUEST	\$ Change
Medical Assistance	\$8,272.5	\$8,948.4	\$675.9
Child Support Services	\$40.6	\$63.2	\$22.6
Administration	\$42.1	\$52.6	\$10.5
Office of Inspector General	\$5.7	\$5.8	\$0.1
TOTAL	\$8,361.0	\$9,070.0	\$709.0

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Meet Charlie and Anita

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Challenges:

- ▶ After Charlie returned from a nursing home stay, his daughter Anita knew he needed more help than she could offer.

HealthChoice Illinois help:

- ▶ With Charlie's consent, an MCO care coordinator worked with Anita to build a plan based on his needs.

Better health and peace of mind:

- ▶ Identifying Charlie as "high risk," the MCO provided more homemaker hours, an emergency response system and other support. He's getting stronger and feeling cared for. And feeling less overwhelmed, Anita is able to visit Charlie as his daughter rather than a caretaker.



* Name changed for privacy.