HFS
Illinois Department of
Healthcare and Family Services

We improve lives.

SOCIAL HEALTH CARE NETWORK PROGRAM GRANT
FREQUENTLY ASKED QUESTIONS
UPDATED JULY 14, 2026

Eligibility/Subrecipients

1. *Can subrecipients be for-profit entities?*

   The subrecipients are organizations who will work with the grantee in meeting the grant requirements and deliverables (e.g., developing the provider network, delivering technical assistance and training). They are not required to be non-profit entities but HFS expects that the subrecipients have relevant expertise and knowledge of the community-based Medicaid services landscape in their region and can meet local CBO needs.

2. *How best would a subrecipient be included in the SHCN award?*

   Subrecipients must be included and detailed in the following components of the application:

   - Uniform grant application: Each subrecipient must be listed in the project information/contact information section.
   - Program requirements: In the narrative responses, outline how any subrecipients will help deliver the program requirements.
   - Work plan: Identify if any subrecipients are responsible for meeting program deliverables.
   - Organizational capacity/experience: Detail how the subrecipients contribute to the applicants' capacity and experience to fulfill the program requirements.
   - Budget: Include a detailed budget for each subrecipient included in the "subcontract" line in the budget narrative.

3. *NEW QUESTION: Does HFS prefer that regional coordination and support functions be led by existing CBO partners within each region, or would a model that includes dedicated regional staff employed by the lead organization also be acceptable?*

   HFS encourages the applicant to propose how local subrecipients (i.e., regional lead agencies) may be used to help deliver the capacity building activities at a local and regional level. If the applicant does not propose the use of regional

lead agencies or subrecipients, the applicant must demonstrate how they will ensure that all regions of the state are covered and local needs and capacities are considered. One possible strategy could be utilizing dedicated regional staff that have the trust of the community and are familiar with the needs of the region.

4. *NEW QUESTION: Are we allowed to use "contractors" instead of subrecipients in accordance with the CFR? In this particular instance, the lead applicant is the 501c3 and has a sister organization in its network where employees share responsibilities between the two entities (think Amazon's relation to Whole Foods). So could we simply list them as a contractor or must we specifically use the "subrecipient" route?*

   Whether an entity should be treated as a **subrecipient** or a **contractor** depends on the nature of the relationship and the work being performed under the award, not solely on the relationship between the organizations. Applicants should complete the **Subrecipient vs. Contractor Determination** using the tool available on the GATA Resources webpage. The determination is based on the criteria in **2 CFR 200** and will help identify the appropriate classification for the entity. If, after completing the determination, the entity meets the characteristics of a contractor, it may be included in the application as a contractor. If it meets the characteristics of a subrecipient, it should be identified as a subrecipient. Applicants should retain documentation supporting their determination as part of their grant records.

5. *NEW QUESTION: The NOFO states that a managed care organization or health plan, a hospital, or a health system is not eligible to apply as the awarded entity. Could HFS clarify whether a hospital or health system may participate as a sub-recipient or contracted network partner under the awarded entity, for example as one of a limited number of network participants, provided it does not receive the grant award directly?*

   The subrecipients are organizations who will work with the grantee in meeting the grant requirements and deliverables (e.g., developing the provider network, delivering technical assistance and training). HFS expects that the subrecipients have relevant expertise and knowledge of the community-based Medicaid services landscape in their region and can meet local CBO needs. It is not HFS' intent for the subrecipients to be hospitals or managed care organizations.

Provider Network

6. *Do the CBOs that are providers within the network need to be a 501(c)3?*

The providers in the network are not required to be non-profit 501(c)3 organizations. However, HFS envisions that the network providers will be comprised of CBOs that are registered non-profits and are capable of receiving referrals for and providing community-based services that are billable under Illinois Medicaid policy. The CBOs will need to meet the provider enrollment requirements set forth by HFS for the relevant service and enroll as an IL Medicaid provider in IMPACT (https://hfs.illinois.gov/impact.html).

The SHCN shall validate that each CBO in its network:

- Provides at least one HRSN, CHW, or other Illinois Medicaid billable social health care service and is enrolled or plans to enroll in the Illinois Medicaid IMPACT system as a billable provider.
- Provides service within Illinois.
- Demonstrates cultural and linguistic competency.
- Demonstrates a history of working with Medicaid customers, including but not limited to individuals experiencing housing or food insecurity.
- Maintains a physical presence in Illinois, at least one office located in or serving the state.
- Is committed to accepting referrals and providing services, and collaborating with the SHCN and other stakeholders to coordinate the delivery of HRSN services.

7. *NEW QUESTION: The NOFO states HFS will assist in developing a model contract for the SHCN to use with CBOs. The Year 1, Months 1 through 3 deliverables include establishing a sample contract between the SHCN and the CBO. Will HFS provide this model contract before the grant period begins in October 2026 or should applicants propose their own contract approach in their application?*

   The applicant should propose how they will approach the contracting process. However, HFS will work closely with the awardee on establishing a sample contract in the first few months of the award.

8. *NEW QUESTION: The NOFO requires the SHCN to identify gaps in contracted Medicaid providers across the state and work to build capacity. Will HFS provide any existing data on provider gaps by region and service type, or is the SHCN expected to conduct its own needs assessment independently to identify these gaps?*

The applicant should propose how they will conduct their own needs assessment but HFS will provide any available existing data to support the assessment.

Capacity Building Subgrants

9. *Do subgrantees need to be written in the application or can they be selected once awarded?*

   No, the specific grantees do not need to be written into the application but a line item needs to be included in the budget. However, you must detail your process for selecting and awarding the subgrantees. The awarded SHCN will be required to submit their capacity building funding plan within four months of the contract. HFS will review and approve capacity building funds before they are spent.

10. *Can capacity building funds go to technology systems that help CBOs operate/execute billable services (so long as it is not billing)? Meaning, can CBOs spend the funds on those technology systems*?

    Capacity building funds can go to CBOs to help them build the technology and systems to document and record services that allow them to bill. It cannot be for a billing system.

11. *Can capacity building funds can be used for CBOs to procure or build technology platforms that allow them to accept and process referrals / authorizations*?

    Funding through the SHCN award cannot be used for CBOs to procure or build technology platforms that allow them to accept and process referrals or authorizations. Illinois is in an active procurement for a closed loop referral system.

12. *NEW QUESTION: The NOFO lists examples of allowable capacity building subgrant uses but does not specifically mention certain costs. Can capacity building funds be used for:*

    - *Permanent staff positions at CBOs, not only temporary or contract positions*
    - *Rent or utilities for CBOs that need additional space to expand services*
    - *Translation services or language access materials to serve non-English speaking Medicaid customers*

The intent of the capacity building subgrants is one-time funding to support organizations in becoming Medicaid billing organizations. It is not intended for ongoing costs such as rent or staffing.

13. *NEW QUESTION: The NOFO states the Grantee will receive an initial payment of $1.7M based on the GATA risk assessment. Can you clarify:*

    - *Can funds from this initial payment be used for staffing and operational startup costs before CBO subgrants are distributed?*
      Yes, funds can be used for staffing and operational startup costs of the Grantee.

    - *If a CBO cannot spend all of its allocated capacity building funds by June 30, 2027, can those funds be reallocated to other CBOs that can spend them, or must they be returned to HFS?*
      HFS would work with the grantee on how best to use the funds by June 30, 2027 accounting for the specific circumstances, e.g., timing, proposed use of funds.

Other Procurements

14. *Do you have a sense for the anticipated timeline of the release for the billing platform NOFO given that a lot of the capacity-building is leading to the need for/leveraging of that platform?*

    HFS does not anticipate having a billing and claiming system available for providers until FY28.

15. *Is there more info out there on ICARRS that we can highlight in the grant?*

    ICARRS will be a closed loop referral system to help connect Medicaid recipients to social care services. Additional details will be forthcoming later in FY27.

16. *If awarded this capacity building funding, are there restrictions on applying for future related awards (billing and closed loop referral)?*

    No, there are no restrictions on responding to future procurements if awarded the SHCN award.

17. *NEW QUESTION: The NOFO states that grant funds may not be used for a closed loop referral platform, community resource directory, or Medicaid billing*

and claims system. Could HFS clarify the intended scope of this restriction, specifically whether it applies only to those named platform types, or whether it also extends to general administrative or data management software used for internal grant recordkeeping and required reporting?

That restriction is specific to those systems named. Other system costs may be included but must be relevant and proportional to the program and cannot duplicate other indirect costs charged to the grant.

Budget

18. *Do we need to give a plan for year 2 and 3 of potential funding and sample budget or how much info is required for fy 28 and 29?*

    Applicants need to submit a summary budget for FY28 and FY29. A work plan or narrative for year 2 and 3 does not need to be submitted with the application.

Other

19. *How do you sign up to get updates about the rollout of the Healthcare Transformation 1115 Waiver, as available?*

Information about the Healthcare Transformation 1115 Waiver can be found at: https://hfs.illinois.gov/medicalproviders/cc/abouttheiht1115waiver.html. Sign up here to receive updates: https://hfs.illinois.gov/medicalproviders/cc/contactusiht1115waiver.html.

20. *NEW QUESTION: For the governing body composition requirement that CBOs represent at least 51% of members, how does HFS define a CBO? For example, does an organization that is a coalition or collaborative of multiple CBOs count as a single CBO for governance representation?*

    HFS defines a CBO as a locally operated, non-governmental entity or an atypical provider, generally non-profit, that provides outpatient behavioral health, social, or health supportive services within a defined geographic area. CBOs are non-institutional in nature, distinct from state agencies or inpatient facilities, and are structured to serve individuals and families in community settings.

NEW QUESTIONS:

Euna/Application Components

21. *Several Program Narrative sections in the application display character limits, for example 500 characters, while other narrative sections do not appear to specify one. Can HFS confirm whether there are length or character limits on the*

sections that do not display them, so that we can size our responses appropriately?

There are no character or space limits on questions that do not specify them to allow for thorough answers. However, we ask that applicants are concise in their responses and only answer the question asked.

22. *The NOFO notes that attachments, such as letters of commitment or support, are included within the response limits. For a statewide network, applicants may submit a large number of letters of support from participating organizations. Could HFS clarify how letters of support and other required attachments, for example governance documents and evidence of eligibility, are counted, and whether there is a recommended limit or preferred format for letters of support?*

    If multiple documents are required for a single attachment upload, applicants should combine them into one file before uploading it to Euna. For example, applicants may submit a single PDF containing multiple documents or, if appropriate, a compressed (.zip) file.

    Letters of support and other required attachments (such as governance documents or evidence of eligibility) should be included within the applicable attachment upload. Applicants should organize the documents in a logical manner and clearly identify each document within the combined file.

    There is no recommended limit on the number of letters of support. However, applicants should ensure that all submitted materials are relevant to the funding opportunity and support the information provided in the application.

23. *The NOFO requires that the award be made to a single legal entity, and it also encourages applicants to partner with local organizations through sub-recipient arrangements to ensure regional and domain coverage. Could HFS clarify how it would like applicants to represent organizational experience and capacity in this model, including the extent to which the demonstrated experience of committed sub-recipient or lead organizations may be presented as part of the applicant organizational capacity?*

    If leveraging sub-recipients to demonstrate capacity and expertise in fulfilling the NOFO requirements, please include them when describing the applicant's experience and capacity.