



HFS

Illinois Department of
Healthcare and Family Services

JB Pritzker, Governor
Elizabeth M. Whitehorn, Director

Illinois Department of Healthcare and Family Services

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MISSION

Helping Families Succeed

We work together to help Illinoisans access high quality healthcare 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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FY25 Accomplishments

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- ▶ **Medical Debt Relief:** Launched the first statewide medical debt buyback program. In partnership with Undue Medical Debt, the program has relieved more than \$125 million in medical debt for over 100,000 Illinois residents with additional relief planned throughout FY25 and in FY26.
- ▶ **Redetermination Success During Unwinding:** Following the PHE unwinding, 78% of Illinois Medicaid customers retained coverage due to HFS retention efforts that included: a statewide advertising and outreach campaign and implementation of multiple federal flexibilities that allowed for streamlined eligibility determination.
- ▶ **Advisory Council on Financing and Access to Sickle Cell Disease Treatment and Other High-Cost Drugs and Treatment:** HFS convened this advisory council, which included national and local experts and practitioners, and developed a set of comprehensive recommendations for financing and increasing access to lifesaving, high-cost, emerging drugs and therapies for Medicaid customers.
- ▶ **Maternal Health:** HFS implemented coverage for perinatal doula and lactation consultant services in Illinois Medicaid. Illinois was also selected to participate in the federal Transforming Maternal Health Model (TMaH) through which HFS will receive \$17 million over 10 years to develop an integrated approach to care through pregnancy, childbirth and postpartum care.
- ▶ **Implementation of TANF Passthrough:** Beginning in July 2024, all child support collected on behalf of Illinois' low-income families with children who are either current or former Temporary Assistance for Needy Families (TANF) recipients is now passed-through to the custodial parent.



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FY25 Accomplishments

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- ▶ **1115 Healthcare Transformation Demonstration Waiver:** HFS received approval for its 1115 waiver, allowing HFS to move forward with providing groundbreaking Medicaid coverage of health-related social needs and pre-release services for individuals leaving carceral settings. Over the next five years, the waiver has the potential to bring up to \$3.4 billion in federal match to the state.
- ▶ **Healthcare Transformation Capital Investment Grant Program:** HFS and the Illinois Capital Development Board (CDB) awarded 13 organizations a total of \$200 million in funding to support capital projects that will address health-related social needs and reduce disparities in healthcare in historically underserved communities.
- ▶ **Implementation of State-Based Marketplace:** HFS has partnered with the Department of Insurance (DOI) to build the infrastructure to support the launch of the Illinois State Based Marketplace. This includes awarding five organizations grants to serve as Get Covered Illinois Healthcare navigators and procuring an IT vendor and call center for fall 2025 open enrollment.
- ▶ **Certified Community Behavioral Health Centers:** Illinois was one of 10 states selected to participate in the new federal CCBHC demonstration model, which expands access to integrated mental health and substance use treatment services. This will allow HFS to invest approximately \$150 million more in the behavioral health system.
- ▶ **Rate Increases:** HFS implemented rate and reimbursement increases to hospitals resulting in over \$600 million in additional payments to Illinois hospitals, including rate increases for inpatient and outpatient acute, psychiatric, and rehab care and add-on payments for safety net hospitals. HFS also updated physician rates amounting to an overall payment increase of \$120 million annually.



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Meet Christine

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Challenges:

► After multiple miscarriages and a stillborn baby, Christine gave birth to a baby weighing just 2 lbs., 13 ounces in July 2018. She was immediately rushed to the NICU, where she remained in their care for 99 days.

NICU Medical debt:

► Christine's family was identified as being eligible for medical debt abolishment through Illinois' new statewide Medical Debt Relief program.

A better life:

► In Illinois' first round of medical debt buyback in 2024, Christine was one of the more than 52,000 residents to have medical debt relieved. The family had a total of \$2,587 in medical debt abolished, and Christine's daughter is now a healthy 6-year-old.



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Medical Assistance (Medicaid) Enrollment

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Enrollment						
	Seniors	Disabled Adults	Children	Non-Disabled Adults	ACA	Total
FY23 Actuals	299,103	250,340	1,524,543	771,783	919,731	3,765,500
FY24 Actuals	304,943	247,284	1,527,040	726,292	862,774	3,668,333
FY25 Projection	290,885	240,413	1,510,822	580,709	768,229	3,391,058
FY26 Projection	304,237	242,690	1,567,413	590,943	785,445	3,490,728

* Based on average monthly enrollment.



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Meet the Tanaka Children

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Challenge:

► A successful IT consultant with the ability to relocate, Rob changed his residence to a different state, abandoning his child support responsibilities and requiring HFS to start an enforcement action.

HFS intervention:

► Diligent research by an HFS staff member led to Rob being found in Wisconsin while attempting to sell his latest house. Acting quickly, CSS secured a lien that was attached to the home.

A better life:

► Unable to sell his house, Rob realized he would need to pay the support he owed. That meant nearly \$75,000 in critical support for young Ann and Leo Tanaka.



* Names changed for privacy.



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FY26 Budget Highlights

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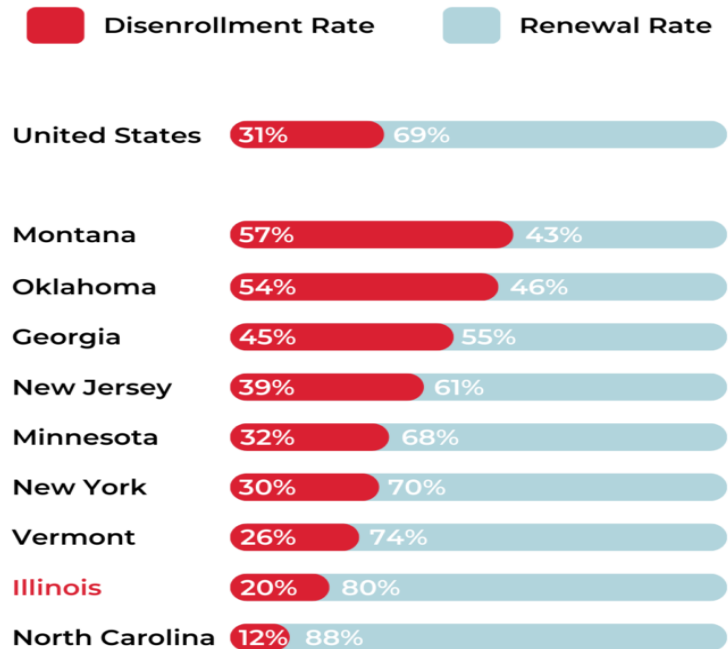
Growth Drivers in FY26 Liability

- ▶ Enrollees remaining after the Public Health Emergency (PHE) unwinding have higher acuity than previous enrollees.
- ▶ Double digit increase in pharmacy costs.
- ▶ Annualization of FY25 legislative additions.
- ▶ Enrollment and service utilization increases.

Behavioral Health Investments

- ▶ Psychiatric residential treatment facilities (PRTFs) - \$27.7 million
- ▶ Certified Community Behavioral Health Clinics (CCBHC) - \$191.8 million
- ▶ Pathways to Success - \$132.8 million

Share of People Who Were Disenrolled from Medicaid or had Coverage Renewed During the Unwinding



KFF, [An Examination of Medicaid Renewal Outcomes and Enrollment Changes at the End of the Unwinding](#)



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FY26 Budget Highlights

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Child Support

- ▶ The introduced FY26 budget includes funding to allow families with children, who either currently or formerly received Temporary Assistance for Needy Families (TANF), to continue receiving 100% of collected child support funds.

Other Healthcare Investments

- ▶ Program for All-Inclusive Care for the Elderly (PACE) - \$12.2 million
- ▶ Fully integrated Dual Eligible Special Needs Plan (FIDE-SNP) - \$27.5 million
- ▶ Healthcare Transformation 1115 waiver infrastructure - \$4 million

Health Benefits for Immigrant Adults and Seniors:

- ▶ FY 26 general funds investment of \$110 million to maintain the Health Benefits for Immigrant Seniors program.
- ▶ Assumes sunset of the Health Benefits for Immigrant Adults program.
- ▶ Available funding will be concentrated on high need individuals, optimizing state resources.



Meet June

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Challenges:

► Only 7 years old, June has faced physical abuse and struggles with significant behavioral disorders. She has gone through numerous foster placements and psychiatric hospitalizations.

Healthcare Transformation Collaborative intervention:

► June was about to be sent to a residential facility. But, her YouthCare case worker had been working closely with June and believed a specialized foster family could offer her the best hope for a good, stable life.

A better life:

► With collaboration from DCFS, June moved to her new home. After just seven months, her foster mother says June has developed a healthy attachment to the family and is showing improved psychosocial functioning.



* Name changed for privacy.



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HFS FY26 All Funds Budget

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ALL FUNDS (\$ MILLIONS)			
TOTAL BY PROGRAM	FY 2025 APPROPRIATION W/SUPPLEMENTAL	FY 2026 REQUEST	\$ CHANGE
Medical Assistance	\$40,764.4	\$44,501.8	\$3,737.5
Child Support Services	\$329.8	\$318.8	(\$11.0)
Administration	\$365.6	\$411.9	\$46.4
Cost Recoveries	\$33.1	\$32.9	(\$0.1)
Office of Inspector General	\$35.1	\$36.5	\$1.4
TOTAL	\$41,527.8	\$45,302.0	\$3,774.2

* Numbers are rounded.

* Parentheses indicate a negative change.



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HFS FY26 General Funds Budget

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GENERAL FUNDS (\$ MILLIONS)			
TOTAL BY PROGRAM	FY 2025 APPROPRIATION W/SUPPLEMENTAL	FY 2026 REQUEST	\$ CHANGE
Medical Assistance	\$9,054.6	\$9,190.1	\$135.5
Child Support Services	\$83.8	\$71.8	(\$12.0)
Administration	\$60.8	\$89.4	\$28.6
Office of Inspector General	\$7.0	\$7.2	\$0.3
TOTAL	\$9,206.2	\$9,358.6	\$152.4

* Numbers are rounded.

* Parentheses indicate a negative change.



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FY26 Goals

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- ▶ Ensure all Illinoisians have **access to the health care services** they are eligible for by reducing consumer barriers to enrollment, leveraging flexibilities to increase retention, and implementing recommendations from the **Advisory Council on Financing and Access to Sickle Cell Disease Treatment and Other High-Cost Drugs and Treatment**.
- ▶ Advance a **whole-person approach to maternal health** that addresses the physical and mental health and social needs experienced during pregnancy and after by leveraging new provider types and payment models that drive quality and innovation.
- ▶ Continue to **hold MCOs accountable** for high quality care by monitoring and incentivizing quality outcomes, partnering on innovations that address health-related social needs and promote health equity, removing unnecessary barriers to care, and preventing exploitative practices of contracting entities, including Pharmacy Benefit Managers.
- ▶ Build on the early success of the **Medical Debt Buyback Program** to relieve more medical debt for Illinoisans.
- ▶ Lay the critical groundwork necessary for long-term success of HFS' **Healthcare Transformation 1115 Waiver** by building and strengthening technical systems, partnering with community-based agencies to prepare for needed infrastructure, and piloting service models.
- ▶ Expand access to integrated **behavioral health** services by continuing to grow innovative models including Certified Community Behavioral Health Centers (CCBHCs), Pathways to Success, and Psychiatric Residential Treatment Centers.
- ▶ Ensure Illinois families who rely on **child support services** receive timely and high-quality support by maintaining the highest performance standard for parentage establishment, current support collected, and customer assistance wait times.



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