



**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
and  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS**

**VETERANS HEALTH INSURANCE PROGRAM ACT OF 2008  
330 ILCS 126/**

**2025 ANNUAL REPORT**



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## MESSAGE FROM THE DIRECTORS

To the Honorable J.B. Pritzker, Governor, and Members of the General Assembly:

We are pleased to present you with the 2025 Veterans Care Health Insurance Program Act of 2008 Annual Report as required in the *Veterans' Health Insurance Program Act of 2008* [330 ILCS 126/].

The Departments of Healthcare and Family Services (HFS) and Veterans' Affairs (DVA) have worked together to implement the *Veterans' Health Insurance Program Act of 2008*. This report describes the program operations, enrollment numbers, outreach activities and progress on the program expansion as required in the 2009 revised statute.

DVA and HFS share the responsibilities for program implementation. DVA assumes primary responsibility for educating and informing Illinois Veterans about this program and other benefits available to Illinois Veterans. HFS assumes the responsibility for assessing eligibility and processing applications to assure that eligible Veterans receive needed healthcare coverage.

Over the past few years HFS worked with the Centers for Medicare and Medicaid Services (CMS) to have Veterans Care coverage considered to be Minimal Essential Coverage (MEC) under the ACA. Without a designation that Veterans Care meets the MEC standard, Veterans covered by Veterans Care could be subject to possible federal penalties for not having qualifying coverage as defined by the ACA.

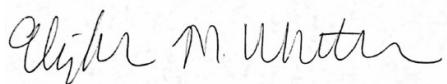
In November 2015 the Center for Consumer Information and Insurance Oversight (CCIIO) informed HFS that the Illinois Veterans Health Insurance Program does not fully comply with the requirements of MEC as defined in the ACA (CFR 156.604). HFS continues to work with CCIIO to allow current enrollees to apply for the hardship exemption to avoid the federal penalties.

HFS informed currently enrolled Veterans of this decision in a letter issued December 30, 2015. (Attachment A). The letter encouraged Veterans to contact HFS with questions, and to help find

other medical assistance. Additionally, based on budgetary considerations HFS stopped taking new applications in March of 2016. Included in this report is a copy of the letter sent to new applicants explaining the decision (Attachment B). The letter also advised them of other healthcare options to meet the healthcare requirements under the ACA. As the enclosed enrollment charts reveal, many Veterans have left the rolls, presumably based on the issue regarding ACA compliance (Attachment C). HFS staff assisted Veterans with their questions regarding this issue and reviewed their potential eligibility for other medical assistance programs.

HFS continues to maintain the cases of the Veterans who remain enrolled in the program.

Sincerely,



Elizabeth M. Whitehorn  
Director, Department of  
Healthcare and Family Services



Terry Prince  
Director, Department of Veterans' Affairs

**ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES  
and  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS**

**VETERANS HEALTH INSURANCE PROGRAM ACT of 2008  
[330 ILCS 126/]  
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**OVERVIEW**

The United States Department of Veterans Affairs (USDVA) delivers healthcare to many United States Veterans through the Veterans Administration (VA) hospitals and clinics. However, in 2003 the federal budget eliminated healthcare funding for Veterans whose income exceeded a specified threshold (about \$26,000 annually). The Illinois Veterans Care Health Insurance Program Act [330 ILCS 125], signed into law on May 28, 2006, was developed to serve this group of Illinois Veterans and others who were denied federal healthcare benefits despite their military service. Generally referred to as Veterans Care, the program provided comprehensive health coverage to eligible Veterans. The original statute authorizing the Veterans Care program sunset on December 31, 2007.

To assure that Illinois Veterans continued to receive healthcare benefits, the General Assembly passed, and the Governor signed the Veterans Health Insurance Program Act of 2008 (330 ILCS 126/). This program includes the same eligibility criteria and provides the same comprehensive healthcare benefits as the earlier program. In the summer of 2009, Governor Pat Quinn recommended statutory changes that expanded eligibility criteria for Veterans and included Veterans' spouses in the healthcare coverage. This expansion is more thoroughly explained in the section of this report entitled "Pending Veterans Care Program Expansion".

Section 45 of Illinois *Veterans' Health Insurance Program Act of 2008* requires the Department of Healthcare and Family Services (HFS) to submit an annual report to the General Assembly.

Sec. 45. Reporting. (a) The Department shall prepare an annual report for submission to the General Assembly. The report shall be due to the General Assembly by January 1 of each year beginning in 2009. This report shall include information regarding implementation of the Program, including the number of Veterans enrolled and any available information regarding other benefits derived from the Program, including screening for and acquisition of other Veterans' benefits through the Veterans' Service Officers and the Veterans' Assistance Commissions. This report may also include recommendations regarding improvements that may be made to the Program and regarding the extension of the repeal date set forth in Section 85 of this Act.  
(Source: P.A. 95-0755, eff. 7-25-08).

**This report covers Veterans Care Program operations through November 30, 2025**

## **PROGRAM OPERATION**

The statute establishing Veterans Care designates the Department of Healthcare and Family Services (HFS) to administer the program in collaboration with the Department of Veterans' Affairs (DVA). HFS uses the same powers and authority to administer the program as are used in the administration of programs under the *Illinois Public Aid Code*.

Program responsibilities are divided between the two departments. DVA has primary responsibility for program outreach and education to Veterans about the program. Funding for program expenditures has been appropriated to DVA from the Illinois Veterans Assistance Fund. HFS has responsibility for application processing, eligibility determination, covered benefits, provider network, claims processing and case maintenance.

HFS developed a Veterans Care website providing eligibility criteria and outreach information. On August 1, 2008, HFS updated the website to allow Veterans to download an application to complete and send it to HFS for processing. The number of applications received increased due to the availability of the application online.

## **ELIGIBILITY**

The statute for this Annual Report period defines a Veteran as someone who has served in a branch of the United States military for more than 180 days after initial training. The statute further specifies that Veterans who are eligible for Veterans Care benefits shall:

- Not have a dishonorable discharge;
- Be a resident of Illinois;
- Be at least 19 years old – and no older than 64;
- Be uninsured as defined by administrative rule for at least three months except under certain circumstances;
- Be ineligible for other state medical assistance programs; and
- Have income within the established income threshold

The statute bases Veterans Care income eligibility on the Geographic Means Test (GMT), a nationally developed tool that assesses the general cost of living based on housing costs on an area-specific basis. The GMT varies by county in Illinois. Effective January 2003, the federal Veterans Administration denied benefits to Veterans whose income and countable assets exceeded the GMT unless the Veterans qualified for benefits for other reasons such as having service-related disabilities or having been exposed to toxic substances during military service, etc.

Per the statute, the Illinois Veterans Care income threshold is set at the GMT plus 50 percent of the federal poverty level. The poverty level for 2025 for a one-person household is \$15,650 per year. Unlike the federal program, HFS does not count assets when deciding whether a Veteran is income eligible.

Veterans are not eligible for Veterans Care if they are residents of nursing facilities or incarcerated. Veterans are also not eligible if they fail to pay premiums in a timely manner.

The law requires the Veteran to be without insurance for at least three months prior to applying to protect against individuals dropping private or employer-sponsored coverage to qualify for Veterans Care. Specific situations exempt Veterans from the three -month stipulation to be without insurance:

- Loss of insurance because of loss of job or spouse's loss of job
- Lifetime insurance maximum benefit reached
- Insurance coverage purchased under COBRA
- Insurance coverage provided by another HFS medical program
- Unable to access spouse's insurance
- Insurance obtained from TRICARE

Rules to allow the spouse of a Veteran to participate have been adopted and HFS is incorporating the change into the new Integrated Eligibility System (IES) as part of the massive overhaul of the state's medical eligibility processing system. These rules allow the spouse to participate if the Veteran is participating by paying an additional premium. The rules would also reduce the monthly premium to \$20 for the Veteran or \$40 for the Veteran and spouse. The change to a \$20 monthly premium for all Veterans (\$40 if the spouse is also covered) is planned to take effect in 2016 with the implementation of Phase 2 of IES.

## **APPLICATION PROCESS**

Based on budgetary concerns HFS stopped accepting new applications in March of 2016. (Attachment B) HFS continues to maintain the cases of Veterans already enrolled. As of November 30, 2025, two (2) Veterans remain enrolled in the program.

Veterans lose eligibility if they become eligible for federal VA health benefits, fail to pay premiums timely, enter a nursing home, turn 65, become incarcerated or move out of Illinois.

## **HEALTHCARE BENEFITS**

Upon enrollment in Veterans Care, Veterans are covered for services delivered by providers enrolled with HFS's medical programs. Covered medical services include doctor and clinic visits, hospital and outpatient care, lab tests, radiology services, prescription drugs, physical, occupational and speech therapies, mental health and substance abuse services, limited dental services, and emergency medical transportation.

Nursing facility services and non-emergency medical transportation are not covered services for Veterans Care.

## **COST SHARING**

### ***Co-Payments***

Veterans Care enrollees are charged co-payments for services as follows.

• Doctor Visit	\$ 15
• Dentist Visit	\$ 15
• Inpatient Hospital Stay	\$150
• Outpatient Hospital Visit	10% of HFS rate
• Emergency Room Visit	\$ 50
• Generic Prescription	\$ 6
• Brand Name Prescription	\$ 14

### ***Premiums***

HFS bills Veterans Care enrollees monthly for their premium payments.

Eligible Veterans must pay a monthly premium of \$20 for the Veteran or \$40 for the Veteran and spouse.

Veterans must pay their premiums by the end of the month to receive services for the subsequent month. HFS cancels the eligibility of Veterans who do not pay their premiums timely. They may re-apply after a three-month waiting period but must pay past due premium amounts before they may re-enroll.

### **OUTREACH**

DVA ceased outreach activities in March 2016 since HFS was no longer accepting new applications.

### **OTHER DVA/HFS INTERDEPARTMENTAL INITIATIVE**

#### **NEW DEVELOPMENTS**

HFS has been working with the Center for Medicare and Medicaid Services (CMS) to have Veterans Care coverage considered to be Minimal Essential Coverage (MEC) under the Affordable Care Act. Without a designation that Veterans Care meets the MEC standard, Veterans covered by Veterans Care may be subject to possible federal penalties for not having qualifying coverage as defined by the Affordable Care Act.

In November 2015 the Center for Consumer Information and Insurance Oversight (CCIIO) informed HFS that the Illinois Veterans Health Insurance Program does not fully comply with the requirements of Minimal Essential Coverage as defined in the Affordable Care Act (CFR 156.604). HFS continues to work with CCIIO to allow current enrollees to apply for the hardship exemption to avoid the federal penalties for 2015 and to seek alternative coverage in 2016 and beyond.

Based on budgetary considerations HFS stopped accepting new applications in March of 2016. (Attachment B) HFS continues to maintain the cases of Veterans who are already enrolled.



**Bruce Rauner, Governor**  
**Felicia F. Norwood, Director**

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

**Telephone:** (217) 782-1200  
**TTY:** (800) 526-5812

12/30/2015

Dear Veteran,

You are currently enrolled in the Illinois Veterans Care program for your healthcare coverage. This state funded program is for Illinois' uninsured Veterans who are not eligible for healthcare coverage through the U.S. Veterans Administration or other State-administered health benefits.

Under the Affordable Care Act, most people are required to have healthcare coverage for an entire year that meets certain Minimum Essential Coverage standards. Recently, Illinois was informed by the federal government that the Illinois Veterans Care Program does not qualify as "Minimal Essential Coverage" under the Federal Affordable Care Act (ACA). The Illinois Department of Healthcare and Family Services (HFS) is working with the Illinois Department of Veterans Affairs (OVA) and the US federal government to better understand what this means for you if you file federal taxes for 2015. We will send you more information as soon as possible.

In light of this federal decision, HFS recommends that you find new healthcare coverage for 2016 that meets the ACA requirements to keep you covered -and we can help!

- Call us as soon as you can at: 1-800-226-0768 (TTY: 1-877-204-1012).
- When you call, ask for Veterans Care.
- We can discuss your options for finding new healthcare coverage.
- We can help answer your questions.

Your current coverage under the Illinois Veterans Care Program will continue unless you cancel it or are told the program is ending. But since it does not meet the federal requirements for Minimum Essential Coverage under ACA, you may be required to pay a penalty when you file your 2015 federal taxes if you do not have the coverage that meets ACA standards.

We look forward to talking to you as soon as possible. Call us at 1-800-226-0768 (TTY: 1-877-204-1012) and ask for Veterans Care.

Sincerely,

A handwritten signature in black ink that reads 'Felicia F. Norwood'.

Felicia F. Norwood Director



**Bruce Rauner, Governor**  
**Felicia F. Norwood, Director**

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201 South Grand Avenue East  
Springfield, Illinois 62763-0002

**Telephone:** (217) 782-1200  
**TTY:** (800) 526-5812

12/1/2021

Dear Veteran,

You recently submitted an application to the Illinois Veterans Health Insurance Program.

We are unable to process your application because there are no state funds appropriated to pay for the program for this state fiscal year.

The federal government recently informed us that the Veterans Care Program does not qualify as "Minimal Essential Coverage" (MEC) under the Affordable Care Act. This means that people covered under Veterans Care may be charged a penalty when they file their federal tax return. The federal law requires everyone to have insurance that meets Minimal Essential Coverage or pay a penalty. Because of this, we recommend that you enroll in other health insurance.

There may be other programs that can help you pay for health insurance. You may learn about them and how to apply for them at <https://abe.illinois.gov/abe/access/>

If you have questions about this information, you may contact us at 1-800-226-0768 and ask for Veterans Care.

Sincerely,

Bureau of Medical Eligibility and Special Program

# Current Veterans Care Status Report

November 30, 2025

Total Pending, Approvals and Denials (with Reason)		Total Active and Cancels (with Reason)		
<b>Total Applications</b>	<b>1983</b>	<b>Percent of Totals</b>	<b>Active/Canceled Count</b>	
<b>Pending</b>	<b>0</b>	<b>0.00%</b>	<b>Total Active</b>	<b>2</b>
<b>Approved</b>	<b>1208</b>	<b>60.92%</b>	<b>Total Canceled</b>	<b>1206</b>
<b>Denied</b>	<b>775</b>	<b>39.08%</b>	<b>Percent Canceled</b>	<b>99.83%</b>
Denial/Cancel Reason	# Denied	Percent of Denials	# Canceled	Percent of Cancels
Age	59	7.61%	80	6.63%
Has Insurance	69	8.90%	81	6.72%
Residence	0	0.00%	12	1.00%
Over Income	112	14.45%	35	2.90%
Under 180 Days Service	75	9.68%	<b>N/A</b>	N/A
Eligible for VA	198	25.55%	115	9.54%
Failed to Provide	162	20.90%	70	5.80%
Dishonorable Discharge	0	0.00%	<b>N/A</b>	N/A
Has Other State Programs	32	4.13%	<b>N/A</b>	N/A
Failed to Pay Premium	<b>N/A</b>	<b>N/A</b>	695	57.63%
Other	68	8.77%	118	9.78%
<b>TOTAL</b>	<b>775</b>	<b>100.00%</b>	<b>1206</b>	<b>100.00%</b>