1115 Waiver: Healthcare Transformation

Annual Public Forum

October 3, 2025

HFS
Illinois Department of
Healthcare and Family Services

Welcoming Remarks

Dana Kelly
HFS Chief of Staff

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Agenda:

- Introduction of HFS Staff
- Forum Purpose and Housekeeping
- Background of the Healthcare Transformation 1115 Waiver and Current Approvals
- Program Updates
- Public Comment
- Adjournment

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HFS Staff

- Dana Kelly, Chief of Staff
- Eric Foster, Senior Policy Advisor, SUD Pilots
- Kristin Hartsaw, Special Assistant to the Director for Medical Policy
- Thea Kachoris-Flores, Special Assistant to the Director for Health-Related Social Needs
- Melishia Bansa, Deputy Director of Community Outreach | Boards and Commissions
- Jerome Beverly, Boards and Commissions Support Staff
- Susan Lighty, Boards and Commissions Support Staff

Purpose of Forum

- To comply with 42 CFR 431.20(c) and the state's Special Terms and Conditions (STC) for the IL Healthcare Transformation 1115 Demonstration Waiver
- To afford the public an opportunity to provide meaningful comment on the progress of the 1115 waiver demonstration

Housekeeping Rules

- **Meeting basics**
  - Please mute your audio except when speaking. HFS may mute participants to minimize disruptive noise or feedback.
  - HFS will not be answering questions during today's forum, but commenters are welcome to submit questions with their remarks.
  - HFS is committed to hosting meetings that are accessible and ADA compliant. Closed captioning and foreign language captioning are both provided for you today through the Webex platform via the web widget closed captioning icon.
- **Public comments**
  - To accommodate as many comments as possible, we request that commenters keep their feedback to 3 minutes.
  - Written public comment will be accepted until 11:59pm on Wednesday, October 15, 2025 by emailing hfs.1115waiver@illinois.gov

Instructions for Public Comment

- The public comment section of the forum will follow HFS presentation.
- Participants who registered in advance and requested to provide public comment will be called upon first.
- If you did not register in advance of today's forum and would like to provide comments, please notify the host in the chat.
- When sharing your comments, please provide your name and if applicable, the organization you represent.
- To accommodate as many speakers as possible:
  - Please limit your comments to 3 minutes.
  - Organizations are asked to select one representative to comment on their behalf.

1115 Waiver Background

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What is an 1115 waiver?

Section 1115(a) of the Social Security Act provides **waiver and expenditure authority** for state Medicaid programs to *test* or *demonstrate* impact of proposed **innovations** that would otherwise not be allowed under traditional Medicaid rules.

1115 Demonstration Waiver - Funding

- Authorizes federal MATCHING to offset **state expenditures** on approved waiver services/flexibilities.
  - *1115 waivers do not automatically "grant" federal dollars to the state.*
  - *Matching (known as FFP: Federal Financial Participation) cannot duplicate other federally funded programs (e.g., HUD, SNAP).*
- The expenditure amounts listed in the Illinois Healthcare Transformation 1115 waiver represents the amount CMS has authorized the state to spend on authorized services.
  - *States are not required to spend this amount; rather – it is the limit of what is allowable with this approval.*

Healthcare Transformation 1115 Waiver Approved Services

Current Implementation Planning

- **Health Related Social Needs (HRSN)**
  - Housing supports, medical respite
  - Nutrition supports
- **Reentry Services from Carceral Settings**
  - Coverage of **pre-release** services 90 days prior to release

Continuing Implementation of SUD Pilots

- SUD Case Management
- SUD Treatment in Institutions of Mental Disease (IMD)

Future Implementation – Timing TBD

- Violence Prevention & Intervention
- Supported employment
- Non-Medical Transportation to and from HRSN services & supported employment

Current Context for Implementation

Lessons learned from other states

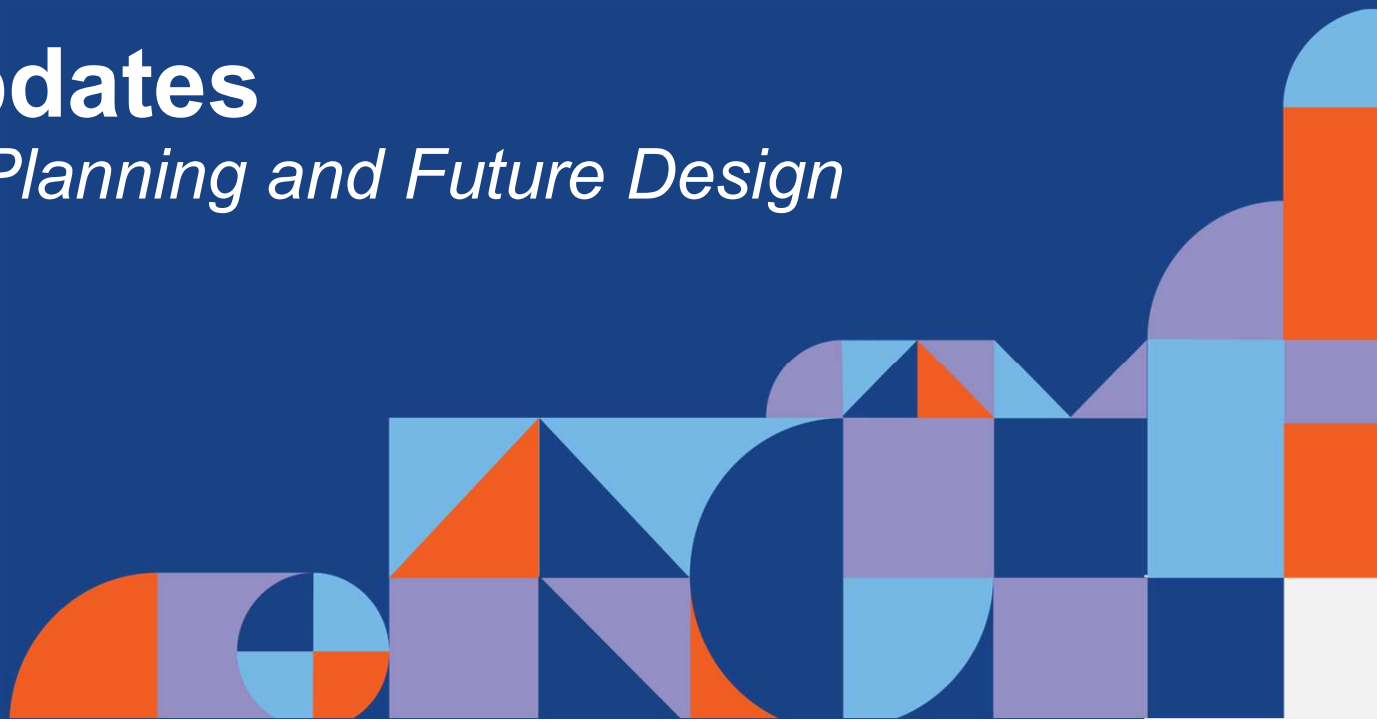
State budget landscape

H.R.1 implementation

HFS continues to monitor federal policy and guidance as it is issued by federal CMS

Program Updates

Implementation, Planning and Future Design



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Substance Use Disorder (SUD) Program

SUD Case Management Pilot

Service: Specialized case management that includes screening, assessment, engagement, referral, and monitoring services to assist Medicaid beneficiaries with accessing needed medical, social, education, and other services.

Population: Medicaid beneficiaries with opiate use or substance use disorders who qualify for diversion into treatment from the criminal justice system.

Providers: Two DBHR (formerly known as SUPR) licensed designated programs (Family Guidance and TASC), operating 13 locations.

Numbers Served: For the period of 7/1/2023 – 06/30/24, there were 1,185 unduplicated recipients enrolled and for the period of 7/1/2024 – 6/30/2025 there were 919 enrolled.

SUD Residential and Inpatient Treatment

Service: Medical assistance, including OUD/SUD services, for short-term residents in Institutions for Mental Disease (IMD). Services would otherwise be matchable if the beneficiary were not residing in an IMD.

Population: Medicaid beneficiaries that are short-term residents of an IMD (aim for less than 30 days).

Providers: There are 16 DBHR licensed facilities that are participating that meet the definition of an IMD (more than 16 beds).

Numbers Served: For the period of 7/1/2023 – 06/30/24, 4,556 Medicaid beneficiaries received services and for 7/1/2024 – 12/31/2024, a total of 2,512 beneficiaries received services.

Interim Evaluation Report

- **Review the Interim Evaluation Report:** https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/il-behave-health-transform-appvd-int-eval-rpt-04282023.pdf

New Services

Implementation Planning

- Post-approval deliverables completed and submitted to CMS for review, negotiation and approval
- Provider Technical Workgroups meet regularly to inform operational planning
- Discussions with other states approved for HRSN and re-entry services
- Sister Agency coordination for HRSN and reentry demonstration
- Internal HFS planning for system updates to claim new services
- Rate development with actuarial firm, Milliman

Lessons Learned from other States

Most states are planning/implementing a smaller set of services, particularly HRSN services

All states have reported needing 1-2 years of planning time before launch of services

Most states have developed variations of a regional structure to support community-based organizations

Current Implementation Planning

Waiver implementation planning has many complex moving pieces:

- Operations
- Budget and financing
- Reporting and claiming (including federal match)
- IT system changes
- Provider Enrollment
- Service eligibility and assessment
- Managed care systems & operations

Reentry Demonstration

Reentry Demonstration

Coverage of Pre-Release Services

- The Reentry Demonstration approval waives the federal inmate exclusion rule, which prohibits Medicaid from paying for health care for individuals who are incarcerated.
- 1115 waiver demonstrations authorize Medicaid coverage for a specific set of services while an individual is incarcerated, in a 90-day time frame prior to release.
- States with approved reentry demonstrations must cover at a minimum three core pre-release services:
  - **30-day supply of prescription upon release**
  - **MAT: Medication Assisted Treatment**
  - **Pre-release case management**
  - IL requested and received approval for additional pre-release services: diagnostic/treatment services, DME & other medical supplies, medication in 90-day pre-release period, and services provided by CHWs

Reentry Demonstration
Implementation Planning Update

- Regular planning meetings currently occurring with carceral partners (IDOC, IDJJ, Cermak Health Services/Cook Co.)
- Planning for operational changes and phase-in approach needed to meet CMS milestones and achieve scope of pre-release services expected under this demonstration.
- Post-approval deliverables still pending federal CMS review and approval:
  - Reentry Implementation Plan *(submitted 11/08/2024)*
  - Reentry Reinvestment Plan *(submitted 02/28/2025)*

Health-Related Social Needs (HRSN) Services

Post-Approval Deliverables *(approved by CMS)*

- **HRSN Operational Protocol**
  - Outlines the state's proposed uses of health-related social needs infrastructure expenses, definitions of covered-services, processes for service eligibility and avoiding service duplication, and monitoring and evaluation requirements
- **HRSN Implementation Plan**
  - Describes the overall strategic approach to implementing HRSN services, including estimated timelines for meeting implementation stages and milestones.

Available on HFS website: https://hfs.illinois.gov/medicalproviders/cc/cmsapprovals.html

Example of Service Eligibility

- Medicaid customer enrolled in managed care who meets the applicable social and clinical risk criteria outlined in operational protocol *(section III, beginning page 16)*
- **Housing Interventions:**
  - **Social Risk:** Homeless or at risk of homelessness as defined by 24 CFR 91.5
  - **Clinical Risk:** received care in EDs, hospitals, crisis centers on multiple occasions; one or more chronic conditions, complex physical health needs, behavioral health need, pregnancy/12-months post-partum and more
- **Food/Nutrition Interventions:**
  - **Social risk:** low or very low food security as defined by USDA
  - **Clinical Risk:** chronic condition (such as diabetes, cancer, and more), behavioral health need, pregnant/12-months post-partum, social isolation placing at risk for early death, neurocognitive disorders, cardiovascular disease, and elder abuse

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Example of Service Description

HRSN Service Descriptions – Section II.2 of Operational Protocol (beginning page 7)

- **Medical respite:**
  - Short-term post-transition housing with room and board for up to six months, where clinically oriented rehab services and supports may or may not be integrated, following allowable transitions, for a clinically appropriate amount of time.

- **Medically tailored meals:**
  - Up to 3 meals a day, for up to 6 months; tailored to support individuals with health-related conditions.
  - Includes preparation, provision of prescribed meals consistent with nutrition care plan or individual's diagnosis. May include delivery of meal, if available.

HRSN Stakeholder Engagement

- **Stakeholder engagement:**
  - Monthly provider workgroups based on specific benefit areas: Healthcare Providers, Medical Respite Providers,, Housing Providers, Food and Nutrition Providers
  - Regular consultation with key stakeholders, e.g., Managed Care Organizations, field experts, and sister agencies
- **Workgroup and Consultation Purpose:**
  - Gather feedback on design elements
  - Gather insight into provider capacity to provide services and bill for services, and identify capacity building needs
  - Develop an understanding of existing referral processes and eligibility criteria

Anticipated Infrastructure Supports for CBOs

- HFS recognizes many Community Based Organizations delivering services today have needs related to capacity building and billing functions
- **Regional networks** to support the provider network development and capacity building funding
- **Closed-loop referral system**: Procurement process started
- CBO **billing and claiming system**: will support additional community-based provider types, e.g., community health workers, doulas
  - Procurement process started

What to Expect Next

- Finalizing rates, fee schedules, billing codes, and provider types
- Training and Technical Assistance on becoming an enrolled Medicaid Provider through MTAC (Medicaid Technical Assistance Center)
- Department Guidance for Providers
  - Provider notices
  - Provider handbook

How to keep informed:

Check our Website for updates, FAQs and official documents:

https://hfs.Illinois.gov/medicalproviders/cc/1115transformation.html

Regular Updates:

Join our list-serve to gain access to quarterly updates related to the design and implementation of the waiver.

https://lp.constantcontactpages.com/sl/dCByh5V/1115

Questions:

Contact us with questions through our dedicated inbox.
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Technology Procurements:

Potential vendors who believe they may have products that can support the technology and billing processes are encouraged to monitor the Illinois Procurement BidBuy System. BidBuy - /view/login/login.xhtml

Public Comment

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- HFS will not be answering questions during today's forum, but commenters are welcome to submit questions with their remarks.
- This is not a forum for HFS to receive individual complaints about specific healthcare providers or service plans. It is also not the proper forum for HFS to receive information from a vendor about its supplies, services, and operating models.
- Regardless of how feedback is provided, note that it later may be shared outside of HFS pursuant to HFS's obligations under FOIA. Therefore, comments should not include personal health information or other details commenters wish to remain private.

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Share your thoughts

Themes/topic areas to consider. This list is not all inclusive.

- Capacity building
- Support for CBOs
- Service definitions
- Provider eligibility and enrollment
- Service eligibility
- SUD pilot services
- HRSN services
- Re-entry services
- Other waiver related topics identified by speaker

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Future Updates and Communications

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