

# House Appropriations Health & Human Services Committee

Department of Healthcare and Family Services  
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April 18, 2024



**HFS**

Illinois Department of  
Healthcare and Family Services

# HFS

## Helping Families Succeed

### MISSION

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.



# What We Do

Nearly **1 in 3 Illinoisans** are served by HFS through health care and child support programs.

HFS provides healthcare to more Illinoisans than any other insurer.

## Medicaid

- ▶ 3.9 million individuals enrolled
- ▶ 98% of total budget

## Child Support

- ▶ Serves 345,000 families and nearly 500,000 children
- ▶ 1% of total budget



# Who Are Our Medical Customers?

In fiscal year (FY) 2023 the Department provided medical coverage to more than 25% of the state's population. Average monthly enrollment for the last 5 fiscal years is as follows:

Comprehensive Benefits	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	% change from FY 2019
<b>Children</b>	1,394,746	1,388,638	1,467,027	1,486,446	1,524,543	9.3%
<b>Adults with Disabilities</b>	265,128	262,821	260,328	255,045	250,340	-5.6%
<b>ACA Adults</b>	574,926	578,505	712,771	819,205	919,731	60.0%
<b>Other Adults</b>	516,424	501,568	597,895	693,450	771,783	49.4%
<b>Seniors</b>	215,993	224,265	248,682	278,633	299,103	38.5%
<b>TOTAL COMPREHENSIVE</b>	<b>2,967,217</b>	<b>2,955,797</b>	<b>3,286,703</b>	<b>3,532,779</b>	<b>3,765,500</b>	<b>26.9%</b>

HFS provides comprehensive healthcare coverage for more than 25% of Illinois' population, including ~ 50% of the state's children.

# Our Workforce

**Headcount: 1,927** on 3/31/24 - highest staffing level since 2015

- ▶ Up from 1,804 on 6/30/23
- ▶ HFS' allocated headcount is 2,138 (FY24)
- ▶ HFS has filled 398 positions for a net 123 additional employees since the start of FY24
- ▶ Another 131 positions are in process to be filled in the next 30 to 45 workdays
- ▶ 932 staff are aged 50+ (~48%); roughly 300 staff are aged 60+ (~15%)
- ▶ Created a DEIA steering committee to drive equitable outcomes in hiring

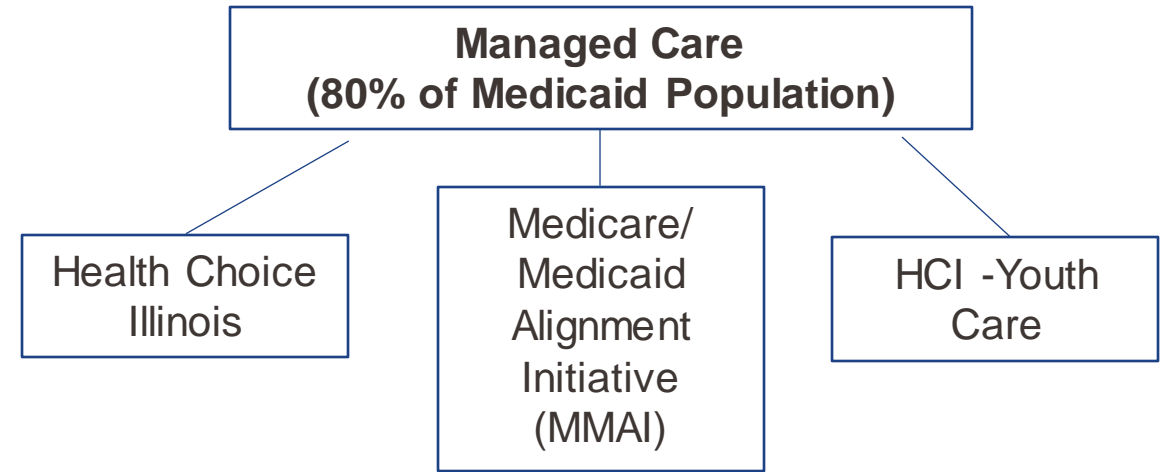
## Workforce Demographics

- Female: **1,339** (68%)
- Male: **588** (32%)
- Caucasian: **1,375** (71%)
- African American: **368** (19%)
- Hispanic: **176** (9%)
- Asian: **8** (.03%)
- **215** employees (~12%) identify as having a disability
- **87** employees receive (~5%) additional compensation for the use of their bilingual skills to perform their duties

# Managed Care

## Medicaid Managed Care:

- ▶ Enrollment Choice of Plans
- ▶ Provides Care Coordination for customers
- ▶ Incentivizes quality of care
- ▶ Reduces Medicaid program costs



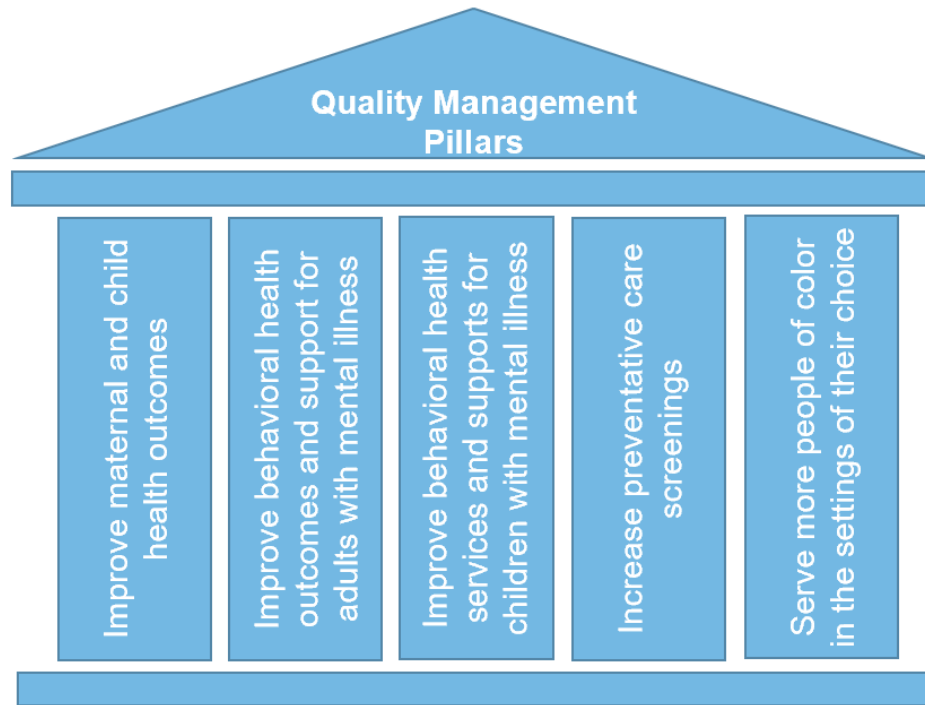
## Fee for Service (20% of Medicaid Population)

HFS administered. Includes individuals on spenddown, those with high TPL, certain indigenous populations and medically complex children receiving in-home services.



# HealthChoice Illinois and Managed Care

HFS' quality strategy establishes a framework for the ongoing improvement of MCO performance, the identification of potential opportunities for increased care coordination, and the prioritization of equity across all MCO quality management activities.



## HFS Holds MCOs Accountable:

- ▶ Monitoring and incentivizing quality outcomes through Pay for Performance (P4P), Pay for Reporting (P4R)
- ▶ 2% quality withhold
- ▶ Partnering on innovations that address health-related social needs
- ▶ Ensuring practices that reduce disparities and promote racial equity



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# FY24 Accomplishments

- ▶ Worked towards the implementation of over \$1 billion in **provider rate increases and program enhancements** included in the FY24 budget through Illinois' State Medicaid Plan.
- ▶ Implemented several major reforms in long term care including comprehensive **Nursing Home Rate Reform** and the introduction of **PACE**.
- ▶ Expanded the scope and quality of **maternal and child health services** by welcoming new provider groups and ensuring access to training, and technical assistance for new these new providers, which include lactation consultants and doulas.
- ▶ Expanded access to **HFS' Family Planning Program** and launched the Complex Abortion Regional Line for Access (**CARLA**).
- ▶ Developed and submitted **1115 Waiver application** for a broad range of health-related social needs (HRSNs), addressing critical priorities like housing and food insecurity.

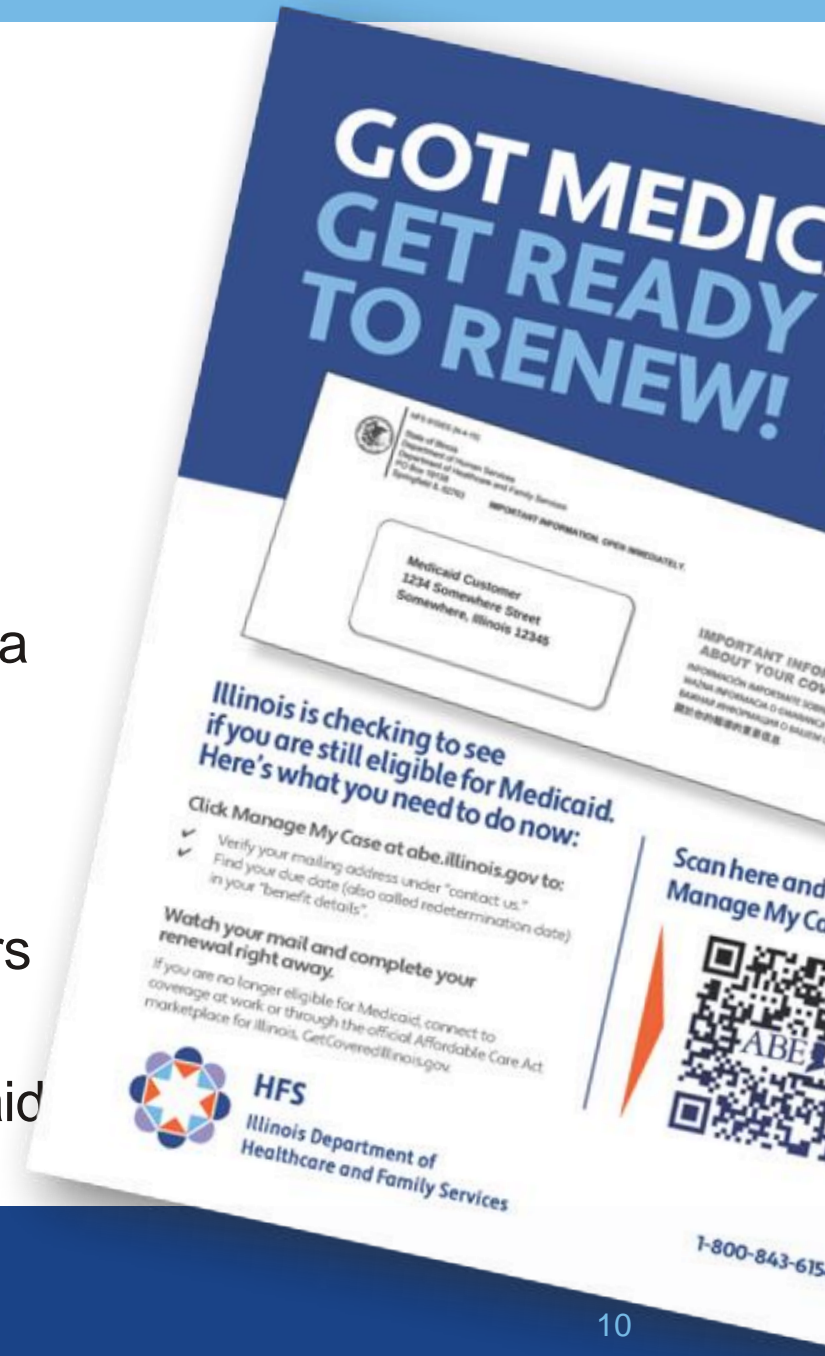


# FY24 Accomplishments

- ▶ Advanced the work of 14 **Health Transformation Collaboratives**, a hyper-local approach to community investment targeted toward improving healthcare outcomes, reducing healthcare disparities, and realigning resources.
- ▶ Worked with the **Children's Behavioral Health Transformation** Initiative to begin implementation of blueprint recommendations, including expansion of **Pathways to Success**.
- ▶ Submitted an Illinois **Certified Community Behavioral Health Clinic (CCBHC)** Demonstration application to the Substance Abuse and Mental Health Services Administration (SAMHSA), which included 19 CCBHC partner sites.
- ▶ Quickly and effectively mitigated the impact of an unprecedented **cyberattack to Change Healthcare** that impacted pharmacy benefits and claims clearinghouse operations nationwide including under our fee for service program.
- ▶ Achieved historic performance on key **child support performance** indicators, while **implementing new laws** designed to secure continued child support payments for those who may not be receiving support today.

# Spotlight on Resuming Redeterminations

- ▶ HFS is completing a yearlong unwinding from the continuous Medicaid coverage requirement, marking the return to the standard practice of annual eligibility checks.
- ▶ Illinois has led the nation with one of the lowest percentages of customers with coverage terminated for procedural reasons, per a Kaiser Family Foundation analysis.
- ▶ As of March 2024, 73% of Illinois Medicaid customers whose cases have been reviewed have retained coverage.
- ▶ Implemented multiple flexibilities to help ensure eligible customers stay covered.
- ▶ Multi-platform 'Ready to Renew' outreach campaign, including paid ads, emails and texts.



# HFS FY25 Goals

- ▶ Ensure all Illinois residents have access to the health care services they are eligible for by **focusing on customer retention** through the **redetermination process** and areas such as family planning.
- ▶ Prepare for the implementation of an **Illinois State-Based Health Insurance Marketplace** by partnering with the Department of Insurance to procure technology and design integrated enrollment practices for successful open enrollment beginning fall 2025.
- ▶ Advance strategies that ensure equitable access to new and **transformative therapies and drugs**, like the recently approved gene therapies for Sickle Cell Disease, through innovative **payment models and financial structures**.
- ▶ Develop and issue **RFP for HealthChoice Illinois MCO Contracts**, which will proceed under State Procurement Code.
- ▶ Ensure the successful re-procurement of the State's **Integrated Eligibility System (IES)** to ensure that Illinoisians can efficiently enroll in Medicaid, SNAP, and TANF.

# HFS FY25 Goals

- ▶ Gain approval for a **federal 1115 waiver** to support Medicaid coverage to address **health related social needs** and work with providers, community-based organizations, MCOs and sister agencies on implementation plans.
- ▶ Implement **Williams and Colbert consent decrees** service delivery model that will ensure quality outcomes and program sustainability to ensure class members can live in the most integrated setting possible.
- ▶ Continue to **partner with sister agencies, stakeholders, and providers** to innovate in priority areas including maternal and child health, behavioral health, reproductive health, health equity, and health-related social needs.
- ▶ Continue to enhance the financial and emotional well-being of families by ensuring **child support payments are passed through in full** to families entitled to funds.



# HFS FY25 Budget Highlights

## New Investment

- ▶ **Establish a Medical Debt Buy-Back Program:** \$10 million investment to erase nearly \$1 billion in medical debt for at least 300,000 eligible low-income Illinois residents.
- ▶ **Increased Federal Medicaid Funding to Schools:** Additional \$200 million appropriation to account for federal CMS policy change allowing for all Medicaid services provided in school settings to receive reimbursement of federal match on an actual cost basis.
- ▶ **State-Based Marketplace Transition:** Includes \$6 million for additional positions and Navigator grants to support first phase of transition from a federally-facilitated Health Insurance Marketplace to a State-based Marketplace.
- ▶ **Create a Tiered Safety Net Add-On:** Additional \$50 million to safety net hospitals through an approach that links the amount of the add-on payment to the hospital's Medicaid Inpatient Utilization Rate.
- ▶ **Practitioner Rate Increases:** Includes the annualization of comprehensive physician rate increases currently under consideration with federal CMS.



# HFS FY25 Budget Highlights

## Ongoing Investments

- ▶ **Child Support Pass-Through Law:** HFS is now required to pass through all child support to families receiving Temporary Assistance for Needy Families (TANF.) The budget includes an increase to ensure over \$30 million in funds will be available to pass through once the Act becomes effective July 1.
- ▶ **Healthcare Transformation Collaboratives:** Includes \$150 million in funding for continued investments in collaborations of healthcare providers and community partners to improve healthcare outcomes and reduce disparities.
- ▶ **Programmatic and Reimbursement Additions:** Includes over \$1 billion for annualization of spring 2023 legislation and negotiated program enhancements: Medicaid Omnibus (SB1298), FY24 BIMP (HB3817) and FY25 Appropriations bill (SB 250).
- ▶ **Health Benefits for Immigrant Seniors:** Includes \$440 million in general revenue funding and approximately \$189 million in other revenue to continue providing health benefits to enrolled immigrants ages 42+ who would otherwise be eligible for Medicaid if not for their immigration status.
- ▶ **Other Continued Investments In:** Childrens' Behavioral Health, including the Pathways to Success program; Certified Community Behavioral Health Clinics; Maternal and Child Health initiatives; Medicaid Technical Assistance Center (MTAC).



# HFS FY25 Budget Highlights

ALL FUNDS (\$ MILLIONS)			
TOTAL BY PROGRAM	FY24 Appropriation with Supplemental	FY25 Request	\$ Change
Medical Assistance	\$38,138.4	\$38,731.1	\$592.7
Child Support Services	\$303.5	\$329.8	\$26.2
Administration	\$339.0	\$348.6	\$9.6
Public Aid Recoveries	\$31.6	\$33.1	\$1.5
Office of the Inspector General	\$31.5	\$35.1	\$3.6
<b>TOTAL</b>	<b>\$38,844.1</b>	<b>\$39,477.6</b>	<b>\$633.5</b>

# HFS FY25 General Funds Budget

GENERAL FUNDS (\$ MILLIONS)			
TOTAL BY PROGRAM	FY24 Appropriation with Supplemental	FY25 Request	\$ Change
Medical Assistance	\$9,594.4	\$9,231.7	(\$362.7)
Child Support Services	\$63.2	\$83.8	\$20.6
Administration	\$59.1	\$60.8	\$1.7
Office of the Inspector General	\$5.8	\$7.0	\$1.2
<b>TOTAL</b>	<b>\$9,722.5</b>	<b>\$9,383.3</b>	<b>(\$339.2)</b>



# Q&A



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