

July 26, 2024

Jonathan Morancy, Project Officer
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
Mail Stop: S2-25-26
7500 Security Blvd.
Baltimore, MD 21244-1850

Re: Acceptance of the Illinois Healthcare Transformation Section 1115 Demonstration Extension

Dear Mr. Morancy:

On July 2, 2024, the Illinois Department of Healthcare and Family Services (HFS) received approval from the Centers for Medicare & Medicaid Services (CMS) to extend the section 1115(a) demonstration, “Illinois Healthcare Transformation” (Project Number 11-W-00316/5). The extension includes three pilot authorities from the original 2018 “Behavioral Health Transformation” demonstration: substance use disorder (SUD) treatment for individuals residing in an Institution for Mental Diseases (IMD), SUD case management, and supported employment services. It also includes new authorities for housing and nutrition health-related social needs (HRSN), violence prevention and intervention services, and non-medical transportation. Finally, with this extension, Illinois is introducing a new initiative to provide pre-release services for eligible incarcerated individuals in qualifying correctional facilities for up to 90 days prior to expected release.

This letter serves as Illinois’ official acceptance of the demonstration extension award, Special Terms and Conditions (STCs), and the associated expenditure and waiver authorities, as requested in CMS’ approval letter. The approval of this demonstration extension reflects a significant milestone in the shared effort between the state and the federal government to address the behavioral/mental health challenges (including SUD), maternal mortality, violence prevention, homelessness, and hunger by bringing essential health services to Medicaid beneficiaries across Illinois for improved health outcomes and equity in healthcare. HFS reviewed the STCs and enclosed a list of proposed technical corrections for your consideration and approval. We appreciate and thank CMS for its continued partnership in addressing many of the complex challenges facing Illinois’ most vulnerable residents. We look forward to working with you on the remaining pending components of the state’s June 2023 extension request.

Sincerely,

Kelly Cunningham Digitally signed by Kelly
Cunningham
Date: 2024.07.26 15:49:35 -0500

Kelly Cunningham
Medicaid Administrator

HFS REQUESTED TECHNICAL CORRECTIONS

STC Section	Current STC Language with Suggested Technical Revisions* (*where applicable)	Justification for Technical Correction
Expenditure Authorities Page 3	8. Expenditures for Violence Prevention and Intervention Services. Expenditures for violence prevention and intervention services described in STC 8.2.	There is no STC 8. “8” is the start of the Section. Suggested edit based on understanding of provision.
Reentry Demonstration Initiative STC 4.1 Page 12	4.1. Overview of Pre-Release Services and Program Objectives. This component of the demonstration will provide coverage for pre-release services up to 90 days immediately prior to the expected date of release to qualifying Medicaid individuals, who are residing in a state or local jail, prison, or youth correctional facility (hereinafter “correctional facility”) as specified in STC 4.5, the implementation timeline in STC 4.9, and the implementation plan in STC 4.10.	Likely punctuation error. There is no STC 49. Suggested edit based on understanding of provision.
STC 4.12.b Page 20	b. The state may claim FFP in Reentry Demonstration Initiative Planning and Implementation Program expenditures for no more than the annual amounts outlined in Table 1. In the event that the state does not claim the full amount of FFP for a given demonstration year as defined in STC 4 , the unspent amounts will roll over to one or more demonstration years not to exceed this demonstration period and the state may claim the remaining amount in a subsequent demonstration year.	There is no STC 4 and cannot determine the proper cross reference.
STC 5.2 Page 23	k. SUD Health IT Plan. Implementation of a Substance Use Disorder Health Information Technology Plan which describes technology that will support the aims of the demonstration. Further information which describes milestones and metrics as detailed in STC 5.3(b) and Attachment C; and	STC 5.3(b) does not speak to milestones. Please confirm that is the correct STC reference and if this is the full STC language in light of how sentence ends.
STC 10.1 Page 48	10.1. The provider payment rate increase requirements described hereafter are a condition for the HRSN expenditure authorities, as referenced in expenditure authorities 6 and 7.	There is no expenditure authority 10. We believe the correct reference number is 7 and suggest edit accordingly.
STC 10.4 Page 49	10.4. The state will, for the purpose of complying with these requirements to derive the Medicaid to Medicare provider payment rate ratio and to apply the rate increases as may be required under this STC section 10 , identify the applicable service codes and provider types for each of the primary care, behavioral health, and	There is no STC 10. “10” is the start of the Section. Suggested edit based on understanding of provision.

STC Section	Current STC Language with Suggested Technical Revisions* (*where applicable)	Justification for Technical Correction
	obstetric care services, as relevant, in a manner consistent with other state and federal Medicaid program requirements, except that inpatient behavioral health services may be excluded from the state's definition of behavioral health care services.	

The following deliverables are described in the STCs but are not reflected in the “**Table 18: Schedule of Demonstration Deliverables**” starting on page 89. The below list of deliverables should be added to the table accordingly.

STC Section	Demonstration Deliverable	Due Date	Frequency
6	Maintenance of Effort (MOE) for HRSN Plan	Within 90 days of demonstration approval	One-time
7	Quality Improvement Strategy (QIS) and Performance Measures for Supported Employment Services Pilot	Within 90 days of demonstration approval	One-time
4	Reentry Demonstration Initiative Implementation Plan	No later than 120 calendar days after approval	One-time
4	Reentry Demonstration Initiative Reinvestment Plan	Within six months of approval	One-time
6	Medical loss ratio (MLR) reporting	No later than 6 months prior to the implementation of HRSN services in risk-based managed care contracts and capitation rates	One-time
7	HCBS Approved Quality Performance Measures Report for Supported Employment Services Pilot	No later than 21 months prior to the end of the approved demonstration period	One-time