

IHC Annual Conference: Medicaid Managed Care Review

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Current Medicaid Managed Care Contracts

MCO	HealthChoice IL	YouthCare	FIDE SNP	*HealthChoice IL 2027	**YouthCare 2028
Aetna	✓		✓		
BCBSIL	✓				
CountyCare	✓				
Humana			✓		
Meridian	✓	✓	✓		
Molina	✓		✓		

*HealthChoice Illinois Awards expected "February" 2026 with January 1, 2027, effective date.

**YouthCare will have a separate RFP with a January 1, 2028, effective date.

What Does Illinois Medicaid Cover?

Mandated Benefits

(Federal Law, outlined in Illinois State Plan)

- ▶ Inpatient and Outpatient services
- ▶ Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT)
- ▶ Nursing Facilities & **Home Health Services**
- ▶ Physician Services, Rural Health Clinics, Nurse Practitioners and FQHCs
- ▶ Family planning, Midwives, Birth Centers, and Tobacco Cessation for Pregnant Women
- ▶ Transportation

What Does Illinois Medicaid Cover?

Optional Benefits

(IL Covers all Optional Services – outlined in State Plan Amendments)

- ▶ Prescription Drugs
- ▶ Physical and Occupational therapy
- ▶ Speech, Hearing and Language Disorder
- ▶ Respiratory Care, Podiatry, Optometry, Dental, Prosthetics, Eyeglasses and Chiropractic Services
- ▶ **Hospice**, Personal Care, Private Duty Nurse and Case Management
- ▶ Intermediate Care Facilities (ICF) and Institutions for Mental Diseases (IMD)
- ▶ Doula, Lactation Specialists, Home Visiting, and Community Health Worker Services

What Does Illinois Medicaid Cover?

Waiver Services

- ▶ States may petition the federal government to provide additional services if they are able to show budget neutrality.
- ▶ Illinois has several Home and Community-based 1915(c) waivers:
 - ▶ Home Services waiver, funded through DHS, provides in-home care to individuals with physical disabilities.
 - ▶ Community Care Program waiver, funded through the Department on Aging, which provides in-home care for seniors.
 - ▶ DD Long Term Care waiver, funded through DHS, which provides long term nursing care for individuals who have a developmental delay.
- ▶ 1115 Waiver – Approved by CMS in 2024
 - ▶ Addresses Health Related Social Needs
 - ▶ Implementation expected in 2027

Medicaid Managed Care Benefit Package

- ▶ **Traditional Medicaid Package**
 - ▶ Primary Care, Specialty Services, Hospital, Behavioral Health, Dental, Vision, Pharmacy, Transportation
- ▶ **Long Term Services and Supports**
 - ▶ Long Term Care, Home and Community Based Wavier Services
- ▶ **Care Coordination**
 - ▶ Integrated Care Teams, Health Risk Assessments, In-Home Visits, Access to Community Resources

Not Included: I/DD Waiver; MFTD & Home Nursing Services for Children; Spend Down

MCO Care Coordination

Community Resources,
Enabling Services, Integrated
Care Team

Primary Care, Behavioral
Health, Specialist

Enrollee & Family

Hospital, LTC, Home &
Community Based Services

Dental, Transportation, Vision,
Pharmacy

Who Manages Illinois Medicaid?

HFS contracts with Medicaid Managed Care Organizations (MCOs) that must meet clearly defined goals and requirements:

- MCOs are paid through **risk-based capitation** payments that assume efficiencies in the program.
- MCOs must pay out **at least 88%** of the capitated payment in medical claims (Medical Loss Ratio MLR).
- Medical benefits offered must – minimally – **equal those covered in the State Plan Amendment and waivers.**
- MCOs must meet **network capacity** standards to ensure access to care for their members.
- MCOs are required to **negotiate rates** with providers to build that network capacity.
- MCOs must meet nationally established **quality metrics** that focus on preventive measures and health outcomes - *a portion of the capitation payment is withheld until it is determined the quality metrics are achieved.*
- MCOs must maintain care coordination **staffing ratios** to help members navigate the health care system, especially during transitions of care and for those with higher acuity.
- MCOs provide provider training and are the best resource to track trends and report **fraud, waste and abuse.**

Who Does Managed Care Cover?

HealthChoice Illinois

Integrated Care Program (ICP) – 100% FPL

- ▶ 19-64 years of age (65+ that don't qualify for Medicare)
- ▶ Disabled receiving Supplemental Security Income (SSI)

Family Health Program (FHP) – 138% FPL

- ▶ Children and Parents/Guardians with Living with Children 0-18 years of age

Affordable Care Act Adults (ACA) – 138% FPL

- ▶ Adults 19-64 years of age without Children 0-18 years of age

YouthCare

- ▶ DCFS Youth in Care & Former Youth in Care up to age 26

Medicaid Long Term Supports & Services (MLTSS)

- ▶ Opt Out of FIDE SNP (Medicaid Coverage Only)

Health Benefits for Immigrant Seniors – 100% FPL

- ▶ 65+ years of age

FIDE SNP: Dual Eligibles

Fully Integrated Special Needs Plan (FIDE SNP)

- ▶ Individuals eligible for both Medicare and Medicaid that began January 1, 2026, replacing MMAI

Medicaid MCO Design & Financing

Capitation Development & Assumed Savings

▶ Utilization Management

- ▶ Provider Notifications and Authorizations
- ▶ Medical Necessity Review
- ▶ Fraud, Waste and Abuse

▶ Care Coordination

- ▶ Help for individuals and families navigating the health care system and transitions of care
- ▶ Providing access to care and community-based services
- ▶ Focus on Primary/Preventive Care
- ▶ Avoiding Chronic Disease and Institutionalization
- ▶ Producing Quality Health Outcomes & Higher Quality of Life

▶ Quality Program Initiatives

- ▶ Withhold and Performance Payments
- ▶ Quality Improvement Projects for Targeted Population or Health Conditions

HFS Comprehensive Quality Strategy

- ▶ **Five Pillars:** Includes Pay for Performance, Pay for Reporting, and CORE Measures (required by CMS)
 - ▶ Adult Behavioral Health
 - ▶ Child Behavioral Health
 - ▶ Maternal and Child Health
 - ▶ Equity
 - ▶ Community-Based Services and Supports

IAMHP Provider Resources

[Website: Illinois Association of Medicaid Health Plans](#)

- ▶ **Universal Roster**
 - ▶ HFS IMPACT Provider Enrollment System serves as the credentialing mechanism for all plans; however, a roster of providers is still necessary for contracted providers to meet compliance data not collected in IMPACT
- ▶ **Comprehensive Billing Guide**
- ▶ **MCO HEDIS Links**
- ▶ **MCO Training Attestation Form**
 - ▶ Initial and annual state mandatory trainings can be taken with one MCO and attested for all
- ▶ **FIDE SNP Provider Resources**
- ▶ **HealthChoice Illinois Provider Resources**

A Few Best Practices

- ▶ Get to know your Provider Representative or Team – ask for regular meetings if necessary
- ▶ Always check MEDI for eligibility and MCO enrollment – prior to service and submitting a claim
- ▶ Don't hold on to claims – timely filing is 180 days – you can always submit a corrected claim
- ▶ Bill your usual and customary rate due to “lesser of” requirements
- ▶ Become familiar with the IAMHP Billing Guide
- ▶ Become familiar with each MCO's Dispute Resolution Process
- ▶ Start thinking about Value-Based Contracting and Quality Opportunities
- ▶ You can always refer an individual to “Member Services” on the back of their Card for questions or help navigating specific needs (ex. appointment, transportation, benefits, etc.)

Medicaid Program Updates

▶ **HealthChoice Illinois Award Announcements**

- ▶ Plans xxxxx
- ▶ Effective January 1, 2027
- ▶ *NOTE: YouthCare will be separated from HCI and issued its own RFP with an effective date of January 1, 2028*

▶ **MMAI Transition to FIDE SNP**

- ▶ Effective January 1, 2026
- ▶ MLTSS (Medicaid-only LTC/HCBS Waivers) will be assigned to FIDE SNP plans effective January 1, 2027 (instead of HealthChoice Illinois plans)

Model Contracts: [Managed Care Contracts | HFS](#)

FIDE SNP Transition

- ▶ **Background:** Federal CMS required states with a Duals Demonstration Program (known as MMAI in Illinois), to either end or transition to a new program by the end of 2025.
- ▶ **Illinois:** Given its similarity to MMAI, HFS opted to transition to a Fully Integrated Dual Eligible Special Needs Plan (FIDE SNP) effective January 1, 2026.
- ▶ **Plans:** MCOs were required to submit a competitive proposal to participate in the new FIDE SNP – Aetna, Humana, Meridian, & Molina were chosen.
- ▶ **Enrollees:** Members were enrolled in their previous MMAI plan effective January 1, 2026, with an option to change or opt out; or were sent a letter with their options.
- ▶ **Providers:** FIDE contracts were specific to existing plan/provider agreements. These included: new contracts, amended contracts, product expansion allowed under current contracts. Any questions related to contracting should be directed to the FIDE directly.

FIDE SNP Enrollment

- ▶ **Enrollment:** State system updates were a bit delayed for a few weeks causing some uncertainty in coverage. Those issues have been addressed.
- ▶ **Disenrollments:** Several disenrollments (thousands) were effective March 31, 2026, - due to Medicaid ineligibility or Managed Care ineligibility, but remain enrolled in fee-for-service.
- ▶ **Choice:** FIDE SNPs are considered Medicare Advantage Plans, meaning members may select a FIDE upon their initial Medicaid/Medicare enrollment, during the Medicare Open Enrollment Period (Oct-Dec) or a special enrollment period. Members can opt out at any time and enroll in traditional Medicare or another Medicare Advantage Plan. HFS will be implementing auto-assignment at some point. Unlike MMAI, FIDE SNP plans are allowed to market to duals.
- ▶ **MLTSS:** Members receiving Medicaid LTSS (LTC, HCBS Waivers), will be auto-enrolled (with a choice period) and locked into a HealthChoice Illinois Plan annually. Beginning January 1, 2027, MLTSS members will be assigned only to plans participating in FIDE SNP.

FIDE SNP Coverage

- ▶ **Coverage:** Like MMAI, coverage for both Medicare and Medicaid benefits are covered by a single plan (and insurance card) and providers only contract with and submit claims to a single plan.
- ▶ **Continuity of Care:** FIDE SNP members have a 90-day continuity of care period that maintains a current course of treatment with a provider who may not yet be part of the network.
- ▶ **Benefits:** Health benefits and care coordination are essentially the same as those under MMAI.
- ▶ **HFS/MCO Model Contract:** [fidesnpmodelcontract.pdf](https://www.hfs.illinois.gov/~/media/2018/04/fidesnpmodelcontract.pdf)

Medicaid Policy Updates

▶ **1115 Waiver Implementation**

- ▶ Medical Respite to be implemented in SFY2027
- ▶ Limited Housing Supports to be implemented in SFY2027
- ▶ Re-entry Program likely to begin sometime in SF2028

▶ **HR 1 Federal Medicaid Implications**

- ▶ Rural Health Transformation Grants
- ▶ Non-Citizen Disenrollments begin October 2026
- ▶ ACA Community Engagement (Work Requirements) begin January 2027
- ▶ ACA 6-month Redeterminations begin January 2027
- ▶ Retroactive Coverage Eligibility Limitations
- ▶ MCO Assessment Budgetary Impact in SFY 2028
- ▶ Resources for HFS Updates: [Medicaid Advisory Committee \(MAC\) | HFS](#)

Medicaid Administrative Updates

- ▶ **IAMHP/HFS/Provider Joint Accountability Meetings**
 - ▶ Quarterly Meetings
 - ▶ New Timelines & Protocols
 - ▶ New PHI Claims Submission Template
- ▶ **ACE Implementation**
 - ▶ HFS Rollout begins in April
 - ▶ Providers will see new rejection codes for common errors:
 - ▶ Member not found
 - ▶ Invalid eligibility dates
 - ▶ Incorrect date of birth
 - ▶ **NOTE:** Rejection codes will be issued by the state's system – plans will not have a record of them.



QUESTIONS

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