JULY 2025

Supporting Community-Based Organizations to Engage in New Medicaid Benefit Opportunities in Illinois

Recommendations by partners working in the areas of birth equity, food and nutrition, community health workers, housing and medical respite, care coordination, reentry, and violence prevention.

CONVENED BY:
Illinois Public Health Institute




Recommendations to Support Community Based-Organizations to Engage in New Medicaid Benefit Opportunities in Illinois

July 2025

To: Illinois Department of Healthcare and Family Services

RE: Supporting Community-Based Organizations to Engage in New Medicaid Benefits

These recommendations are provided on behalf of partners across the State of Illinois who support the Department of Healthcare and Family Services' (HFS) efforts to design and implement new Medicaid benefits outlined in the Illinois Healthcare Transformation Section 1115 Demonstration and the Health Care and Human Services Reform Act. To develop these recommendations, the Illinois Public Health Institute (IPHI) convened partner organizations from across the state between April and June 2025. Partners include intermediaries working with community-based organizations in the areas of birth equity, food and nutrition, community health workers, housing and medical respite, care coordination, reentry, and violence prevention.

The changes to the State of Illinois' Medicaid program outlined in both the waiver and the reform act are a recognition that addressing health related social needs (HRSN) is necessary to achieve health equity. We believe that the most effective means to do so is to leverage existing community-based services and target state investments to further build local infrastructure, and to find opportunities to work across provider and benefit types.

At the core of HRSNs is the recognition that social risk factors—such as financial strain, housing instability, food insecurity, environmental pollution, involvement with the criminal legal system, limited English proficiency, and lack of reliable transportation—significantly contribute to poor health outcomes. These factors disproportionately impact Black and Brown communities due to longstanding systemic inequities, as recognized in the State's Health Improvement Plan where racism is declared as a public health crisis.[1]

In alignment with this understanding, these recommendations, with their focus on creating sustainable, community-based solutions, recognize and seek to address the power imbalances between community-based organizations (CBOs), managed care organizations (MCOs), and health systems. The emphasis on investment into Illinois communities further acknowledges the impact of historical disinvestment in communities that now experience the greatest health disparities.

Investment in community-based infrastructure will serve a three-fold purpose. First, it will allow the State of Illinois to address HRSNs effectively, sustainably, and at scale. Second, it will maximize Illinois' ability to leverage local knowledge and services to deliver high-quality care to Medicaid members. Third, state investments will positively impact local economies through hiring and sector innovation.

[1] Healthy Illinois 2028

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Guiding Principles

These recommendations were developed using the following guiding principles, which we recommend also guide HFS' planning and implementation:

- Prioritize local community-based organizations (CBOs) and local communities
- Engage CBOs providing Medicaid benefit services in creating program recommendations
- Co-design necessary infrastructure with CBOs
- Create systems that can work collaboratively across sectors
- Prioritize data collection efficiency and integration within CBOs and across sectors
- Create and fund hub infrastructure to ensure sustainability
- Consider impact on Medicaid member accessibility and health outcomes

Definitions

The following recommendations rely on understanding the use of the following terms.

Community care hub. "Community care hub" or "hub" refers to a network of community-based organizations (CBOs) providing services to meet the health-related social needs (HRSNs) of Medicaid beneficiaries supported by a backbone infrastructure. Our use of this term aligns with its usage by the U.S. Office of the Assistant Secretary for Planning and Evaluation (ASPE), and is meant to identify entities that provide centralized administrative functions, operational infrastructure, and support for evidence-based HRSN services. Hubs may provide an array of functions, including MCO contracting, training and technical assistance, strategic business development, financial modeling, clinical care model development, network coordination and referral, quality improvement, information technology platforms and support, claims processing, and marketing support. This term is akin to the Social Care Networks developed in New York that are responsible for building a network of CBOs providing health-related social needs and coordinating with health care providers. Our intent is to distinguish community care hubs as strategic conveners of CBOs from transaction- oriented hubs such as network billing hubs. We use "community care hub" and "hub" interchangeably throughout the recommendations.

Community-based organization. We use the term community-based organization (CBO) to refer to a non-profit entity operating in a specific neighborhood, community, or other defined geographic area. The intent of our use is to denote organizations that are broadly reflective of their defined geography and/or population in their governance and staffing and responsive to local needs. These organizations have expertise in community-designed programming and existing relationships in their service areas. In our usage, CBOs are distinguished from healthcare providers, mental health organizations operating as Medicaid-funded clinics, MCOs, public entities, and philanthropic organizations. Further, the CBOs referred to within these recommendations provide services in one or more of the sectors impacted by new Medicaid benefit opportunities: birth equity (lactation support, doulas, home visitors, midwifery); food

and nutrition; community health workers (CHWs); housing and medical respite; reentry; violence prevention; and care coordination/network providers.

Please feel free to reach out to IPHI with questions or to further discuss the recommendations provided.

Sincerely,
The Illinois Public Health Institute team
Contact: Janna Simon, janna.simon@iphionline.org

Recommendations

Recommendations are provided in the following areas: (1) Process, (2) Capacity Building, and (3) Community Care Hubs.

Process Recommendations

State Leadership and Coordination

- **Ensure the efficacy and long-term viability of the social safety net by embracing its role in addressing root causes and promoting prevention.** CBOs that make up the social safety net provide health and human services that address the social drivers of health. These service providers have an established workforce and extensive expertise that should be recognized. We see the potential to over-medicalize the social safety net through its engagement in the Medicaid program and its focus on medical interventions. HFS should uplift the value of CBOs, their existing workforce, and local networks already serving communities and ensure that MCOs and Medicaid-engaged healthcare providers are linking to these organizations and networks successfully.

- **Lead coordination and reduce duplication of efforts across the state.** We recommend that HFS support the coordination of capacity building and infrastructure development across state agencies, non-profit state associations, CBOs, MCOs, and healthcare providers. In addition to coordinating across state administrative units, HFS should consider opportunities to leverage and align with state committees, task forces, and advisory councils such as the Medicaid Advisory Committee, Social Services Advisory Committee, Early Childhood and Care Transition Advisory Committee, and Poverty Commission to align goals and support for new Medicaid benefit opportunities.

- **Provide guidance to CBOs in the blending and braiding of Medicaid dollars with other federal and state funding.** We recommend that HFS provide clear information to CBOs about the uses and sequencing of Medicaid funds relative to other traditional human service funding deployed through the Illinois Department of Human Services, U.S. Department of Housing and Urban Development, Illinois Department on Aging, etc.

Implementation Design

- **Ensure a flexible waiver implementation framework that supports short-term execution while remaining adaptable to longer-term federal changes in the Medicaid program.** The framework should consider prospective changes to beneficiary eligibility, program requirements, and HFS administrative support, and their impact on short- and long-term timing and scale for the state, hubs, and CBOs. We also encourage HFS to develop a proactive communications plan to inform hubs and CBOs about the impact of federal changes on the state's Medicaid program, allowing these entities to make informed decisions about investments and business plans.

- **Convene MCOs and CBOs in the near term, and prior to waiver rollout, to highlight CBO expertise, promote mutual education, and foster collaboration.** HFS can play a key role in elevating the expertise of CBOs, ensuring that MCOs understand the landscape of community-based services newly covered in Medicaid or included in the 1115 waiver. CBOs likewise need to be oriented to Medicaid and the role of MCOs in the program, including their mandates and priorities. Providing forums for this joint learning will build connections between MCOs and CBOs. We encourage HFS to adopt inclusivity principles in meeting design, spotlight CBO best and emerging practices, and feature CBO presenters.

- **Engage CBOs, healthcare providers, and MCOs in the co-design of community care hub infrastructure at startup and through implementation.** It is important for CBOs to have their own space for orientation and requirement identification prior to engaging with MCOs and healthcare providers. In addition to meeting with CBOs prior to the co-design process, we also recommend that HFS host listening sessions to inform, educate, and encourage the collective participation of healthcare providers, CBOs, and MCOs in the co-design process. From other states that have implemented 1115 waivers, we've seen how easily healthcare partners can be inadvertently cut out of hub model design and capacity building; we encourage HFS to include them in this process along with CBOs and MCOs, especially as many of them are already working on HRSN benefits.

  Through implementation, we recommend that HFS institute a process for collaborative decision making across CBOs, healthcare providers, and MCOs, rather than developing single-sector solutions. Participants should include a geographically diverse range of CBOs, reflecting the urban, suburban, and rural regions of the state. We also encourage

the participation of multiple sectors, and multi-sector organizations, representing housing and medical respite, reentry, violence prevention, food and nutrition, birth equity (lactation support, doulas, home visitors, midwifery), care coordination, and community health workers.

Data and Evaluation

- **Create standards for infrastructure development (hub design, data systems, billing, etc.) and capacity building but allow for flexibility and local autonomy to meet community/population/organizational needs.** All organizations participating in the waiver implementation and new Medicaid benefits should follow the same standards (i.e. minimum data requirements, governance structure requirements, etc.), while allowing some flexibility to meet regional/community needs. Capacity building can have some centralized goals and expectations, but training and technical assistance should be tailored to meet CBO and community needs.

- **Streamline state data system and collection requirements, when possible, or at minimum align with data systems already in place if streamlining is not possible, to reduce the operational burden on CBOs and community care hubs.** HFS should aim to decrease redundant data collection across state of Illinois departments, MCOs, and other entities. For example, HFS should support efforts to align Medicaid data collection with current home visiting data reporting systems. A Community Information Exchange (CIE) can optimize the sharing of information between providers that further reduces redundancy as well as undue burden on individuals served. This will support the long-term operational sustainability of waiver services within CBOs, as well as provide a comprehensive view of Medicaid benefit services for individual beneficiaries.

- **Evaluate effectiveness of infrastructure and capacity building investments to inform continuous quality improvement.** The state should develop evaluation metrics that ensure we track progress and/or identify when pivots are needed.

Aligned Investments

- **Provide clear, transparent communication about the process for determining Medicaid rates as well as the timing and level of direct investments to hubs and CBOs.** Both payment mechanisms are important inputs into hub and CBOs' financial and operational plans, including their ability to leverage additional capital upfront and sustain operations. We recommend HFS clearly communicate the payment rates as well as the timing and level of investments for fiscal year 2026, and anticipated investments in future years.

- **Convene the philanthropic community to educate, align, and invest in a shared vision for CBO capacity building and infrastructure development in response to new Medicaid benefits opportunities.** We recognize that the scale of investment necessary for capacity building and long-term infrastructure development is greater than what can be funded through the Illinois Medicaid program. However, HFS can play an important role as a convener to leverage additional, pooled resources. Further, we encourage HFS to engage its philanthropic partners in a manner to ensure that philanthropic dollars are deployed in alignment with this set of recommendations. Tangibly, this will support more efficient deployment of all resources (both public and private) within hubs and CBOs, and will discourage funder advocacy for single solutions.

- **Align the Illinois Medicaid managed care organization procurement process in Fall 2025 with these recommendations to prioritize and integrate Illinois community-based organizations.** The request for proposals (RFP) for Medicaid MCOs should establish criteria to signal HFS' priority for MCOs that propose collaboration with community care hubs and CBOs. We recommend that the RFP incorporate questions regarding these collaborations in proposers' responses to network adequacy, care coordination, and quality measures. HFS should consider both the MCO's current work as well as future plans for engaging and growing their network of local CBOs and community care hubs.

- **Encourage MCO investment into community care hubs and CBO infrastructure.** RFP review criteria should consider the depth of MCO commitment to these collaborations through their direct investments to local hub(s) and CBO infrastructure. In addition to HFS and philanthropic support, MCOs are also an important funding lever critical to the integration of community-based solutions into the Medicaid program. HFS should give procurement scoring preference and consider rate enhancements to MCOs that make direct investments into existing community care hubs and their CBO partners. This includes capital outlays for hub IT/data platforms to fully support the priority hub functions.

Capacity Building Recommendations

Capacity Building Formats and Delivery

- **Provide both centralized and decentralized training/technical assistance.** We recommend that HFS provide centralized training to CBOs about Medicaid program opportunities, organizational requirements, and Medicaid rules. HFS and hubs should provide training to healthcare providers about the vital role of CBOs and ways to effectively and equitably partner to optimize local collaboration between medical and HRSN providers. Community care hubs or intermediary organizations should provide localized training/technical assistance to CBOs, translating Medicaid program

requirements to the local environment and tailoring support to meet the unique needs of individual CBOs, benefit sectors, and/or local communities while ensuring that each CBO can fully meet Medicaid program expectations.

- **Collaborate with hub and CBO experts to develop relevant, timely, and consistent training across hubs.** HFS should provide training content standards to ensure consistency and may consider joint training provided by HFS and hub entities. All training should be made accessible to entities not historically engaged in the Medicaid program through its delivery in clear, straightforward language. We recommend that HRSN providers be engaged in training curriculum for insights into practical applications in community settings.

- **Leverage trade organizations, state-funded initiatives, and other subject-matter experts to promote access to training.** This will allow for collaboration with content experts within the state as well as promote speed in the rollout of new Medicaid benefits.

Capacity Building Topics

- **Ensure the provision of expanded, foundational, comprehensive education to CBOs about new Medicaid benefit opportunities**, inclusive of the 1115 Medicaid waiver, community health worker, and birth equity workforce opportunities statewide, and especially in rural and underserved areas. CBOs have a range of readiness and infrastructure, with some ready to enroll in billing for HRSN as soon as benefits go live, and while others do not have infrastructure to participate and may need significant investment in business planning to determine the value of participating. Education should include the following foundational information:
    - Overview of the Illinois Medicaid program
    - Value of being a Medicaid-enrolled provider
    - Orientation to Medicaid service delivery (e.g., eligibility screening, units of service, documentation and reporting requirements, claims)
    - Tools/resources for business planning to determine the best path for CBOs to engage in Medicaid billing
    - Basics of how to enroll in Medicaid and submit claims
    - Sector-specific implementation requirements

- **Implement a capacity building program that provides ongoing training, technical assistance, and direct funding to both CBOs and hubs.**
    - Data infrastructure development, (e.g. data system implementation that supports data collection, sharing, and reporting), is necessary at both the organization and hub levels and requires all three elements of capacity building - training, support, and funding - to ensure success. For example, a Community

Information Exchange (CIE) can enable care coordination, drive efficiency, and improve outcomes. Investing in infrastructure, like a CIE, and the support needed for a CBO to connect to the CIE, will generate a significant return by improving efficiency and reducing unnecessary health system utilization.
    - Investments in business planning and staff development are necessary at the organization and hub level to ensure sustainability of services.
    - Medicaid program implementation training, inclusive of Medicaid eligibility, enrollment, and billing, is necessary for both hubs and CBOs to respond to changes in the Illinois Medicaid program with the introduction of new benefits. This training should be evergreen, and provide regular, up-to-date information regarding Medicaid changes and the impact on beneficiaries.

- **Ensure that capacity building technical assistance covers basic Medicaid certification and licensing requirements necessary for CBOs to participate in the state's Medicaid program.** Recommended topics, as applicable to CBOs, should include:
    - Provider credentialing/licensing requirements for each service
    - Building/site requirements and certifications
    - Personnel background checks and restrictions
    - Liability Insurance requirements
    - Required organizational and program policies and procedures
    - State reporting requirements
    - Documentation requirements

Capacity Building Investments

- **Prioritize capacity building investments for CBOs to engage in business planning.** This is an important and necessary first step for CBOs, allowing CBOs to conduct a cost-benefit analysis of becoming a Medicaid provider, joining a community care hub, or opting out of participation in the program. Business planning support will allow CBOs to make informed, strategic decisions that have implications for the long-term viability of the organization, as well as Medicaid beneficiary service access.

- **Prioritize capacity building related to building data and reporting infrastructure for CBOs** that can plug into a hub approach or be leveraged for submitting Medicaid claims by aligning data with Medicaid billing codes. For example, funding may support investments in electronic health records, billing personnel, technology support staff, data reporting and sharing, connection to a Community Information Exchange, and similar investments.

Community Care Hub Recommendations

Hub Guidelines and Requirements

- **Prioritize local governance of community care hubs by implementing the following eligibility requirements**:
    - 51% of the governing board represented by CBOs. As defined in the introduction to these recommendations, CBOs are reflective of the community and/or population that they serve, including racial/ethnic minorities as well as individuals with lived experience.
    - Experience serving Illinois local communities
    - Experience convening CBOs
    - Other considerations for governance board requirements include standards to ensure participation across a spectrum of stakeholders, from healthcare providers to payors/funders, as well as standards to ensure that at least some community care hub board members represent organizations that are minority-led.

- **Explore opportunities to build on the strengths of regional hub models developed in other states (New York and North Carolina) while evolving the regional models to add flexibility in the number and geographic and/or population footprint of hubs across the state.** This will promote cross-sector collaboration and connections to local resources, while also furthering the development of existing community systems, e.g. socially disadvantaged food systems. This flexibility must also recognize the importance of scale to the hub financial model and ensure that hubs are able to build service volume to a sustainable level. We therefore recommend HFS support multiple hubs in high density areas of the state such as Cook County and allow for hub regions of varying sizes to support less population-dense areas of Illinois.

- **Require a standard set of key functions to be delivered by community care hubs.** We recommend that hubs prioritize the following functions:
    - Enrollment as a Medicaid provider on behalf of the hub CBO subsidiaries for multiple Medicaid services (e.g. housing, food/nutrition, lactation services, doula support, etc.)
    - Contracting with Medicaid MCOs as the Medicaid provider billing on behalf of the hub CBO subsidiaries
    - Submitting and managing Medicaid claims on behalf of the hub CBO subsidiaries
    - Supporting network adequacy to ensure timely access to a full array of HRSNs and coordination within the network to adjust referral volume based on capacity, as needed

  - Supporting IT/data infrastructure to support referrals and coordination of care, data sharing to support delivery of multiple HSRN services, conversion of CBO services into claims with billing codes, data management, and data reporting
  - Training and technical assistance to support service delivery

- **Leverage the hubs to facilitate referral relationships between local healthcare institutions and CBOs providing HRSN services.** Statutory language that requires a referral from a medical provider to a community health worker, for example, presents a barrier to CBOs without an in-house medical provider or established relationships with healthcare institutions. We recommend that HFS consider options to remove this barrier, similar to the State of Illinois' standing recommendation from the Illinois Department of Public Health for doula services. HFS may consider allowing for standing orders from a hub medical provider that covers all of the community health workers represented by the hub, or encouraging hubs to facilitate relationships with local institutions that can provide a referral.

- **Provide high quality, consistent descriptions of community care hubs to educate CBOs about the structure, services, and geography of the hubs.** This will support CBO decision making about the hub(s) that will best support their participation in the Medicaid program.

- **Encourage hubs to develop a strong understanding of provider types/services as well as operational strategies to support cross-sector approaches that incorporate doulas, CHWs, lactation consultants, home visitors, food providers, care coordinators, reentry, violence prevention, medical respite and housing providers.**

- **Encourage hub data systems that work collaboratively across sectors and support service integration to meet the complex needs of Medicaid beneficiaries and promote whole-person care.** Data collection for these systems should prioritize efficiency for CBOs and seek to eliminate redundant data entry within and across data systems. HFS should set some minimum data standards for all hub data systems to use.

Hub Investments

- **Provide direct investment to establish community care hubs as backbone entities to support implementation of new Medicaid benefits.** Community care hubs are vital to promoting CBO engagement as Medicaid service providers, supporting CBO business planning, facilitating cross-sector collaboration, and supporting administrative efficiencies. While CBOs may choose to become a Medicaid provider on their own, lessons from state implementations in North Carolina and New York have demonstrated the value of community care hubs as coordinating entities.

- **Ensure payment models for HRSN benefits included in the 1115 waiver, as well as CHW services, are comprehensive and high enough to support hub model support for CBOs.** HFS should consider both hubs and CBOs in its payment models. For example, Medicare provides reimbursement for the care coordination and navigation services hubs can provide while the direct service is provided by the CBO subsidiary.

MCO Requirements Related to Hubs

- **Require Medicaid MCOs to contract with community care hubs.** This will promote utilization of local, community safety net services with expertise in the nuances of Illinois' geography and special populations.

- **Encourage Medicaid MCOs to identify and leverage existing CBO services in Illinois, rather than build their own or create new community-based service networks**. Instead, they should be aware of and leverage the existing community-based organizations/services in Illinois.