



HFS

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**Report of Medicaid Services for
Persons who are Medically Fragile, Technology Dependent
Public Act 95-0622
January 2026**

**Reporting Period: State Fiscal Year 2023 (July 1, 2022 – June 30, 2023)
and
State Fiscal Year 2024 (July 1, 2023 – June 30, 2024)**

INTRODUCTION

Effective September 17, 2007, [Public Act 95-0622](#) amended the Illinois Public Aid Code to require the Department of Healthcare and Family Services (HFS) to submit this bi-annual report to the Governor and the General Assembly outlining Medicaid services offered to children and young adults with disabilities who are medically fragile and technology dependent (MFTD).

Under section 5/5-2b of the Public Aid Code, the Department is required to ensure that medical assistance be available to children who qualify as persons with a disability, as defined under the federal Supplemental Security Income program, and who are medically fragile and technology dependent. The statute requires that eligible children be afforded medical assistance under Article V of the Public Aid Code in the community. The Department administers medical assistance to this population through a home and community-based Medicaid waiver authorized under section 1915(c) of the Social Security Act. Through the MFTD waiver, and with the involvement of the University of Illinois at Chicago, Division of Specialized Care for Children (DSCC), Illinois provides care coordination, Medicaid State Plan services, and additional waiver-only services to the MFTD population as required under the Public Aid Code. The MFTD waiver was last renewed effective September 1, 2022, and the most current amendment was approved by the Centers for Medicare and Medicaid Services (CMS) on December 18, 2024, with an effective date of January 1, 2025.

In compliance with Public Act 095-0622, this report includes the following information concerning the MFTD waiver program:

1. The number of customers who currently receive waiver services;

2. The nature, scope, and cost of services;
3. The comparative cost of providing those services in a hospital, skilled nursing facility, or intermediate care facility;
4. The funding source for the provision of services, including federal financial participation;
5. The qualifications, skills, and availability of caregivers for children receiving services.
6. The number of children who aged out of waiver services.

1. Number of Persons Who Currently Receive Waiver Services

The number of customers served in the MFTD waiver fluctuates regularly. At the beginning of State Fiscal Year 2023, which began on July 1, 2022, there were 1,483 customers for the MFTD waiver. At the beginning of State Fiscal Year 2024, which began on July 1, 2023, there were 1,514 eligible customers. This reporting period occurred during the COVID-19 public health emergency (PHE). During the PHE, Federal rules did not allow customers to be disenrolled from Medicaid, any 1915(c) waiver, or to have a reduction in waiver services, unless requested or approved by the customer.

2. The nature, scope, and cost of services

Figures 1-a and 2-a detail the number of MFTD waiver customers and the State Plan Medicaid services they received. A small upward trend of customers receiving services and total expenditures occurred as a result of the PHE as detailed above.

Figure 1-a

Medicaid State Plan Services Provided to MFTD Waiver Customers State Fiscal Year 2023 Total Waiver Customers: 1,483			
Basic Medicaid Service	Unduplicated Customers Receiving Service	Total Service Expenditures	Average Service Expenditures Per Customer
Nursing Services	709	\$50,454,885	\$71,163
Inpatient Hospital Care	507	\$57,029,156	\$112,484
Prescription Drugs	1,259	\$20,146,236	\$16,002
Medical Supplies	1,342	\$11,313,962	\$8,431
Medical Equipment	1,090	\$5,859,763	\$5,376

Figure 1-b

Medicaid State Plan Services Provided to MFTD Waiver Customers State Fiscal Year 2024 Total Waiver Customers: 1,514			
Basic Medicaid Service	Unduplicated Customers Receiving Service	Total Service Expenditures	Average Service Expenditures Per Customer
Nursing Services	792	\$57,580,409	\$72,703
Inpatient Hospital Care	516	\$61,956,567	\$120,071
Prescription Drugs	1,263	\$22,394,238	\$17,731
Medical Supplies	1,360	\$11,958,273	\$8,793
Medical Equipment	1,021	\$5,427,643	\$5,316

Figures 2-a and 2-b

Expenditures for waiver services are significantly lower than costs for the State Plan Medicaid services. Fiscal Year 2023 expenditures for waiver-only service for MFTD waiver customers are shown in Figure 2-a below and expenditures for State Fiscal Year 2024 are shown in Figure 2-b.

Figure 2-a

MFTD Waiver Services only State Fiscal Year 2023 Total Waiver Customers: 1,483			
Waiver Service	Unduplicated Customers Receiving Service	Total Service Expenditures	Average Service Expenditures Per Customer
Respite/Nursing hours	418	\$21,391,967	\$51,177
Environmental Modification	367	\$1,844,412	\$5,026
Special Equipment	0	\$0	NA
Nurse Training	204	\$45,907	\$225
Placement Counseling	0	\$0	NA
Family Training	0	\$0	NA
Personal Protective Equipment	944	\$3,080,369	\$3,263

Figure 2-b

MFTD Waiver Services only State Fiscal Year 2024 Total Waiver Customers: 1,514			
Waiver Service	Unduplicated Customers Receiving Service	Total Service Expenditures	Average Service Expenditures Per Customer
Respite/Nursing hours	459	\$22,227,883	\$48,427
Environmental Modification	485	\$2,364,771	\$4,876
Special Equipment	0	\$0	NA
Nurse Training	280	\$190,940	\$682
Placement Counseling	0	\$0	NA
Family Training	0	\$0	NA
Personal Protective Equipment	839	\$1,148,517	\$1,369

Figure 3-a below details the Medicaid State Plan services provided to MFTD waiver customers, and other expenditures, by cost and percent of total costs in State Fiscal Year 2023. Figure 3-b details these expenditures for State Fiscal Year 2024.

Figure 3-a

MFTD Basic Medicaid Services Detailed Expenditures State Fiscal Year 2023 Total Customer: 1,483		
Service Breakdown	Total Cost	Percent
Nursing	\$50,454,885	23.8%
Inpatient Hospital	\$57,029,156	26.9%
Prescription Drugs	\$20,146,236	9.5%
Medical Supplies	\$11,313,962	5.3%
Medical Equipment	\$5,859,763	2.8%
All Other Services Total <i>(Breakdown below)</i>	\$67,509,049	31.8%
Total Expenditures	\$212,313,051	100%
<i>Breakdown of All Other Services</i>		
<i>Physician Services</i>	\$4,796,573	2.3%

<i>Outpatient Services</i>	\$5,223,033	2.5%
<i>Therapies (physical, occupation, speech)</i>	\$521,273	0.2%
<i>Early Intervention Services</i>	\$340,779	0.2%
<i>Home Health Services</i>	\$52,716,962	24.8%
<i>All other Medical Services (lab, x-ray, optical, dental, audiology, podiatry, healthy kids services, mental health, transportation, and others including school based)</i>	\$3,910,430	1.8%
Total	\$67,509,049	31.8%

Figure 3-b

MFTD Basic Medicaid Services Detailed Expenditures State Fiscal Year 2024 Total Customers: 1,514		
Service Breakdown	Total Cost	Percent
Nursing	\$57,580,409	26.0%
Inpatient Hospital	\$61,956,567	28.0%
Prescription Drugs	\$22,394,238	10.1%
Medical Supplies	\$11,958,273	5.4%
Medical Equipment	\$5,427,643	2.4%
All Other Services Total (<i>Breakdown below</i>)	\$62,266,721	28.1%
Total Expenditures	\$221,583,851	100%
<i>Breakdown of All Other Services</i>		
<i>Physician Services</i>	\$4,138,214	1.9%
<i>Outpatient Services</i>	\$5,483,075	2.5%
<i>Therapies (physical, occupation, speech)</i>	\$612,389	0.3%
<i>Early Intervention Services</i>	\$362,168	0.2%
<i>Home Health Services</i>	\$47,500,279	21.4%
<i>All other Medical Services (lab, x-ray, optical, dental, audiology, podiatry, healthy kids services, mental health, transportation, and others including school based)</i>	\$4,170,595	1.9%
Total	\$62,266,721	28.1%

3. Comparative Cost of Providing Services in a Hospital, Skilled Nursing Facility, or Intermediate Care Facility

Figures 4-a and 4-b compare the service costs for MFTD waiver customers to average annual costs, including ancillary costs, of providing services to a similar population in an institution such as a hospital or nursing facility.

Figure 4-a

Comparison of Costs Per Customer for Services Provided in the MFTD Waiver and Services Provided in an Institution State Fiscal Year 2023				
Level of Care	Number of MFTD Waiver Customers	Total MFTD Waiver Expenditures	Average Expenditure per Waiver Customer	Average Expenditure per Institutional Customer
Hospital/Nursing Facility	1,483	\$238,675,707	\$160,941	\$303,671

Figure 4-b

Comparison of Costs Per Customer for Services Provided in the MFTD Waiver and Services Provided in an Institution State Fiscal Year 2024				
Level of Care	Number of MFTD Waiver Customers	Total MFTD Waiver Expenditures	Average Expenditure per Waiver Customer	Average Expenditure per Institutional Customer
Hospital/Nursing Facility	1,514	\$247,515,961	\$163,485	\$311,331

4. Funding Sources for the Provision of Services, Including Federal Financial Participation

Funding for MFTD waiver services is appropriated to HFS from the General Revenue Fund. Through an interagency agreement, the DSCC has authority to pay home health nursing agency providers for nursing and waiver services out of the HFS appropriation. Other medical services for children enrolled in the waiver are paid directly by HFS from its appropriations for hospital, physician, home health, and other services.

Illinois submits its claim expenditures to the federal government, which reimburses the state for a portion of those costs. During this reporting period of State Fiscal Years 2023 and 2024, the state received reimbursement, with an additional FFP match due to the COVID-19 PHE, from the federal government at an average rate of 54%.

5. Qualifications, Skills, and Availability of Caregivers for Children Receiving Services

Home Health Agencies

Although Illinois has 483 Medicaid home health agencies, only a specialized group of 90 nursing agencies serve the technology-dependent pediatric population with in-home shift nursing care. There are also five alternative childcare models enrolled with HFS and approved by DSCC to provide respite and transitional care services in the waiver program. These are licensed as community-based health care centers.

DSCC has specific guidelines for approving providers of private duty nursing services under the waiver. Once approved, and annually thereafter, agencies sign an agreement with DSCC to comply with the program requirements, including qualifications, experience, and training for administrative and nursing staff.

Appropriately qualified staff are comprised of registered nurses (RNs), licensed practical nurses (LPNs), and certified nurse aides (CNAs), all of whom are licensed or certified in Illinois. The same qualifications apply to State Plan private duty nursing services. Nurses and CNAs must be employed by a DSCC-approved nursing agency unless they provide services in a children's community-based health center and are employed directly by the health center. DSCC continues to have difficulty finding nurses or nursing agencies to serve some areas of the State. However, through various outreach activities, five new nursing agencies have enrolled with DSCC in the past two years and have begun providing shift-nursing services to this population.

During this reporting period, the COVID-19 PHE concluded and the shortage of qualified nurses worsened. To address virus transmission concerns during the PHE, legally responsible individuals (LRIs) who were licensed as a RN or LPN were allowed to provide skilled nursing care to their child. To address the worsening nursing shortage, the MFTD waiver was amended to make this flexibility permanent effective January 1, 2024.

[Public Act 103-0593](#) was passed which will also help address the nursing shortage. The Act allows the legally responsible person, relative, and legal guardian to provide CNA services. The MFTD waiver was amended to allow this flexibility and was approved effective January 1, 2025. A State Plan Amendment was also submitted to CMS and is still under review at this time.

Environmental Modifications and Specialized Medical Equipment and Supplies

Providers of environmental modifications and specialized medical equipment and supplies, like all Medicaid waiver providers, are subject to applicable requirements

regarding licensure, qualifications, and experience. In addition to HFS enrollment requirements, DSCC approves MFTD waiver home medical equipment and infusion providers and requires annual signed agreements. There are 1,281 home medical equipment providers enrolled in the Medicaid Medical Assistance Program. Of that number, 23 meet the additional DSCC requirements for services to waiver children. One new home medical equipment provider has enrolled with DSCC and begun providing services to this population.

Placement Maintenance Counseling

Placement maintenance counseling provides short-term, issue-specific family counseling or individual counseling for the purpose of maintaining the child in the home. Placement maintenance counseling is provided by a licensed social worker, licensed clinical psychologist, or an agency certified by Department of Human Services (DHS), Division of Mental Health (DMH), or Department of Children and Family Services (DCFS) to provide clinical or rehabilitation services. To receive payment for these services, medical providers must be enrolled with HFS.

6. Number of Children who Aged Out of Services

Children no longer age out of the MFTD waiver. Customers may continue to receive waiver services for as long as they so choose so long as they are receiving MFTD waiver services before their 21st birthday. This change to the waiver was effective in 2017.