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Medicaid is integral to state and local health care systems; however, its benefits reach children in a wide range of child and family serving systems, providing critical assistance to meet children's needs.

Nearly **1.49 million** Illinois children have health coverage through Medicaid (the "All Kids" program), or slightly under **half of all Illinoisans** enrolled in Medicaid.¹ Additionally, over 40% of Illinois births are covered by Medicaid.² Any major funding cuts or changes to Medicaid will have the greatest effect on children. Long-term retrospective studies have found that children who received Medicaid benefits made higher combined income, contributed more to the tax system as adults, were more likely to attend college, and had decreased adult mortality rates.¹⁸

Medicaid Provides Access to Care and Services to Many Children with Special Health Care Needs.

Early Intervention (EI) provides physical therapy, social work, occupational therapy, speech/language and other services for children birth to 3 with developmental delays (DD) and disabilities, with most services currently billable to Medicaid.

- A federal Medicaid cut would put pressure on EI to reduce expenditures for therapies and increase Illinois' share of EI costs.
- These changes could result in increased spending of state general revenue funds to cover the mandated services, restrictions in program eligibility, provider rate cuts and longer waitlists for services.



As of December 2024, 26,500 Illinois children 0 to 3 had an Individualized Family Services Plan (IFSP). Of those, 47.4% were covered by Medicaid.³

Children in foster care:

- Rely on Medicaid for healthcare, including mental health care and special education services.
- Frequently receive EI services to address social, emotional, and developmental delays that are exacerbated by trauma histories and neglect.

There are now **16,000** individuals in Illinois on the waiting list for these Medicaid-funded waivers.⁴

All Kids and privately insured children benefit from **waiver programs** for children with DD, Autism, and traumatic brain injuries. Of Illinois' 9 HCBS Medicaid funded waiver programs, 6 serve children. 3 waive parental income (protecting families from impoverishment):

- The Children's Support Waiver
- The Children's Residential Waiver
- The Medically Fragile Technology Dependent Waiver (MFTD)

HCBS Waiver Programs for Children (Waiver Parental Income)⁵

Children's Support Waiver

- Served **1,087** children in 2021.
- Received **\$16,000,000** in federal Medicaid matching dollars.¹⁵

Children's Residential Waiver

- Served **200** children in 2021.
- Received **\$21,000,000** in Illinois federal matching dollars.¹⁵

MFTD Waiver

- Served **1,525** children in FY22.⁶
- Received **\$2,000,000** in federal Medicaid matching dollars.¹⁵

Medicaid Reimburses Schools for Special Education and School-Based Health; and Covers School and Childcare Enrollment Health Examinations.



In FY24, there were **296,000 students** with IEPs receiving special education services in Illinois public schools.⁷

Nationally, school districts receive roughly **\$4-6 billion** annually from Medicaid for special education services.

In FY24, the Illinois Special Education Matching Fund had approximately **195 million** in expenditures.⁸



Special education services are mandated under federal and state law, and Medicaid reimburses schools for many services they provide to children with Individualized Education Plans (IEPs).

- Services schools provide include, e.g., audiology services, medical equipment, physical therapy, psychological services, speech/language services, social work and transportation.
- A federal Medicaid cut would put strain on school districts providing mandated IEP services and on "child find" efforts for children in need of special education services.

Mandated School and Childcare Enrollment Child Health Examinations:

Mandated child health examinations include immunizations, developmental and social emotional screenings, lead screenings, and physical examinations.

- Children who do not receive health examinations can be denied enrollment in school or childcare.
- Changes to Medicaid coverage could put pressure on local revenue sources to cover required child health examination completion.



Physical Examinations

Lead Screenings



School and Childcare Enrollment Child Health Examinations Are Vital



Developmental and Social Emotional Screenings



Immunizations

Illinois School-Based Health Services Program¹⁰

In FY24, 244,000 Illinois school children received direct medical services

In FY22, local education agencies received nearly **\$267 million** in Medicaid matching dollars for all services.

Nationally, over **75% of students** receiving mental health services receive those services at school.¹¹



School Based Health Center and School Based Therapeutic Services are Medicaid reimbursable. Availability of these services increases availability of healthcare to all school-age children.

A federal Medicaid cut will likely cause Illinois to experience:

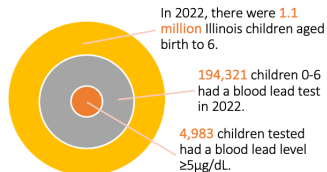
- Fewer health services, particularly in high needs and hard-to-serve rural communities
- Job loss of school-based care providers such as school nurses, school social workers, and speech language pathologists
- Less support for child mental health

Medicaid Reimburses for Blood Lead Testing, so Children with Elevated Blood Lead Levels are Screened Early & Receive Services.

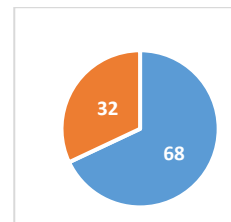
Illinois children 6 months to 6 years old residing in high-risk areas and those covered under AllKids are recommended to be **blood lead tested** for lead poisoning. If they have elevated blood lead levels, they will receive home visits from their local health department. Visits and screenings are Medicaid reimbursable. Children with elevated blood levels are automatically eligible for Early Intervention Services.

If the federal Medicaid spending is cut, fewer children will be tested or receive the follow-up services they need.

Illinois Child Blood Lead Levels 2022 ¹²



Of children tested in 2022 with blood lead level $\geq 5\mu\text{g/dL}$, **68 percent** benefited from Medicaid programs. ¹²

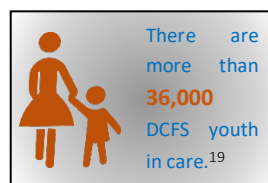


Medicaid Supports Families, Current and Former Foster Children, Family Case Management, Doula Services, EPSDT Private Care Nursing and More.

The Illinois Department of Children and Family Services (DCFS) provides a **social service safety net** for foster children and their families.

- IL receives federal Medicaid to pay for health-related care for foster children, including care, mental health prevention, and treatment services.
- Without support from Medicaid-funded mental health, family stabilization, and health care services, more children could enter foster care.
- Parents with children under IL DCFS also rely on Medicaid for funding for mental health services, substance abuse treatment, and medical care to regain custody of their children in care. Permanency is not possible without access to treatment, family reunification and adoption help.

Medicaid also provides coverage for **children with special needs who are adopted with federally supported subsidies**. Because of the medical fragility and behavioral health challenges of many children adopted from state child welfare systems, Medicaid is important so adoptive/guardianship families have the ability to make a permanent commitment to children.¹³ Medicaid also covers children ages 19-26 who age out of the child welfare system.



If Medicaid is cut, current and former DCFS youth in foster care could be without full medical and behavioral health services.

The IL Family Case Management Program funds **115** agencies.

Includes health departments, federally qualified health centers, and community-based organizations.

Family Case Management: Medicaid-funded case management is provided to pregnant women, infants, and children with high-risk medical conditions by the IL Department of Human Services (DHS). It provides direct services and links participants to necessary coverage, services and benefits.

In FY20, about **135,000** women, infants, and children were seen through the program.⁵



Under Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) directives, **private care nursing** is available to all "All Kids"-eligible children who require home nursing services to prevent institutionalization. If the federal Medicaid program is cut, likely access to these services will be restricted. In Illinois, **over 1,000** children currently receive private care nursing.¹⁴



Since April 2021,¹⁶ **Home Visiting and Doula Services** have been eligible for reimbursement by Medicaid.¹⁷ The goals of evidence-based home visiting:

1. Improve maternal and child health
2. Prevent child abuse and neglect
3. Reduce crime and domestic violence
4. Increase family education level and earning potential
5. Promote children's development and readiness to participate in school
6. Connect families to needed community resources and supports

¹ Illinois Department of Healthcare and Family Services. Number of Persons Enrolled in the Entire State. 2024. <https://hfs.illinois.gov/info/factsfigures/program-enrollment/statewide.html>.

² KFF Analysis of Centers for Disease Control and Prevention, National Center for Health Statistics. 2023. <https://www.kff.org/medicaid/state-indicator/births-financed-by-medicaid/?currentTimeframe=0&sortModel=%7B%22colld%22%22Location%22%22sort%22%22asc%22%22D>. Illinois Department of Healthcare and Family Services. Perinatal Report 2024. <https://hfs.illinois.gov/content/dam/soi/en/web/hfs/sitecollectiondocuments/2024perinatalreport.pdf>.

³ Illinois Department of Human Services. IDHS Early Intervention Monthly Statistical Report. December 2024. <https://www.dhs.state.il.us/page.aspx?item=171188>.

⁴ Number of People Waiting for Medicaid Home Care (HCBS). 2024. <https://www.kff.org/medicaid/state-indicator/number-of-people-waiting-for-hcbs-by-target-population-and-whether-states-screen-for-eligibility/?currentTimeframe=0&sortModel=%7B%22colld%22%22Location%22%22sort%22%22asc%22%22D>.

⁵ Illinois Department of Human Services by the Numbers. 2021. <https://www.dhs.state.il.us/page.aspx?item=126488>.

⁶ Illinois Department of Healthcare and Family Services. Report of Medicaid Services for Persons who are Medically Fragile, Technology Dependent. January 2024. [https://www.ilga.gov/reports/ReportsSubmitted/4565RSGAEmail9622RSGAAttachMFTD%20Biannual%20Report%202024%20\[approved%2012.27.23\].pdf](https://www.ilga.gov/reports/ReportsSubmitted/4565RSGAEmail9622RSGAAttachMFTD%20Biannual%20Report%202024%20[approved%2012.27.23].pdf).

⁷ Illinois Report Card 2023-2024. Students with IEPs. <https://www.illinoisreportcard.com/state.aspx?source=studentcharacteristics&source2=iep&Stateid=IL>.

⁸ United States Department of Education. Medicaid for School-Based Services. 2024. <https://www.ed.gov/sites/ed/files/about/offices/list/osers/docs/medicaid-funding-for-school-based-services-03-08-2024.pdf>.

⁹ Illinois Comptroller. Special Education Medicaid Matching Fund Expenditures FY24. 2025. <https://illinoiscomptroller.gov/financial-reports-data/expenditures-state-spending/fund?FundDepartmentSel=0355&FundGrpSel=0&FundCatSel=0&FundTypeSel=0&GroupBy=Agcy&FY=24&Type=A&submitted=>.

¹⁰ Illinois Department of Healthcare and Family Services. FY 2024 Annual Report. April 1, 2025. p. 22. <https://hfs.illinois.gov/content/dam/soi/en/web/hfs/sitecollectiondocuments/fy2024hfsannualreport.pdf>.

¹¹ School-Based Mental Health. American Academy of Pediatrics. <https://www.aap.org/en/patient-care/mental-health-minute/school-based-mental-health/#:~:text=Of%20those%20who%20obtain%20services,homicide%2C%20and%20poor%20medical%20outcomes>.

¹² Illinois Department of Public Health. Illinois Lead Program 2022 Annual Surveillance Report. November 2023. <https://dph.illinois.gov/content/dam/soi/en/web/idph/publications/idph/topics-and-services/environmental-health-protection/lead-poisoning-prevention/lead-surveillance-report-2022.pdf>.

¹³ Illinois Department of Children and Family Services. IDDFS Executive Statistical Summary, as of April 30, 2025. <https://dcfs.illinois.gov/content/dam/soi/en/web/dcfs/documents/about-us/reports-and-statistics/documents/ess-caseload-data.pdf>.

¹⁴ Illinois children with complex medical needs receive fraction of care they qualify for, records show. CBS News, February 1, 2024. <https://www.cbsnews.com/chicago/news/in-home-nursing-shortage-1/>.

¹⁵ Illinois Department of Healthcare and Family Services. Illinois Initial Spending Plan and Narrative for Enhanced Funding under the American Rescue Plan Act. January 16, 2023. <https://www.medicaid.gov/medicaid/home-community-based-services/downloads/il-spend-plan-fy24q1.pdf>.

¹⁶ Illinois Health Care and Human Service Reform Act. Public Act 102-0004. April 27, 2021. <https://www.ilga.gov/legislation/publicacts/102/PDF/102-0004.pdf>. Home Visiting Medicaid reimbursement is currently in development.

¹⁷ Illinois Department of Human Services. FY 2025 Home Visiting Program Manual. 2025. pt. V. <https://www.dhs.state.il.us/page.aspx?item=161327>.

¹⁸ Child Medicaid Recipients Become Healthy, Productive Adults: Study. Health Day, January 14, 2025. <https://www.healthday.com/health-news/public-health/child-medicaid-recipients-become-healthy-productive-adults-study-695424.html>.

¹⁹ YouthCare HealthChoice Illinois. Community Impact Report. 2024. <https://www.ilyouthcare.com/community-impact-report.html>.