



Illinois Department of Healthcare & Family Services Healthcare Transformation Collaboratives (HTC)

Frequently Asked Questions (FAQs)

As of March 18, 2021

1. What are Healthcare Transformation Collaboratives?

Public Acts 101-650 and Public Act 101-0655 created the Hospital and Healthcare Transformation Program otherwise known as Healthcare Transformation Collaboratives (HTC). HTC is designed to encourage collaborations of healthcare providers and community partners to improve healthcare outcomes, reduce healthcare disparities, and realign resources in distressed communities throughout Illinois. In particular, the program seeks to increase access to community-based services, preventive care, obstetric care, chronic disease management, specialty care and address the social determinants of health in these communities.

2. How much funding is available for healthcare transformation?

This program makes available as much as \$150 million per fiscal year beginning in State Fiscal Year 2021.

3. Who is eligible to apply for healthcare transformation dollars?

This funding is available to collaborations between care providers, including preventative care, primary care specialty care, hospital services, mental health and substance abuse services, and community-based entities that address the social determinants of health. Collaborations must include at least one Medicaid Provider that is eligible to bill Illinois' Medicaid Program. Priority will be given to collaborations that include safety net hospitals or critical access hospitals, as well as minority controlled or led organizations.

4. How do I apply for healthcare transformation funding?

On March 8, 2021, the Department released the HTC application to begin considering healthcare transformation projects. ***Applications for funding are due on April 9, 2021.*** The application for HTC funding can be found on HFS' Healthcare Transformation Collaboratives [webpage](#).

There will be additional opportunities to apply for Healthcare Transformation Collaboratives funding. We are looking for well-developed plans and encourage those that are interested in applying to take the time that they need to put together quality proposals. Some collaboratives may already have commitments or even other funding sources and are ready to begin soon, while others may still be in formation or need to come together using consulting dollars that will soon be available to assist with the development of collaboration ideas, community engagement, racial equity analysis, as well as implementation of projects once approved.

Funding will be available for new applicants in the fall of 2021 as well. Please [register](#) for updates on the Healthcare Transformation Collaboratives [webpage](#) so that you may be notified when new information is available, including the re-opening of the application process.

For those seeking consulting services, an application for funding will be posted on the Healthcare Transformation Collaboratives [webpage](#) soon.

Consulting Services may include assistance with one or more of the following:

- A. Identifying best practices for health care delivery and strategies to implement those best practices.
- B. Developing employment models and best uses for community health workers.
- C. Developing a Clinically Integrated Network
- D. Preparing budgets for delivery system reform projects, including long term sustainability.
- E. Developing Centers of Excellence across providers.
- F. Improving communication and data exchange between providers, including assessing healthcare information technology needs.
- G. Integrating community-based organizations that address social determinants of health into a more integrated care system.
- H. Community member engagement to align projects with community priorities.
- I. Incorporating racial equity into the delivery system.
- J. Selecting quality metrics that prove the concept proposed will reduce disparities and improve outcomes and developing an approach to measuring and tracking these metrics.
- K. Assessing capital requirements to refurbish or build physical plants that better meet the needs of the community.
- L. Establishing new legal entities.
- M. Healthcare data analytics.

5. Is this a one-time grant that does not have to be repaid, or is this a loan?

HTC funding is neither a one-time grant nor a loan. HTC funding will likely come in the form of supplemental payments for Medicaid services to a fiscal designee of the collaborative that is eligible to be paid for Medicaid services. Some projects may be eligible for multi-year funding if they meet agreed benchmarks.

6. What are the requirements to be eligible for Healthcare Transformation Collaboratives funding?

Key Requirements include:

- A. Demonstrate that the proposed project addresses community needs, and desires established via direct community input
- B. Each collaboration must include at least one Medicaid-enrolled provider eligible to bill for

Medicaid services.

- C. Propose quality metrics to track impact of the proposed intervention and for which the project will be accountable
- D. Incorporate racial equity into the proposed project / collaboration
- E. Benchmark current job levels in the community and track the continued maintenance and improvement of these levels (proposals that include retraining, innovative ideas or other workforce development are of particular interest to HFS)
- F. Demonstrate how an initial project funded by HFS through this program will move to a place of financial sustainability in the future without subsidization by transformation funds
- G. Describe the governance structure of your collaboration, showing how decisions are made and how the collaborators intend to monitor and enforce adherence to the policies and practices put in place

See application for other specific requirements and criteria.

7. What areas of the state are eligible for the Healthcare Transformation Program?

All areas of the state are eligible for HTC funding. HFS will prioritize projects that are located in areas with the highest need based upon the Centers for Disease Control's Social Vulnerability Index (SVI), as well as areas of the state most affected by the pandemic.

8. Can closed or soon-to-be-closed hospitals apply for funding to re-open or pay for operating expenses?

The Healthcare Transformation Collaboratives program is designed to spur innovative solutions to challenges faced by distressed communities and is not intended to fund operating costs for institutions. However, if a collaboration presents an innovative proposal that includes a facility that was formerly a hospital to be used to meet the needs of a distressed community, those proposals will be considered for funding.

9. Are their specific priorities that Healthcare Transformation Collaboratives are designed to address?

HFS is seeking to fund collaborations between care providers and community-based entities that will:

- A. improve health outcomes and reduce healthcare disparities
- B. improve the integration, efficiency, and coordination of care across provider types and levels of care
- C. increase access to preventive, primary or specialty care in the community
- D. and address specific social determinants of health that impact access to care and impact health outcomes

See application for additional information.

10. If my community is not located in one of the distressed communities outlined in HFS' plan for Healthcare Collaboratives, are we still eligible to participate?

Yes, communities from all across the state of Illinois are eligible to apply for HTC funding. Selections will be made based upon the quality of the proposal and its alignment with the intent of the HTC Program.

11. Can construction or capital expenditures be funded by the Healthcare Transformation Collaboratives Program?

Construction or capital expenditures may be considered as a part of a HTC proposal, but may be funded through capital grants separate from HTC funding. Since HTC funding AND capital funding are limited, awards may be made at less than requested amounts.

12. When will awards be announced?

Awards for the first round of funding will be announced **no later than June 30, 2021.**

13. Can a community decide which healthcare challenges it wishes to address and be eligible for funding even when there is no data to support its plan?

All proposals must include evidence of community input and that the proposed project addresses the needs of the community being served. All proposals must include data supporting the project that is being proposed.

14. Will the Department host townhalls or informational meetings to provide more details about Healthcare Transformation Collaboratives?

The Department intends to host webinars for those interested in learning more about the HTC Program. The first session was held on March 12, 2021. A replay of the session and the associated presentation documents can be found on the HTC webpage under [Informational Webinars](#).

15. What is the maximum amount that a collaboration involving safety net hospitals and larger hospitals may apply for?

There isn't a maximum amount that collaborations can apply for at this point. All funding requests shall be considered. The Department may negotiate with respondents prior to awarding any funding.

16. Are there two funding initiatives in play? One a broader, long term, systemic proposal, and a second where individual hospitals can apply for smaller funding projects?

No, however, the Department is working with funding targets as follows:

- \$30,000,000 for collaboration between a safety-net hospital, particularly community safety-net hospitals, and other providers and designed to address specific healthcare disparities
- \$20,000,000 for collaborations between safety-net hospitals and a larger hospital partner that increases specialty care in distressed communities
- \$30,000,000 for projects that are a collaboration between hospitals and other providers in distressed areas of the State designed to address specific healthcare disparities
- \$15,000,000 for collaborations between critical access hospitals and other providers designed to address specific healthcare disparities
- \$15,000,000 for cross-provider collaborations designed to address specific healthcare disparities
- \$5,000,000 for collaborations that focus on workforce development

Please note that, there is nothing to prevent a hospital, or any other group, from being a part of two (or more) applications—for example, one smaller more local, and one larger more regional.

17. Is the first year (state fiscal year beginning July 1, 2021) to be a planning year?

The agency recognizes that collaborations are at different stages of development (some are ready to go, some need more time to plan). For those who need to plan, we are making consultants available. Applications for consulting services will be available soon. (Refer to #4 above.)

18. How will subcontractors be handled? In other words, if a larger organization is awarded a larger grant, how will that organization contract with hospitals and other partners?

This is up to the individual collaboratives and there are instructions in the application for delineating this.

19. How is in-kind work to be addressed in the application?

We encourage in-kind work or contributions to be disclosed in the application. You can disclose using the budget spreadsheet supplied, in a custom spreadsheet of your choice or in a narrative form. In the budget spreadsheet supplied, in-kind donations should be listed in section F. Revenue under "Other" and described as "in-kind".

20. Will the presentation from the Healthcare Transformation Collaboratives Informational be available for download?

Yes, the presentation is currently posted on our website and can be found [here](#)) under Informational Sessions.

21. How much funding will be available for the first round of HCT funding?

\$150 million is available for the first round of funding. Funding will not be allocated on a first-come, first-served basis. The Department will review each proposal and make funding decisions based upon the quality of the proposals.

22. Is this program replacing Integrated Health Homes?

No, this program is larger than Integrated Health Homes. Healthcare Transformation Collaboratives are a vehicle to bring providers and others together to address the needs of communities, while Integrated Health Homes will be a service within the Medicaid Program.

23. Is there a limit to how many organizations can be a part of one proposal?

No, there is no limit on the number of organizations that can be a part of a collaboration proposal. In fact, in general, the inclusion of more organizations is likely to be ideal since the Department is seeking proposals integrating a system for whole communities.

24. Should interested parties advise the Department that they plan on submitting a proposal in September so that the Department can gauge how many proposals it will be receiving?

We may create a process for the issuance of letters of intent to help us better understand how many communities are ready to move forward.

25. Can a provider participate on more than one project?

Yes, a provider can participate on more than one project. There is no one-size-fits all answer to what a proposal should look like. We are seeking creative ideas with collaborative approaches that address community needs.

26. What dollar limits are there for individual proposals or projects?

At this time, there is no set dollar limit because the size, scope, and number of proposals to be received is unknown. However, projects must be sustainable within no more than 5 years without transformation funds which will not be provided indefinitely.

27. Can proposals include reimbursement costs for consulting fees for planning and implementation?

Some collaboratives will get consulting funds paid directly by the Department. Collaboratives that do not receive directly reimbursed consulting services may include costs associated with the planning and implementation of projects in their proposals. However, with limited funds available, collaboratives should be judicious in allocating transformation funds towards consulting services.

28. Do entities interested in providing consulting services apply in a separate application process where they will be selected by the state to assist projects or proposers rather than joining a partnership/collaboration themselves?

Yes, the process for selecting firms to provide state reimbursed consulting services to potential collaboratives will be a separate competitive RFP under the Illinois Procurement Code. We hope to issue that RFP soon and interested parties should monitor [Buy Illinois](#).

29. Is this considered grant funding?

No, see response to Question 32.

30. Can you explain how the funding will be issued to the collaboratives?

- A. Funds will be distributed as enhanced directed payments to some or all collaborative members as payment for Medicaid eligible services in order to ensure the funds are eligible for federal match. The distribution method may change in the future should the Department be granted an 1115 waiver for Transformation.
- B. The governance structure, including the fiscal agent, is an important component of the development of a collaborative. The entities that bill for the services will be those that disburse the funds to the partners in accordance with the proposal.

31. Are those that have existing collaborations more likely to respond to the April 9th funding opportunity? Is that what the Department expects?

There may be many collaboratives at different stages of development. Some may be much further along than others. We encourage collaborators to take the time to submit quality applications that are well thought out with clearly defined deliverables and metrics that address all aspects of the application.

32. How does a project or a collaboration access capital dollars or funding?

There is a one-time pool of funding available for investment in capital projects that are related to HTC. Applicants should include any requests for those dollars in their proposals.

33. Can you please advise on the location of the Racial Equity Questionnaire described in the HSF Application for Funding for the Healthcare Transformation Collaboratives (see below)? I am unable to locate it on your website.

You can find the Racial Equity Questionnaire [here](#).

34. I was not able to join Friday's Informational call, is there a call recording I could access?

Yes, you can find the video replay [here](#).

35. Chicago Public Schools is interested in applying for funding. While CPS is neither a care provider nor a community-based entity, we are a Medicaid provider eligible to bill Illinois Medicaid. Would we still be eligible to apply as long as we partner with a care provider?

Yes, as long as you are partnering with other organizations focusing on meeting the needs of communities and aligning with our quality pillars and measures.

36. When you refer to the healthcare capital program, to what program are you referring?

Please refer to Section 9.01 of the Capital Development Board Act (20 ILCS 3105/9.01) sets forth the allowable uses of capital funds.

37. Please provide the definitions of “capital” and “transformation” for the purposes of differentiating the funding sources.

A. Please refer to Section 9.01 of the Capital Development Board Act (20 ILCS 3105/9.01) sets forth the allowable uses of capital funds.

B. Please refer to Section 14-12(d-5)(E) of the Public Aid Code as amended by Public Act 101-0655 sets forth what is expected in a transformation proposal.

38. HFS noted that even if a project is funded, it may not be funded for the full amount requested. Is there a process for revisiting the project proposal in light of reduced funding? Can the proposal be modified accordingly?

HFS expects to negotiate funding agreements, which may include an opportunity for modification of the proposal for reconsideration.

39. Can FQHCs apply for these funds?

Yes, as long as they are partnering with other organizations focusing on meeting the communities and our aligning with our quality pillars and measures.

40. Can these funds be used for a capital (construction) project?

There will be opportunities to apply for capital funding in conjunction with a transformation proposal that is addressing the criteria as set forth in Public Act 101-0655. Capital funds shall be available for capital projects that advance your transformation proposal.

41. What is the maximum amount of funds a FQHC can apply for?

We are funding collaborations, not entities. The Department has not set maximum funding levels for projects or proposals at this time. Please see question 15 above for funding targets.

42. Is there a timeframe that implementation of programmatic items must be effective by? (for example, is there a 4-month lead time for us to be able to get things started)

Milestones will be negotiated for each proposal/project.

43. Are there guidelines or restrictions on the ratio of programmatic funding versus capital funding that a collaborative may apply for?

No

44. On the webinar on Friday it was mentioned at the end that capital funding is a one-time pool of funding. Can requests for capital funding be made in September if our collaborative chooses to hold off on applying until the second deadline?

Yes

45. Can our collaborative apply more than once? For example, if we were to apply in April and not be selected for fund, or, selected for partial funding, can we also apply in September?

Yes

46. Can we include indirects in our funding request?

Yes, the Department will review each proposal on a case-by-case basis and all costs will be considered in the funding review process.

47. Please provide details about application format specifications and requirements, including font size, margin parameters, page limit, acceptable file type, etc.

For applications due on April 9, 2021, the Department is providing opportunities for respondents to submit proposals in a manner that best presents their ideas and vision for their transformation project.

48. Our collaboration involves a multi-year plan to transform health outcomes. Should the application cover all years of state funding being sought, or will we have to apply for funds each fiscal year?

Please including funding requests for all years. Please refer to the budget templated posted on the HTC web-page under Application and Tools located [here](#).

49. The application indicates that transformation funds may come in the form of "utilization based Directed Payments" to various providers. In the case of our coalition, we have designed a funds flow that is to be managed by a new non-profit organization, which would provide funding to participants. This model is designed with the idea that transformation funding flows directly to the new entity. Is it possible for transformation funds to be disbursed in this manner?

The initial distribution of funding from the Department must flow through Medicaid providers as directed payments.

50. Following submission of applications, will there be a process involving discussion or negotiation between HFS and applicants regarding grant agreements?

Please note these are not grant awards. The Department will negotiate funding amounts, mechanisms, and the details of funded projects.

Please remember to periodically visit the Healthcare Transformation Collaboratives [webpage](#) for more details and to register for updates on the Healthcare Transformation Collaboratives Program.