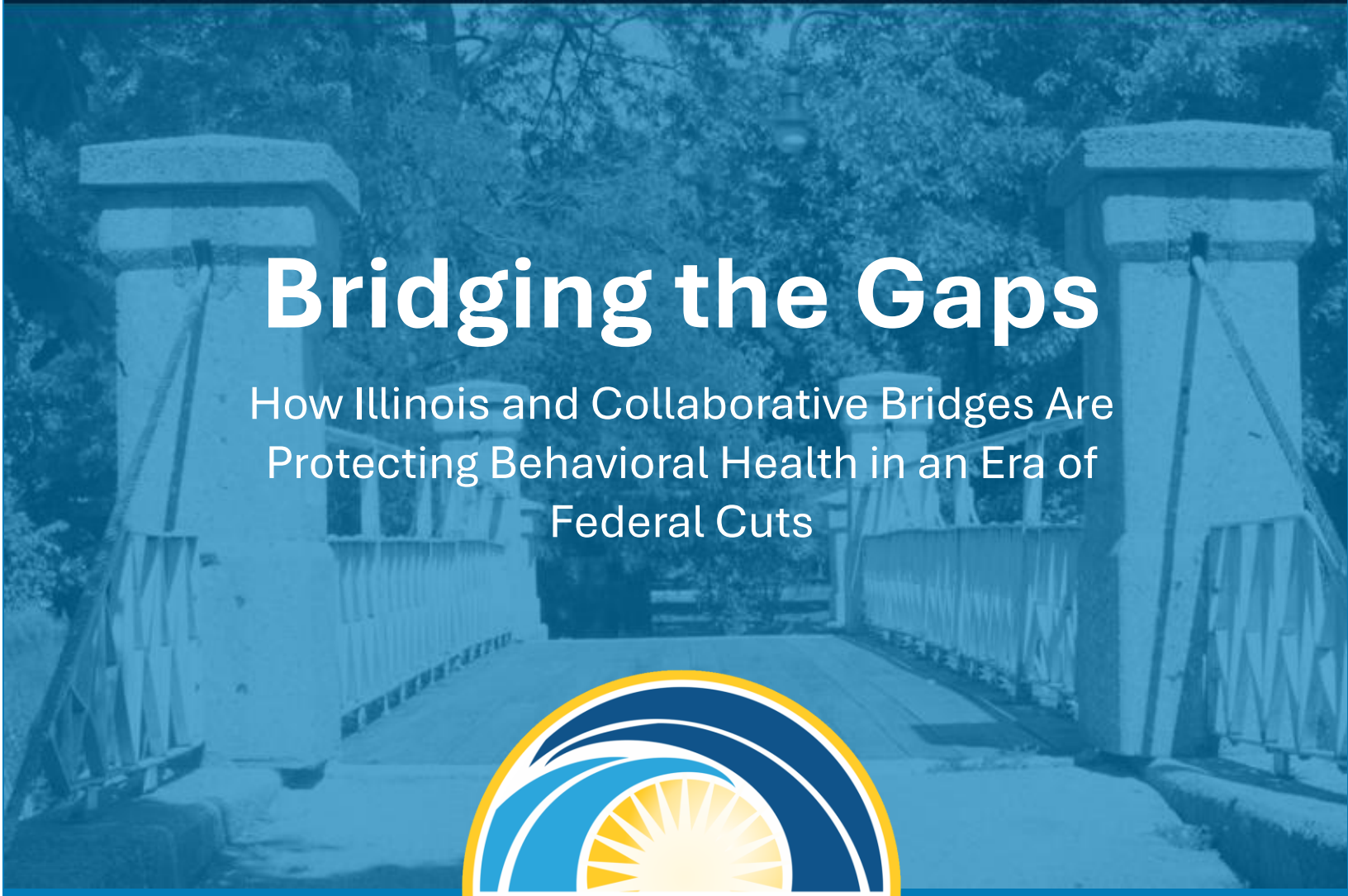

Bridging the Gaps

How Illinois and Collaborative Bridges Are Protecting Behavioral Health in an Era of Federal Cuts

COLLABORATIVE BRIDGES

An Issue Paper
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Full Report

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Executive Summary

Chicago's West Side communities face a stark escalation of healthcare challenges: decades of disinvestment, persistent health disparities, and now the threat of significant federal healthcare funding reductions.

In these predominantly Black and Brown communities, which are already bearing disproportionate burdens of behavioral health conditions, chronic diseases, and health-related social needs, residents stand to lose the most from Medicaid cuts and resource constraints under federal budget legislation.

The State of Illinois has taken a strategic approach to combat these disparities through the Healthcare Transformation Collaboratives (HTCs) initiative administered by the Department of Healthcare and Family Services (HFS). These cross-sector partnerships are designed to deliver coordinated, equitable care and improve long-term sustainability. HTCs unite safety-net hospitals, Federally Qualified Health Centers (FQHCs), community-based organizations, and community residents to form a stronger, integrated system of care.

Collaborative Bridges, launched in 2022 with funding from HFS, has reshaped behavioral healthcare on Chicago's West Side and across the city. Combining community stabilization teams, a shared wellness center, integrated hospital and community mental health supports, and partnerships with FQHCs, Collaborative Bridges has reduced psychiatric readmissions, saved millions in Medicaid costs, improved lives, and demonstrated how locally driven solutions can meet systemic challenges head-on.

This paper examines how HTCs serve as essential community care hubs that preserve the behavioral health safety net system in vulnerable communities. It explores the national landscape of Medicaid cuts, highlights Illinois's strategic HTC approach, and presents the Collaborative Bridges model as a scalable solution for sustaining access to behavioral healthcare.

The information and views expressed in this paper are on behalf of Collaborative Bridges and its member organizations. They do not necessarily reflect the views of our funder, the Illinois Department of Healthcare and Family Services.

I. The National Context: Federal Medicaid Cuts and Behavioral Health at Risk

Medicaid as Behavioral Health's Foundation

Medicaid is more than just health coverage. It is a program that empowers and funds states to design solutions to overcome the significant barriers faced by enrollees living with little or no income.

Medicaid is the single largest funder of behavioral health services in the United States. It covers approximately 15 million adults with mental health needs.[1] For individuals with severe mental illness (SMI) or substance use disorders (SUD), Medicaid is the bedrock for recovery and community stabilization.

Yet this lifeline is under threat. Cuts to Medicaid will strip coverage from millions, decimate community mental health capacity, and deepen inequities. Cuts to other public benefits, such as nutrition support, will immediately threaten the health of individuals and families living with low incomes. New administrative policies would divert resources from providing care and services to activities to prevent people from accessing them. Furthermore, there are no new policies proposed to address the needs of the growing proportions of Americans living with low incomes.

The Impact of Cuts

Recent legislation, including the "One Big Beautiful Bill Act" (H.R. 1), implements cuts exceeding $1 trillion over 10 years, affecting both Medicaid and related programs like SNAP.[2] According to the Congressional Budget Office (CBO), estimates for the bill project that about 10.9 million Americans would lose health insurance coverage by 2034.[3]

HFS has publicly communicated that federal proposals to cap or reduce Medicaid funding would place significant fiscal pressure on Illinois' Medicaid program. The state would face difficult tradeoffs to manage reduced federal support, with limited options available to offset the impact. These pressures would likely result in coverage losses, reduced provider reimbursement, or reductions in services, outcomes that would weaken the Medicaid safety net statewide.[4]

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[1] https://www.kff.org/mental-health/5-key-facts-about-medicaid-coverage-for-adults-with-mental-illness
[2] https://www.kff.org/medicaid/health-provisions-in-the-2025-federal-budget-reconciliation-law/
[3] https://ccf.georgetown.edu/2025/06/29/congressional-budget-office-confirms-senate-republican-reconciliation-bills-medicaid-cuts-are-more-draconian-than-the-house-passed-bill/
[4] Illinois Department of Healthcare and Family Services. "Federal Resources Center: Analyses of Federal Medicaid Funding Proposals and Impacts on Illinois." Available at: https://hfs.illinois.gov/info/fedresctr.html.

Behavioral health would face the greatest risk. Many services are optional under federal rules. States often eliminate optional services during shortfalls. Cuts would reduce preventive care, crisis response, outpatient therapy, and the supports that keep people stable in the community. Providers that already operate at the margins would struggle to keep programs open. Hospitals and emergency departments would see higher demand. Communities would absorb the consequences.

These impacts would land hardest on the West Side of Chicago where Medicaid dependence is high and needs are complex. Illinois has invested heavily in equity and transformation. Federal reductions would undermine that progress. They would destabilize the very systems that keep people connected to care and recovery.

Why Behavioral Health is Especially Vulnerable

While H.R.1 exempts Medicaid recipients with "disabling mental disorders" from work or community engagement requirements, the definition of "disabling mental disorder" is left vague and open to state interpretation. This creates inconsistency and barriers to access, as individuals must navigate complex systems to prove eligibility. Those with behavioral health conditions often lack the documentation or continuity of care needed to remain covered.

Furthermore, Medicaid classifies many behavioral health services as "optional," meaning states are not federally required to fund them. During fiscal shortfalls or under reduced federal allocations, states typically respond by:

- Tightening eligibility requirements.
- Reducing covered benefits.
- Eliminating preventive community care and HRSN supports.
- Lowering provider reimbursement rates, making it harder for clinics to hire and retain qualified staff.

These cuts have a compounding effect: fewer clinicians, longer wait times, fragmented services, and increased reliance on crisis intervention instead of prevention.

Voices

"We are seeing drastic cuts to base level human services and health care. It's like no one understands that if you take away the support that individuals need, everything gets worse. We always say that an ounce of prevention is worth much more than a pound of cure."

- Danny K. Davis, U.S. Congressman

"The attempt to dismantle access to care in communities that are most vulnerable is not a best practice that we want to model as a society."

- Ayesha Jaco, CEO, West Side United

Impact on Providers and Infrastructure

Providers that serve a large proportion of patients covered by Medicaid, including FQHCs, community mental health centers, and safety-net hospitals, face severe financial instability. Lower reimbursements will force layoffs, close prevention programs, and reduce capacity for follow-up and outpatient care.

The result is a chain reaction:

- **Service elimination:** Community-based behavioral health programs could be lost.
- **System congestion:** Patients without care options turn to emergency departments.
- **Increased costs:** Hospitals absorb higher volumes of uncompensated care, straining budgets.
- **Community destabilization:** Rising homelessness, untreated illness, and criminalization of mental health needs.

In summary, the loss of Medicaid and related funding will destabilize both community healthcare providers and the broader community fabric that depends on them.

The Chicago Context: Health Inequities on the West Side

The West Side communities encompass diverse neighborhoods facing severe socio-economic challenges:

- The life expectancy gap between the West Side and the Loop is 20.7 years.
- Poverty rates range from 28% to 61% across West Side communities.
- 45.7% of families in West Garfield Park have a household income of less than $25,000 per year.
- Up to 80% of police calls involve social service or behavioral health issues rather than criminal activity.

Chicago's West Side has long experienced disinvestment, economic isolation, and the resulting health inequities that stem from structural racism and segregation. According to the HFS Community Needs Assessment conducted at the launch of the Healthcare Transformation Collaboratives initiative, the West Side has some of the greatest health burdens in Illinois. Key inequities include lower life expectancy, higher rates of mental illness and addiction, higher rates of chronic disease like diabetes, hypertension and heart disease, higher rates of infant mortality, and greater food insecurity.

This underscores how federal cuts could jeopardize lives. Communities already operating at the edge of access cannot absorb further reductions without severe human consequences.

The federal disinvestment challenge, combined with local inequities, makes the case for models like Illinois' Healthcare Transformation Collaboratives, which blend clinical care, behavioral health, and community engagement to build sustainable infrastructure from within.

II. Illinois's Strategic Approach: Healthcare Transformation Collaboratives

Recognizing both the urgent need to strengthen safety-net services and the opportunity to reimagine care delivery to address health disparities, Illinois launched the Healthcare Transformation Collaboratives (HTCs) in 2021. Funded collaboratives bring together hospitals, community-based organizations, behavioral health providers, FQHCs, and other partners to:

- Close gaps in healthcare services and address inequities that persist in their local communities.
- Address the root causes of health disparities.
- Integrate physical, behavioral, and social services.
- Reduce reliance on emergency departments and institutional care.
- Improve population health outcomes in measurable ways.
- Share outcomes, interventions, and workflows between systems, hospitals, payors, community organizations, and government agencies.

Core Principles of HTCs

HFS promoted the following core principles in their request for proposals from communities seeking HTC funding:

Equity-Centered Design
Target high-need communities and health-related social needs as part of an equity-focused mission.

Cross-Sector Collaboration
Integrate and coordinate the expertise of hospitals, payor systems, behavioral health agencies, social service organizations, and primary care providers into shared workflows and outcome tracking, which eliminate silos and decrease duplication of efforts.

Sustainability Planning
Shift from one-time state funding to long-term payer partnerships, often via value-based contracts that align incentives.

Data Integration
Create shared data platforms to coordinate care, track outcomes, and reduce duplication of services and administrative inefficiencies.

Behavioral Health as a Priority Area
Of particular alignment with the Collaborative Bridges founding team, the HTC framework emphasized behavioral health integration, especially where it intersects with primary care and community supports. This is critical in Illinois, where mental health capacity remains unevenly distributed and Medicaid serves as the lifeline for most patients. Individuals with

Severe Mental Illness (SMI) have six times the Medicaid spend of the average enrollee and often have co-occurring physical health needs.

By embedding behavioral health within a broader, community-based care model, HTCs have strengthened the safety-net system through a recovery- and prevention-focused approach that lowers costs and leads to better outcomes.

Voices

"The community care hub model is a philosophy of care that spans the country and has shown real promise. What Illinois did was galvanize it. It's taking common-sense wisdom and saying: prove it with outcomes and data."

– Jose Sanchez, President and CEO, Humboldt Park Health

"During COVID we saw disproportionate Black and Latino deaths that had everything to do with the social fault lines. It was shocking to many people, and it was shocking to the Black and Latino Caucus. And they decided that we needed to do something different. That's really how the HTCs began."

– Dr. David Ansell, Rush University Medical Center

III. Collaborative Bridges: A Case Study in Resilience and Innovation

Collaborative Bridges is one of Illinois' funded HTCs, serving as a Community Care Hub on Chicago's West Side. It responds to longstanding fragmentation in behavioral healthcare and acts as a proactive measure against the potential destabilization from federal Medicaid cuts.

Through its integrated model, Collaborative Bridges connects hospitals, FQHCs, and community-based providers into a coordinated ecosystem of behavioral health and social supports.

Collaborative Bridges Partner Organizations
Collaborative Bridges unites seven hospital and community-based partners that together form an integrated continuum of behavioral healthcare on Chicago's West Side. Each organization contributes distinct expertise; from acute inpatient treatment to neighborhood-based counseling, housing, and care coordination; while paired hospital–community dyads ensure patients move smoothly between clinical and community settings with the right supports in place.

- **Bobby E. Wright Comprehensive Behavioral Health Center**
  Founded in 1972, Bobby E. Wright is a cornerstone of Chicago's West Side behavioral health landscape, providing culturally responsive mental health, substance use, and family support services. The center partners with The Loretto Hospital to ensure that patients discharged from inpatient behavioral health units receive consistent, community-based follow-up care that promotes recovery and stability.

- **The Loretto Hospital**
  Located in the Austin community, The Loretto Hospital is an independent safety-net hospital committed to accessible, compassionate care for underserved populations. Through its partnership with Bobby E. Wright, Loretto strengthens behavioral health discharge planning and community linkages, reducing readmissions and expanding access to coordinated outpatient services.

- **Community Counseling Centers of Chicago (C4)**
  C4 is a nationally recognized leader in trauma-informed behavioral healthcare, offering crisis intervention, counseling, and recovery support to thousands of Chicago residents each year. Through its Collaborative Bridges partnership with Hartgrove Behavioral Health System, C4 ensures that individuals leaving inpatient care have seamless transitions into community-based therapy and wraparound supports.

- **Hartgrove Behavioral Health System**
  A private psychiatric hospital on Chicago's West Side, Hartgrove specializes in acute mental health treatment for children, adolescents, and adults. Partnered with C4, Hartgrove is aligning its inpatient programs with community-based care pathways that emphasize continuity, stabilization, and family engagement after hospitalization.

- **Habilitative Systems, Inc. (HSI)**
  For more than four decades, HSI has delivered behavioral health, housing, disability, and reentry services across 17 West Side and South Side communities. In partnership with Humboldt Park Health, HSI bridges hospital and community care, ensuring that patients facing behavioral health crises receive sustained support beyond the hospital walls.

- **Humboldt Park Health**
  Humboldt Park Health is an independent, mission-driven institution serving a diverse community with a full continuum of medical and behavioral health services. Working with HSI, it extends care coordination and follow-up for behavioral health patients, reinforcing recovery and social stability in neighborhood settings.

- **PCC Community Wellness Center**
  PCC is a FQHC that integrates primary care, behavioral health, and maternal-child health services at multiple West Side locations. As a Collaborative Bridges partner, PCC delivers whole-person care and acts as a key referral hub linking medical, social, and behavioral services.

- **TASC (Treatment Alternatives for Safe Communities)**
  TASC is a statewide leader in justice-involved care coordination, linking individuals in the criminal-legal system to behavioral health treatment and recovery supports. Within the Collaborative Bridges network, TASC enhances the continuum of care for people returning to their communities, ensuring equity, accountability, and access to critical wraparound services.

In addition to the agencies named here, our program has the endorsement of more than 20 organizations that include social services agencies, hospitals, law enforcement and elected officials.

A. Mission and Service Model

Chicago's West Side faces a persistent behavioral health crisis driven by limited access to care and fragmented service systems. Hospital Community Health Needs Assessments and regional data identify mental health and substance use disorders as among the most urgent unmet needs in predominantly Black and Latinx communities, with higher emergency department utilization and life expectancy gaps of up to twenty years. Siloed,

under-resourced systems weaken crisis response and follow-up care, leaving many individuals without timely outpatient services after hospitalization and contributing to repeat emergency visits, avoidable admissions, and increased reliance on law enforcement.

Collaborative Bridges focuses on high-risk individuals with serious mental illness (SMI) and substance use disorders (SUD); often those with repeated hospitalizations, unstable housing, and minimal engagement with outpatient care. The components of this model are:

- **Community Stabilization Teams** – The core of the Collaborative Bridges model. These multidisciplinary teams ensure uninterrupted transitions of care from hospital discharge to outpatient follow-up care through intensive case management, addressing health-related social needs, providing peer support, and offering immediate treatment and ongoing care in the community. They focus on outreach, engagement, and stabilization for high utilizers of hospital-based care.

- **Shared Outcomes and System Solutions** – In partnership with government organizations and Medicaid payor systems, Collaborative Bridges partners unite around shared interventions and workflows. They leverage data to adapt best practices across entities, using shared information systems to evaluate community impact.

- **Shared Wellness Center** – A centralized hub for walk-in and ongoing therapeutic services, social supports, and case management. It serves as an immediate discharge destination for individuals transitioning from inpatient treatment to community-based recovery.

- **Integrated Primary Care** – In partnership with **PCC Community Wellness FQHC** as an onsite provider, and coordination with other primary care teams serving the West Side, Collaborative Bridges ensures that physical health needs are addressed alongside behavioral health, providing holistic care.

- **Justice-Involved Services** – Through collaboration with **TASC, Inc.**, the program provides behavioral health and reentry support for individuals transitioning from correctional settings, promoting stability and reducing recidivism.

This model reflects the intent of the HTC program: integrated, data-informed partnerships that bridge hospital systems, payors, and community-based networks into one unified safety net.

B. Achievements and Measurable Outcomes

Collaborative Bridges has demonstrated measurable impact across clinical, operational, and financial dimensions.

In 2024, the program achieved:

- 95% of referrals receive engagement within 48 hours of discharge.
- A 65% enrollment rate from hospital referrals, exceeding the 50% benchmark.
- A decrease in psychiatric readmissions within 90 days to just 9%, well below the national average of 33% for SMI populations.
- Over 3,000 linkage services provided to date, connecting residents to housing, benefits, and treatment.
- An estimated savings of $3 million in 2024 through reduced utilization and avoided hospitalizations.

These results demonstrate both **clinical impact** and **financial value** to the Medicaid system - critical leverage for sustaining the behavioral health safety net.

Collaborative Bridges' measurable outcomes have also influenced statewide dialogue on how to structure long-term sustainability and reimbursement for integrated behavioral health models.

C. Collaboration as a Force Multiplier

Collaborative Bridges pairs each hospital with a designated community behavioral health provider. Hospital discharge coordinators work directly with their partner community team to ensure that patients leave with treatment appointments, identified therapists, care management support, and a follow-up plan already in motion.

Collaborative Bridges' dyad partnerships between hospitals and community providers enable true "warm" hand-offs; the community team is on-site, and both staff teams care conference together before hospital discharge, ensuring uninterrupted continuity of care. The model of providing a designated community behavioral health provider to work in the hospital is efficient, yet the team can still route patients directly back to other providers in the community, as needed, to individualize care.

Collaborative Bridges is building a shared technology platform (HealthEC) that integrates claims, electronic health records, and health-related social need data. This infrastructure allows for real-time care coordination and performance tracking across all partners.

The result is a smoother patient experience and a more efficient, data-driven ecosystem that allocates resources where they have the greatest impact.

D. A Sustainable Business Model

Collaborative Bridges' Sustainable Business Model and System-Level Cost Savings
A Sustainable Model Rooted in Value and Partnership
Collaborative Bridges has developed a sustainable business model that aligns with Illinois Medicaid's value-based reform goals while preserving the safety net's capacity to serve

high-need populations. The model integrates direct service delivery, care coordination, and social determinant supports through blended and braided funding streams. By combining Medicaid reimbursement, managed care value-based arrangements (VBAs), and philanthropic investments, Collaborative Bridges reduces costs to the healthcare system while improving outcomes for justice-involved and medically complex individuals.

Cost-Savings for the Medicaid System
Collaborative Bridges' community care hub design directly mitigates the high-cost utilization patterns of Acute Behavioral Health Populations that strain Medicaid systems; particularly avoidable emergency department visits, inpatient admissions, and readmissions. Collaborative Bridges has demonstrated measurable reductions in unnecessary hospital and triage service use. These system-level savings allow Medicaid Managed Care Organizations (MCOs) to reinvest in community-based recovery supports, aligning clinical outcomes with financial accountability.

Commitments from MCOs
In alignment with Illinois' transformation agenda, participating MCOs are working with Collaborative Bridges with the goal of developing value-based arrangements in 2026. These VBAs represent a major step toward shared accountability for health equity, member outcomes, and cost efficiency. Under these agreements, Collaborative Bridges will be rewarded for achieving measurable improvements in stability, engagement, and reduced total cost of care among Medicaid members. This partnership ensures the sustainability of critical community infrastructure while advancing statewide goals for integrated, value-based behavioral health.

Illinois Health Practice Alliance (IHPA) Partnership
Collaborative Bridges' model aligns closely with the Illinois Health Practice Alliance (IHPA) contract, a network of community-based behavioral health providers organized to engage in value-based care with MCOs. The IHPA agreement represents a crucial business mechanism for Collaborative Bridges: it connects downstream partners like us to managed care revenue through both direct and indirect funding pathways. This structure enhances financial stability and incentivizes care coordination, data-driven improvement, and high-quality behavioral health integration across the system.

Blended and Braided Revenue for Long-Term Sustainability
To further stabilize operations and expand reach, Collaborative Bridges is actively pursuing a diversified revenue portfolio that includes philanthropic and governmental grants. These investments help bridge funding gaps inherent in the Medicaid safety net and enable innovation in housing stabilization, peer workforce development, and community health integration.

By aligning Medicaid cost containment goals with community-based recovery outcomes, Collaborative Bridges offers a fiscally responsible and socially equitable model for preserving and strengthening the behavioral health safety net on Chicago's West Side.

E. Community Impact and Lessons Learned

The Collaborative Bridges model underscores several important lessons for behavioral health transformation:

1. **Integration Works:** Combining physical, behavioral, and social care in one coordinated structure reduces fragmentation and improves outcomes.
2. **Community Engagement Matters:** Local leadership and community-based organizations ensure interventions are culturally responsive and trusted.
3. **Data Drives Change:** Shared analytics create accountability, transparency, and a foundation for value-based contracting.
4. **Sustainability Requires Partnership:** Long-term success depends on payer alignment, philanthropic investment, and continued state policy support.

Through these lessons, Collaborative Bridges provides a tested framework that Illinois can replicate across other high-need regions.

Voices

"Innovation is the key that unlocks health equity, and Collaborative Bridges is what that looks like in real life. We've taken what used to be a fragmented maze of services and turned it into a connected path to care. Collaborative Bridges is showing that when you design with community at the center, the model works — for patients, for providers, and for the system as a whole."

- **Kerri Brown, CEO, Community Counseling Centers of Chicago**

"Collaborative Bridges lets partners meet, share information, share resources, share data — all of that makes a big difference in how we serve people. One agency can't meet all the needs — but through the collaboration, we can identify the service needs and provide the services that promote well-being and healthier individuals."

- **Velma Williams, CEO, Bobby E. Wright Behavioral Health Center**

"All of the organizations within Collaborative Bridges have particular strengths. We serve similar populations, but we all bring something unique to the table. That's why the name Collaborative Bridges means so much and is so correct in describing who we are."

- **Joel Johnson, President & CEO, TASC**

IV. The Stakes and the Path Forward

Recently legislated Medicaid cuts will be catastrophic for behavioral health systems across the United States. In Illinois, the stakes are high, especially on the West and South Sides of Chicago, where 40% of residents depend on Medicaid compared to 25% statewide.

The **Healthcare Transformation Collaboratives (HTCs)** provide a blueprint for resilience, creating sustainable, integrated systems that deliver better outcomes with greater efficiency. Collaborative Bridges demonstrates how this vision works in practice: connecting high-need individuals to care immediately after hospitalization, reducing costly readmissions, and integrating physical, behavioral, and social supports.

The numbers tell the story: millions in cost savings, lower readmission rates, faster follow-up, and thousands of linkages to essential services. But the human impact is even greater. People in crisis achieve stability; people without housing find safety; and historically underserved communities participate in creating new access to a coordinated care network.

How Community Care Hubs Soften the Impact of Federal Cuts
Community Care Hubs like Collaborative Bridges can help cushion the blow of reduced federal funding by restructuring care delivery and maximizing local assets. Their strategies align with Illinois's statewide transformation priorities and demonstrate a roadmap for other high-need areas.

A Framework for Stability and Sustainability

Amid shifting federal priorities and growing uncertainty around Medicaid and behavioral health funding, Illinois' community-based providers must pursue resilience through innovation, collaboration, and diversification.

The following strategies outline a practical roadmap for sustaining behavioral health infrastructure and ensuring continuity of care. By strengthening financing models, integrating operations, leveraging local assets, addressing health-related social needs, and building community-controlled systems, Illinois can protect its most vulnerable residents and preserve the progress achieved through the state's Healthcare Transformation Collaboratives.

1. Diversifying the Resource Base

- **Braided Funding:** Blend Medicaid, philanthropic, local government, and health system dollars to sustain essential programs even when one funding stream declines.
- **Value-Based Contracting:** Negotiate with Medicaid MCOs for per-member-per-month (PMPM) payments tied to reduced hospitalizations and emergency room visits, and improved health outcomes.

- **Institutional Partnerships:** Engage anchor institutions (e.g., hospitals and universities) to co-invest in community-based care infrastructure.

2. Operational Efficiency Through Integration

- **Co-location:** Combine behavioral health, primary care, and social services within shared spaces to streamline access.
- **Data Integration:** Use shared technology platforms to align case management and eliminate duplication.
- **Administrative Coordination:** Pool back-office functions such as billing, training, and reporting to lower costs and sustain smaller community providers.

3. Leveraging Community Assets

- **Trusted Local Partners:** Work with grassroots organizations, churches, and peer groups that already have community trust.
- **Workforce Innovation:** Employ community health workers and peer specialists who reflect the communities they serve, offering culturally competent care at lower cost.
- **Neighborhood Outreach:** Use volunteer networks and existing community spaces for engagement and support.

4. Integrating Health-related Social Needs

- **Holistic Supports:** Link clients to housing, food, employment, and other stability supports that reduce hospital dependency.
- **Medicaid Redetermination Assistance:** Help clients maintain eligibility through care navigation and administrative guidance.
- **Trauma-Informed Care:** Deliver culturally grounded, trust-building services that address systemic inequities and barriers to engagement.

5. Building Community-Controlled Infrastructure

- **Local Ownership:** Develop wellness centers and shared technology systems that remain operational regardless of federal funding fluctuations.
- **Collective Advocacy:** Strengthen HTC networks to advocate jointly for state and federal policy protections.

These resilience strategies form a cohesive framework for safeguarding Illinois's behavioral health system and maintaining stability in the face of national funding volatility.

Voices

"HFS funding gave us the spark, but it can't be the entire engine. If Collaborative Bridges is going to last, we have to build a sustainable platform that stands on multiple legs — Medicaid, value-based contracts, and community investment. Our clients deserve a system that won't disappear when one funding stream dries up."

- **Patrick Dombrowski, Executive Director, Collaborative Bridges**

V. A Call to Action

Illinois' Healthcare Transformation Collaboratives (and particularly Collaborative Bridges) have proven that integrated, equity-centered behavioral healthcare is both effective and sustainable. But to protect and expand these gains, action is required from payors, the state, and the philanthropic community.

By scaling Community Care Hubs through HTC investments and aligning with MCO value-based strategies, Illinois can preserve its safety net and improve health equity. The Collaborative Bridges Wellness Center at 4223 W. Lake St. should serve as a flagship demonstration site, proving that even amid federal disinvestment, resilient community infrastructure can sustain care for the most vulnerable.

1. Value-Based Contracting with Payor Systems

Under traditional fee-for-service models, providers face immediate revenue loss when Medicaid budgets tighten. Value-based contracting, however, offers predictable funding tied to measurable outcomes rather than billable visits.

Such contracts allow Community Care Hubs to:

- Secure alternative payment models such as per-member-per-month (PMPM) with quality incentives and Pay-for-Performance and/or shared-savings arrangements linked to reduced utilization and improved quality.
- Reinforce collaboration between providers instead of competition.
- Capture and reinvest savings into workforce development, crisis response, and community outreach.

This shift repositions community hubs from being viewed as cost centers to being recognized as cost *savers*; critical partners in achieving Medicaid's population health goals.

2. State Organizational Support

The State of Illinois has played a foundational role in supporting HTCs and behavioral health integration. To maintain and expand this progress, the state should:

- Continue investments in HTC projects like Collaborative Bridges, which have demonstrated effectiveness beyond initial funding cycles.
- Embed Health-related social needs (HRSNs) programs and data-sharing initiatives into the state's 1115 Waiver framework.
- Support analytics and reporting tools that facilitate systemwide accountability, ensuring a unified state approach so Medicaid services are aligned with outcomes and health equity goals.
- Ensure robust navigation services for individuals facing redetermination and complex eligibility barriers through utilization of healthcare tansformation

community health worker models - particularly those populations with behavioral health conditions.

By maximizing its existing investments and continuing transformation-focused initiatives, the state can protect the quality frameworks it has already built and preserve the equity-focused goals that underpin the HTC model.

3. Coordinated Foundation Support

The HTCs call upon philanthropic organizations to continue the significant investment made by the state. In continuing these efforts that have momentum and strong early results, philanthropic funding can multiply the impact of solutions to deep and pervasive issues that can take decades to effectively reverse.

Strategic and coordinated foundation action can:

- Preserve essential behavioral health and community-based services that would otherwise disappear.
- Advance community control of healthcare delivery by investing directly in local collaboratives.
- Demonstrate scalable models for cost-effective, equity-driven care.
- Multiply impact through pooled investment strategies that align multiple funders around common outcomes.

The federal cuts to Medicaid represent a daunting challenge. But they also create an opportunity for philanthropic leadership to demonstrate what community-based transformation looks like at scale.

Voices

"We can't sit on the sidelines and hope the safety net holds. We have to strengthen it together. Collaborative Bridges was built on the belief that when we pool our resources, our expertise, and our compassion, we create something stronger than any one agency could ever build alone. Now is the time to step up, speak up, and fight for the people whose lives depend on this work."

- **Donald Dew, President and CEO, Habilitative Systems Inc.**

"This is the moment to stand up for the people who don't have a voice in the rooms where decisions are being made. Our clients are fighting every day just to survive, and they need us. If we want communities to heal, we have to protect the programs that keep people safe, stable, and seen. We can't turn away — not now, not ever."

- **Tesa Anewishki, CEO, Loretto Hospital**

VI. Conclusion

The real impact of the federal disinvestment will soon be felt. For Chicago's West Side, the erosion of Medicaid and related funding would deepen inequities that have persisted for generations.

Yet Illinois has built a framework for resilience through its Healthcare Transformation Collaboratives. Collaborative Bridges exemplifies how strategic partnerships between hospitals, FQHCs, behavioral health agencies, and community organizations can reimagine care delivery and preserve access to critical services.

Through continued value-based payor relationships, state-level investments, and coordinated philanthropic support, Illinois can protect the behavioral health safety net and strengthen it for the future.

This white paper represents both a warning and a proposed strategy. Without sustained investment, progress in behavioral health equity through Healthcare Transformation Collaboratives and 1115 Waiver initiatives risk unraveling. But with collective action, Illinois can continue leading the nation in building systems that deliver recovery, dignity, and resilience, ensuring that all residents, regardless of income or zip code, can access the care they need to thrive.

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