

HOW TO START A HOME CARE AGENCY IN ILLINOIS

A STEP-BY-STEP GUIDE TO LICENSING, MEDICAID
ENROLLMENT, AND GETTING YOUR FIRST CLIENTS



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Step 1

Set Up Your Business

Get your legal and operational structure in place before anything else.

► Form Your Business

1. Create an LLC or corporation with the Illinois Secretary of State.
(An LLC is most common for liability protection.)
2. Get a free Federal EIN from [irs.gov](https://www.irs.gov)
3. Register for Illinois business taxes via the REG-1 form (MyTax Illinois)
4. Open a dedicated business bank account.
5. Designate your agency administrator

► Get the right insurance — You'll need at a minimum:

- General liability
- Professional liability (E&O)
- Workers' compensation
- A surety bond (required by IDPH)

► Create your Policies & Procedures Manual

- This is required for your IDPH license and Medicaid enrollment.
- It must be Illinois-specific and cover:
 - client care, personnel management, training, infection control, emergency protocols, HIPAA compliance, and quality assurance
- This manual needs to comply with 77 Ill. Admin. Code 245.



Step 2

Get Licensed & Hire

► Apply for your IDPH Home Services Agency (HSA) License

- Budget \$1,500+ and 60–90 days for processing.
- You'll need your LLC info, a physical Illinois office address, your policies manual, supporting documents, and staff background checks.
- IDPH issues a provisional license valid for 240 days, then conducts an on-site survey before full licensure.

► Set up your HR

- Implement processes for:
 - applications, background checks, I-9 verification, and payroll before you start hiring.
- Getting this right from day one saves major headaches later.

► Screen and Hire Your Caregivers

- All direct care workers must:
 - Pass IDPH criminal background checks
 - Complete health screenings (including TB testing)
 - Verify work authorization via I-9.
 - Complete required training (77 Ill. Admin. Code 245.71.)



Step 3

Enroll in Illinois Medicaid

Medicaid enrollment opens the door to the largest source of home care revenue in Illinois — but it takes time.



Enroll through IMPACT

- Illinois Medicaid provider enrollment runs through the IMPACT system.
- Plan for a 3–12+ month timeline and start early.
- You'll need proof of business, EIN, HSA License, insurance, your policies manual, and staff qualifications.



Apply for HSP and CCP

- **The Home Services Program (HSP)** through IDHS serves people with disabilities — apply via DHS SOAR.
- **The Community Care Program (CCP)** through IDoA serves seniors 60+ and is a competitive enrollment with an agency review and site visit.



Contract with MCOs

- Most Illinois Medicaid home care runs through Managed Care Organizations
 - Molina, Meridan, Blue Cross Community Health Plan, CountyCare (Cook County), and NextLevel Health (Cook County).
- You'll need a separate contract with each MCO after your base enrollment is complete.
- Each MCO has its own credentialing process and timeline — budget 30–90 days per MCO.



Step 4

Launch Operations

► Set up EVV-compliant software

- Illinois Medicaid requires Electronic Visit Verification for all personal care services.
- You'll also need scheduling, caregiver timekeeping, and a billing system in place before your first client starts.

► Set up Scheduling, Billing & Operations Software

You'll need a home care management platform that handles:

- Caregiver scheduling and availability
- EVV clock-in/clock-out and state aggregator integration
- Client plan of care documentation
- Medicaid billing (CCP via IDoA and MCOs, HSP via DHS/IMPACT)
- Payroll and caregiver management
- Compliance reporting

GEOH handles all of this in one platform — so you can focus on delivering great care.

► Build your referral network

- **For CCP clients** (60+): Connect with local CCUs and your regional Area Agency on Aging. CCUs authorize hours and send referrals to enrolled providers.
- **For HSP clients** (under 60, disabilities): Build relationships with your local DRS office counselors. They manage caseloads and refer customers to homemaker agencies. MCO care coordinators also generate referrals for managed care members.



THANKS FOR READING!

We hope you found this guide helpful!

If you ever require assistance, remember GEOH is here to help!

We believe that great things are in store for your agency!

Call [317-455-3218](tel:317-455-3218) or [book a meeting here!](#)

