

## **Medicaid Home and Community-Based Services**

The Medicaid program provides low-income individuals access to basic medical care such as mandatory physician services and hospitalization, and if a state elects, optional services such as dental care or prescription medication. To participate in the Medicaid program, States develop a *Medicaid State Plan* specifying which service options the State Medicaid program will offer.

One Medicaid service option states may elect is “home and community-based services” (HCBS). HCBS are long-term services and supports such as hands-on personal care, meals on wheels, or help with chores, shopping, or other tasks of daily living. These services, along with supportive case management, assist the elderly and people with disabilities avoid institutional care, and remain as independent as possible in their homes and communities.

Before recent Congressional amendments to the Social Security Act, a state could not elect HCBS through their State Plan, but instead applied to the Centers for Medicare and Medicaid Services (CMS) for a separate “1915(c) waiver.” The waiver requires the state to target HCBS only to those individuals who experience functional limitations so severe, that they would otherwise need to be cared for in a nursing home, hospital, or other institution. Alaska currently provides HCBS to approximately 4,000 individuals under four 1915(c) Medicaid waiver programs, Children with Complex Medical Conditions (CCMC), Adults with Physical and Developmental Disabilities (APDD), Alaskans Living Independently (ALI), and Individuals with Intellectual and Developmental Disabilities (IDD).

### **1915(i) State Plan HCBS Benefit – 1915(k) Community First Choice Option**

Beginning with the Deficit Reduction Act of 2005 and continuing with the Affordable Care Act, Congress amended the Medicaid program to encourage states to take advantage of the benefits of HCBS. Section 1915(i) allows states to make HCBS available to people not eligible for institutional care, but still in need of service and supports to remain independent. Section 1915(k) creates a financial incentive for states to provide HCBS to people who would otherwise need institutional care, by offering a 6% increase, from 50% to 56%, in the “federal financial participation rate” (FFP). These options also offer administrative simplicity, as states may elect to provide HCBS under sections 1915(i) and 1915(k) not through a waiver, but through a Medicaid State Plan amendment.

State Plan HCBS benefits have several significant advantages over the 1915(c) HCBS waiver.

- 1915(i) allows the state to offer less intensive services and supports earlier and at lower costs, often keeping individuals from progressing to institutional care. In addition, individuals with significant disabilities that do not rise to the need for institutional care, such as Alzheimer’s disease or related dementias (ADRD), fetal alcohol spectrum disorder (FASD), or traumatic brain injury (TBI), may qualify for low-level, stabilizing HCBS.

- Unlike the current 1915(c) waivers, individuals who experience behavioral health disabilities are eligible for 1915(i) State Plan benefits. Provided currently with 100% state general funds via mental health grants, 1915(i) HCBS benefits provide needed access to services, while allowing the state to refinance them with 50% FFP.
- 1915(i) HCBS can also target adults leaving the corrections system and youth transitioning from the juvenile justice system. Access to health and behavioral health care has been shown to reduce recidivism in these populations, improving personal outcomes and saving the state money.
- In addition to the 56% FMAP, 1915(k) HCBS allow the recipient to purchase goods and services in lieu of personal care, such as a microwave oven, personal safety alert device or other assistive technology.

These reforms require involvement of stakeholders in the design and implementation of 1915(i) State Plan HCBS Benefits, and 1915(k) Community First Choice Option. CMS regulations require a consumer “Development and Implementation Council” to guide creation and implementation, with the majority of members seniors, people experiencing disabilities, and their representatives.