



Medicaid in 2010 Vehicles for Community Based Long Term Care

*Division of Community and Institutional Services
Disabled and Elderly Health Programs Group
Center for Medicaid, CHIP, and Survey & Certification
Centers for Medicare & Medicaid Services*



Title XIX of the Social Security Act

- Established in 1965 as a companion program to Medicare
- “Grants to States for Medical Assistance Programs” ---- Medicaid
- Federal/State entitlement partnership program – to individuals & States
- Emphasized dependent children and their mothers, older adults, & individuals with disabilities

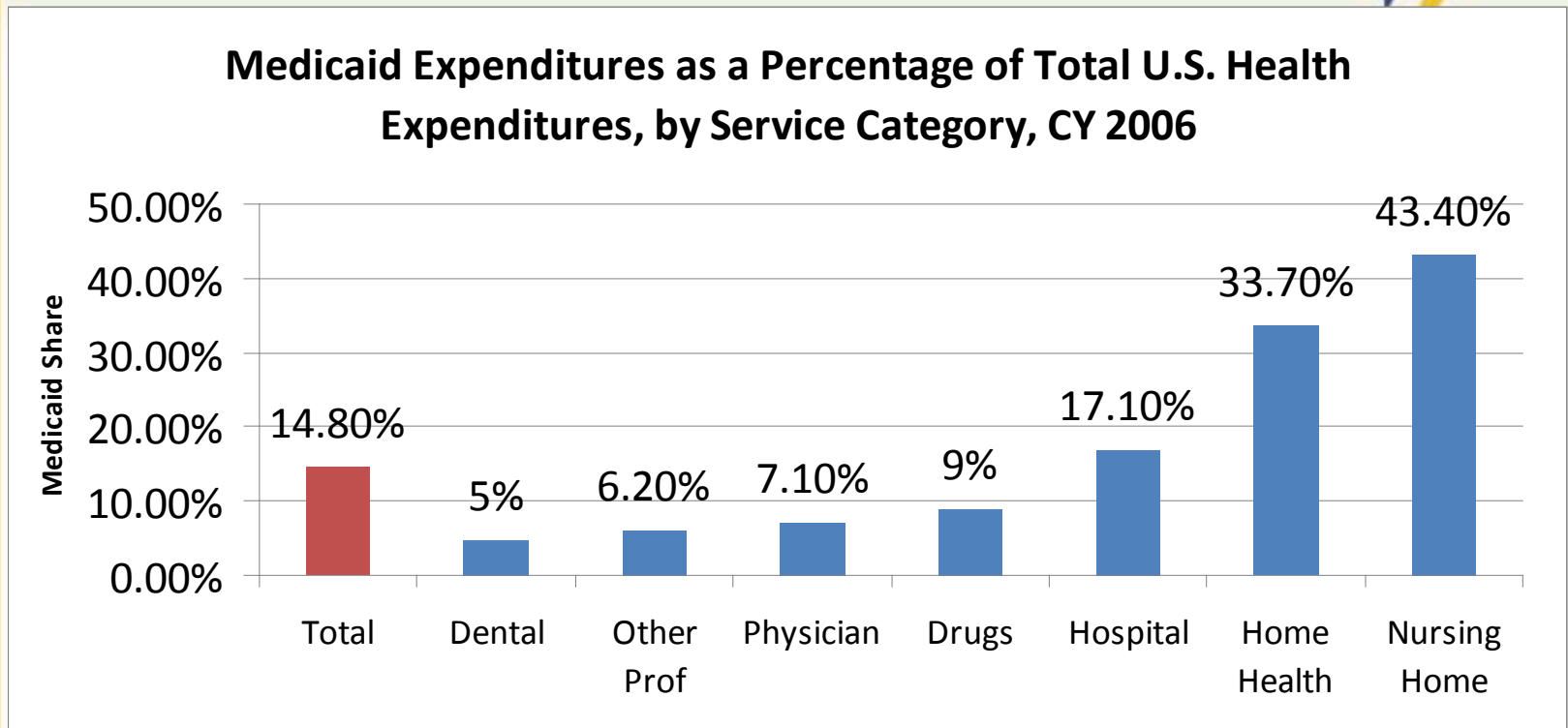
The Beginning of Medicaid

- Initially mostly covered primary/acute health care services
- LTC limited to Skilled Nursing Facility (SNF) services – e.g. nursing homes
- Institutional bias - eventual addition of community-based services---home health, personal care, home and community-based services (HCBS) in the 1980s

Medicaid Facts and Figures

- In 2009, over 65 million people were enrolled in Medicaid.
 - 5.8 million were enrolled on the basis of being age 65 or older
 - 9.5 million were enrolled on the basis of being blind or disabled
 - 31.3 million were enrolled as eligible children
- In 2008, Federal and State government gross Medicaid outlays were \$351.8 billion

2008 Actuarial Report on the Financial Outlook for Medicaid (CMS Office of the Actuary)



Source: Catlin, et al., "National Health Spending in 2006: A Year of Change for Prescription Drugs."

Health Reform: Medicaid Long Term Care Provisions

- Community First Choice
- Changes to 1915(i) HCBS as a State Plan Benefit
- Extend Money Follows the Person demonstration
- Balancing Incentives
- Improved protection against spousal impoverishment
- Increased funding for ADRCs
- Sense of the Senate regarding LTC
- Integration opportunities for Medicare-Medicaid

- Senate bill: http://dpc.senate.gov/dpcdoc-sen_health_care_bill.cfm.
- Reconciliation bill:
http://www.rules.house.gov/111_hr4872_secbysec.html

Disabled and Elderly Health Programs Group: Who we are and what we do

2010 Priorities

- Continue focus on LTC system reform
- Increased attention to encouraging service integration, focus on whole person
 - Primary, acute and LTC
 - Behavioral and physical health care
 - Medicare and Medicaid
 - Health and community supports
- Through the Medicaid program, provide States the ability to offer effective services

Challenges

- Institutional bias
- Waiting lists for HCBS waivers
- Shortage in formal and informal direct care workforce
- Questions of consumer direction, health and welfare, quality improvement
- State budget challenges

DEHPG

Divisions within DEHPG work on:

- State Plans and Integrated Services
- Community and Institutional Services
- Pharmacy
- Demonstrations and Special Initiatives

Medicaid State Plan Services

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MANDATORY

- Physician services
- Laboratory & x-ray
- Inpatient hospital
- Outpatient hospital
- EPSDT
- Family planning
- Rural and federally-qualified health centers
- Nurse-midwife services
- NF services for adults
- Home health

OPTIONAL

- Dental services
- Therapies –
PT/OT/Speech/Audiology
- Prosthetic devices, glasses
- Case management
- Clinic services
- Personal care, self-directed personal care
- Hospice
- ICF/MR
- PRTF for <21
- Rehabilitative services
- HCBS
- Inpatient hospital services [other than those provided in an Institution for Mental Diseases (IMD)]
- Services for individuals 65+ in IMDs

HCBS under the State Plan

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Some HCBS are Available through the regular State plan:

- Personal Care
- Home Health (nursing, medical supplies & equipment, appliances for home use, optional PT/OT/Speech/Audiology)
- Rehabilitative Services
- Targeted Case Management
- Self-directed Personal Care

Medicaid Waivers

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- Title XIX permits the Secretary of Health & Human Services - through CMS - to waive certain provisions required through the regular State plan process:

For 1915(c) HCBS waivers, the provisions that can be waived are related to:

- Comparability (amount, duration, & scope)
- Statewideness
- Income and resource requirements

Medicaid HCBS Waivers - 1915(c)

- Permits States to provide HCBS to people who would otherwise require Nursing Facility (NF), Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) or hospital Level of Care (LoC)
- Is the major tool for meeting rising demand for long-term services and supports
- Serves diverse target groups – including those with mental health support needs
- Services can be provided on a less than statewide basis
- Allows for participant-direction of services

Basic 1915(c) Waiver Facts

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- There are more than 300 Waivers in operation across the country.
- These waivers serve approximately 1 million people annually and account for approximately \$26 billion in annual expenditures.
- 1915(c) waivers are the primary vehicle used by States to offer non-institutional services to individuals with significant disabilities.
- CMS published an Advanced Notice of Proposed Rulemaking to get public input on issues related to target groups, home and community based characteristics, and person-centered planning.

Section 1915(c) HCBS Waivers: Permissible Services

- Home Health Aide
- Personal Care
- Case management
- Adult Day Health
- Habilitation
- Homemaker
- Respite Care

For chronic mental illness:

- **Day Treatment/Partial Hospitalization**
- **Psychosocial Rehabilitation**
- **Clinic Services**

- **Other Services**

HCBS Waiver Quality

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- States must demonstrate compliance with waiver statutory assurances
- States must have an approved Quality Improvement Strategy: an evidence-based, continuous quality improvement process

Quality in HCBS Waivers

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1915(c) Federal Assurances

- Level of Care
- Service Plans
- Qualified Providers
- Health and Welfare
- Administrative Authority
- Financial Accountability

HCBS Waiver Requirements

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- **Costs:** HCBS must be “cost neutral” as compared to institutional services, on average for the individuals enrolled in the waiver
- **LOC:** Institutional levels of care define waiver level of care and the populations that may be targeted
- **Choice:** HCBS participants must have the choice of all willing and qualified providers

Other Vehicles for Delivering HCBS

- Section 1915(i) HCBS as a State Plan Option
- Section 1915(j) Self-Directed Personal Assistance Services
- Various managed care authorities
- 1115 Demonstration Programs
- Newly available authorities per the ACA – under development currently

DEHPG Community Living Initiative Activities

- Publication of the May 20 SMD Letter to remind States of their obligations under the Americans with Disabilities Act and a reminder of the many tools available to States to assist them in their efforts.
- Letter is available at:

<http://www.cms.gov/smdl/downloads/SMD10008.pdf>

Collaboration

- CMS has been working more closely than ever with a variety of partners – within HHS and more broadly – on the ACA Implementation and other important issues For instance:
- Partner with AOA – Aging and Disability Resource Centers
- Work closely with Office on Disability on the Community Living Initiative
- Work with SAMHSA on to develop and pursue priority agenda on enhancing availability of mental health services nationally
- Work with the Department of Housing and Urban Development on accessible, affordable housing options for persons with disabilities and persons who are aging.
- National Office of HIV-AIDS Strategy cross-federal team
- Increased input from beneficiaries, partners, providers and other stakeholders, including State staff instrumental in the operation of HCBS.

Open Government Initiative

- 01/21/2009: President Obama signs his first Executive action, the Open Government Memorandum
 - Government should be transparent.
 - Government should be participatory.
 - Government should be collaborative.
- CMS is committed to fulfilling the goals of the Open Government Initiative and recognizes the importance of collaboration and partnership to the success of our programs.