



Considerations in Redesigning the Medicaid Home- and Community-Based Services (HCBS) Benefit

Medicaid and CHIP Payment and Access Commission

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Overview

- Challenges
- Background
- Roundtable to consider redesigning the Medicaid HCBS benefit
- Design considerations
- Issues for discussion
- Next steps

Challenges

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Challenges

- Medicaid has a structural bias towards institutional care
 - Coverage of institutional care is mandatory while HCBS is optional
 - Works at cross purposes to rebalancing
 - “Flipping” the benefit
- The complicated system of waivers and state plan authorities in which HCBS is delivered is difficult for both states and beneficiaries to navigate
 - Unmet need increases risk of institutionalization

Background

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HCBS

- **Eligibility:** Depends upon financial and functional eligibility criteria that can vary across states and subpopulations
- **Populations:** Adults ages 65 or older; people living with physical disabilities, intellectual disabilities or developmental disabilities, or serious mental illness (and other behavioral health conditions); and children with special health care needs
- **Services:** Includes a range of services to support community living (e.g., personal care, adult day services); extent of services varies across waivers and states
- **Disparities:** Racial and ethnic, geographic, and population-specific disparities related to both access and quality of care exist in HCBS

Medicaid HCBS Authorities

- Medicaid authorities to provide HCBS
 - State plan
 - Section 1915(i)
 - Section 1915 (j)
 - Section 1915 (k)
 - Waivers
 - Section 1915 (c)
 - Section 1115

Roundtable to Consider Redesigning the Medicaid HCBS Benefit

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Purpose of Roundtable

Roundtable Participants

- Federal officials from the Administration for Community Living (ACL) and the Center for Medicaid and CHIP Services (CMCS);
- State officials from Washington, Maine, Tennessee, and New Jersey;
- Representatives from state director associations, beneficiary advocacy groups, provider groups, and other experts; and
- MACPAC Commissioners Brian Burwell and Dennis Heaphy

Purpose of Roundtable Cont.

Goal

- Support diversion from institutions
- Simplify administrative complexity

Key Takeaways

- Potential benefit structure: Tiered model that includes a core HCBS benefit supplemented by higher tiers with more expansive services
- Core HCBS benefit should promote person-centeredness and equitable access to services
- Some participants prioritized state flexibility, as opposed to promoting uniformity and standardization of the core HCBS benefit
- Recognition that federal and state support is necessary
- Workforce capacity is essential in any deliberation of improving access to HCBS

Design Considerations

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Considerations in Designing a Core HCBS Benefit

- Services to include in a core HCBS benefit (*services*)
- Administration and monitoring
- Determining eligibility for a core HCBS benefit (*eligibility*)

Services

- **Services included in a core benefit should support meaningful community living and person-centeredness**
 - Federal regulations require a person-centered service plan and planning process
 - Person-centeredness should be key to the design of a core benefit
 - Some roundtable participants suggested a budget-based model (rather than a specific set of services) to tailor services to beneficiary needs
- **A core benefit should include services that would improve access to and incentivize use of HCBS**
 - Should include a minimum level of services to deter or delay institutional care
 - Services elevated by roundtable participants: housing supports, personal care services, enabling or assistive technologies, care navigation, and transportation

Services Cont.

- **A core benefit implies some standardization, the benefit design should address the diverse needs of people who use LTSS**
 - May improve access to HCBS for a limited set of services, but lack of benefit tailoring would not account for the diverse needs of the population
 - Roundtable participants differed in the extent to which a core benefit should be tailored and standardized
 - Standard benefit with limited services applied across all states and HCBS populations vs. several core benefits serving different HCBS populations applied across all states
- **A core benefit should improve equity in offerings across states while encouraging state innovation**
 - Standardization could result in administrative simplification and potentially allow for comparisons across states

Services Cont.

- **Tradeoffs exist between standardization and maintaining state flexibility to support innovation**
 - Finding a balance between ensuring a minimum level of access to the core HCBS benefit while also promoting state flexibility
 - Establish a core HCBS benefit that meets diverse needs
- **The roundtable surfaced the concept of a tiered model that would work alongside the current system of HCBS delivery**
 - Most support centered around a tiered model with a core set of services with additional tiers of supplementary services for more intensive needs
 - Establish a core benefit design that works with the current HCBS authorities that would potentially require some modification

Administration and Monitoring

- **A new benefit design should take into account financial, administrative, and direct care workforce capacity**
 - Limited state resources and capacity
 - Workforce capacity
- **A core benefit could lead to administrative simplification, but this is not a given**
 - Some participants were more interested in retaining current flexibilities than in streamlining administration of HCBS

Administration and Monitoring Cont.

- **A core benefit could be designed as either a mandatory or optional benefit**
 - Suggestion to structure the core benefit as a mandatory state plan service under Section 1905
- **Given existing HCBS disparities (by race and ethnicity and geography), roundtable participants emphasized the need to promote equitable access to culturally competent care**
 - Robust data collection infrastructure is necessary to monitor and ensure access for populations experiencing disparities in access

Eligibility

- **Standardizing financial and functional eligibility criteria could promote equity across states but may have negative effects in states with generous policies**
 - Consideration was given to rethinking or maintaining current eligibility criteria
- **A streamlined eligibility process could promote access to a core benefit**
 - Participants suggested expedited or presumptive eligibility as mechanisms to streamline access to HCBS

Issues for Discussion

Issues for Discussion

Design Element	Questions
Services	<ul style="list-style-type: none">• How can a core benefit support meaningful community living, improve access to, and incentivize HCBS use?• To what extent (if any) should the benefit be standardized and tailored to account for diverse HCBS needs across states?
Administration and monitoring	<ul style="list-style-type: none">• Would a core HCBS benefit work with/replace the current system of state plan options and waivers? How would waiting lists be treated?• Should it be structured as a mandatory or optional benefit?• What elements of a core HCBS benefit would promote equity, address disparities?• Which entity (e.g., state Medicaid agency, other state agencies) could have responsibility to administer the core HCBS benefit?• How would a core HCBS benefit be incorporated into MLTSS programs?
Eligibility	<ul style="list-style-type: none">• Should financial and functional eligibility pathways be modified for eligibility of a core HCBS benefit?

Next Steps

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Next Steps

- Commissioner feedback on design considerations
- Staff will consider Commission and roundtable participant insight to inform continued work on designing a core HCBS benefit



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