

February 27, 2025

# Self-Direction for Home- and Community-Based Services

*Key actors in program administration*

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Medicaid and CHIP Payment and Access Commission

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# Overview

- Background on self-direction
- Key actors in program administration
- Next steps



# Background

- Self-direction is a Medicaid home- and community-based services (HCBS) delivery model that allows individuals to choose their HCBS workers and have control over the amount, duration, and scope of services and supports in their person-centered service plan (PCSP)
- Federal requirements for self-direction models
  - Person-centered planning process and PCSP
  - Information and assistance supports
  - Financial management services (FMS)
  - Quality assurance and continuous improvement system
  - Individualized budget

## Background, cont.

- Self-direction models are available in all 50 states and the District of Columbia
- States serve several populations including older adults and people with physical disabilities, intellectual and developmental disabilities, and HIV/AIDS
- States use a range of Medicaid authorities
- States may choose to offer beneficiaries employer authority, budget authority, or both



# Key Actors in Program Administration

# Beneficiary

- The individual who is eligible and enrolled in the Medicaid program
- Beneficiaries have the responsibility, to oversee all aspects of service delivery
  - Employer responsibilities: recruiting, hiring, training, and supervising workers
  - Budget responsibilities: managing Medicaid budget allocation across services and determining the wage for HCBS workers, within pre-established limits
- States must support the beneficiary in developing a PCSP and individualized budget, managing and executing services, and carrying out employer and budget responsibilities

# Representative

- If a beneficiary is unable or unwilling to self-direct their HCBS, they can choose a representative to assist with decision-making
- Representatives may provide support with tasks that individuals find challenging
  - Reviewing and approving timesheets
  - Addressing worker performance issues
- Representatives cannot be paid or serve as the HCBS worker while assisting the beneficiary in directing their care

# HCBS Worker

- HCBS workers are selected by the beneficiary to provide services outlined in the PCSP
- HCBS workers can include direct support professionals, personal care aides, home health aides, certified nursing assistants, or others
  - States may require background checks and establish education, certification, or licensing requirements
- States can allow family members to provide services under most HCBS authorities, including legally responsible individuals
  - Legally responsible individuals must offer care that goes beyond what is typically expected from a spouse or parent, referred to as “extraordinary” care



# State

- State Medicaid agencies must maintain systems for quality assurance and improvement; all states are responsible for monitoring performance and outcomes
- May take on information and assistance support and fiscal intermediary roles, or contract with non-governmental entities
  - Can delegate the tasks of operationalizing the self-direction program to other state operating agencies
- Some states work with beneficiary advisory boards that help inform state policy makers on self-directed HCBS
  - Typically comprised of beneficiaries and their family members
- Medicaid fraud control units investigate potential fraud, waste, and abuse

# Information and Assistance Supports

- Information and assistance in support of self-direction must be available to beneficiaries
- Support in developing the PCSP and budget, managing services and HCBS workers, and performing employer responsibilities
- States provide information and assistance through
  - Case managers
  - Support brokers
  - Independent facilitators
  - FMS agencies
  - Area Agencies on Aging (AAAs)
  - Beneficiary advocacy organizations

# Information and Assistance Supports, cont.

## Case manager

- Assist with care planning, coordination, and assessment
- Provide resources and counseling
- Train beneficiaries in employer responsibilities
- Support paperwork completion

## Support broker

- Agent of the beneficiary
- Coach beneficiaries in navigating day-to-day processes
- Ensure services are properly managed
- Assist with payment and timesheet issues
- Liaise between beneficiaries and the FMS agency

# Information and Assistance Supports, cont.

## FMS agency

- Share budget tracking reports with beneficiaries
- Train beneficiaries on timesheet entry, background check processes, and HCBS worker payment systems
- Support beneficiaries in finding HCBS workers
- Provide customer service for beneficiaries
- Formally provide support broker services in some cases

# Information and Assistance Supports, cont.

## AAAs

- Options counseling
- Self-direction program referrals
- Case management and service coordination

## Beneficiary advocacy organizations

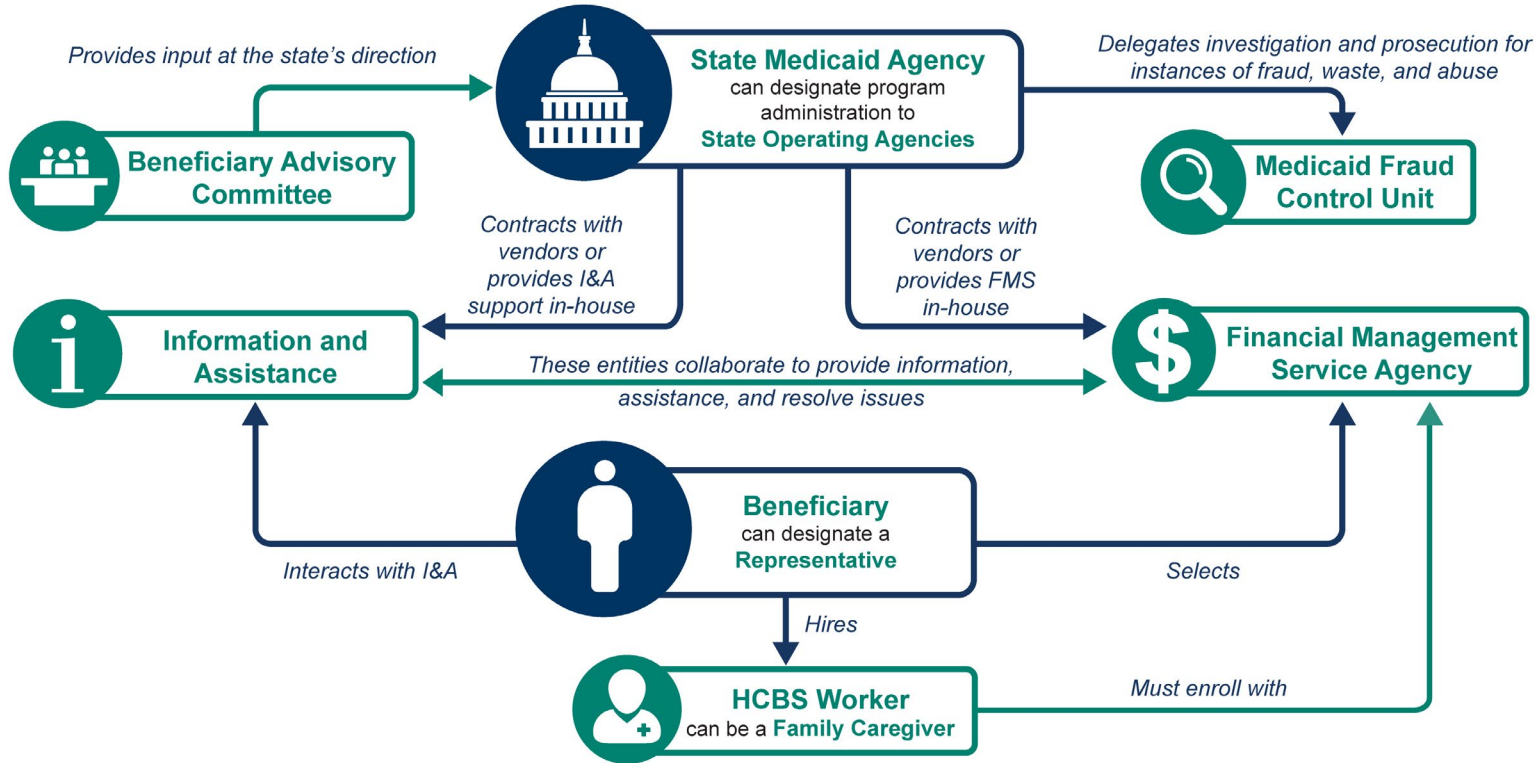
- Provide resources and education on self-direction options
- Support beneficiaries as issues arise when self-directing, generally informally

# Managed Care Organizations (MCOs)

- MCOs may also support information and assistance in self-direction
  - Perform functional needs assessments
  - Assess a beneficiary's ability to self-direct
  - Provide case management and service coordination
- Additionally, MCOs process service authorizations, perform back-end claims payment and encounter filing, and conduct quality monitoring and oversight

# FMS Agency

- The FMS agency's primary role is to act as the fiscal intermediary between the beneficiary and the HCBS worker by fulfilling the following functions
  - Process payroll
  - Ensure beneficiaries understand their billing and documentation responsibilities
  - Perform tax and employment benefits services
  - Purchase goods and services on behalf of the beneficiary
  - Monitor the beneficiary's budget and approving purchases
  - Operate an electronic visit verification (EVV) system
- There are different FMS agency models
  - Fiscal/employer agent model: the beneficiary is the common law employer
  - Agency with Choice model: the beneficiary is a co-employer



**Note:** I&A is information and assistance. FMS is financial management service. HCBS is home- and community- services.

**Sources:** MACPAC compilation based on review of Sections 1915(c), 1915(i), 1915(j), 1915(k), and 1905(a) of the Act and the 2024 Section 1915(c) waiver technical guide. We also reviewed relevant regulatory guidance at 42 CFR 441 as well as evidence collected through interviews with experts.



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# Next Steps

# Next Steps

- Address Commissioner questions and feedback around the self-direction model and policy framework
  - Are there areas where the Commission needs clarification around the different roles and responsibilities or the interaction of these roles in self-direction?
- Staff will return to discuss interview findings around self-direction program design and administration

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FEBRUARY MEETING



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