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
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
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
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.

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Design Considerations
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
• 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

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<tr>
<th>Design Element</th>
<th>Questions</th>
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| Services                        | • 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   | • 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                     | • Should financial and functional eligibility pathways be modified for eligibility of a core HCBS benefit?                           |
Next Steps
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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