April 14, 2023

Access to Home- and Community-Based Services

Review of draft chapter for June report

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Overview

- Medicaid coverage of HCBS
  - Eligibility
  - Benefits
  - Spending
- Access to HCBS
  - Provider availability and accessibility
  - Use of services
  - Beneficiary perceptions and experiences
  - Administrative complexity
- Next steps

Medicaid Coverage of HCBS

Eligibility

- To be determined eligible for Medicaid, individuals generally must fit into a specific eligibility category and meet certain income thresholds
  - To qualify for long-term services and supports (LTSS), they must meet additional standards such as asset tests and functional criteria that are based on an individual's physical or cognitive status

- Some states provide HCBS through an amendment to their state plan, but most HCBS are provided via Section 1915(c) and Section 1115 waivers

Benefits: MACPAC Environmental Scan

- In 2022, MACPAC reviewed Section 1915(c) and Section 1115 waiver documents and Section 1915(i) and Section 1915(k) state plan authorities for all 50 states and the District of Columbia
  - Using the HCBS taxonomy, we mapped the services offered under each waiver to the appropriate category and population
- The most commonly provided services were:
  - Caregiver support
  - Home-based services
  - Equipment, technology, and modifications
  - Day services
- The least commonly provided services were:
  - Rent and food expenses for live-in caregivers
  - Participant training

Environmental Scan Results

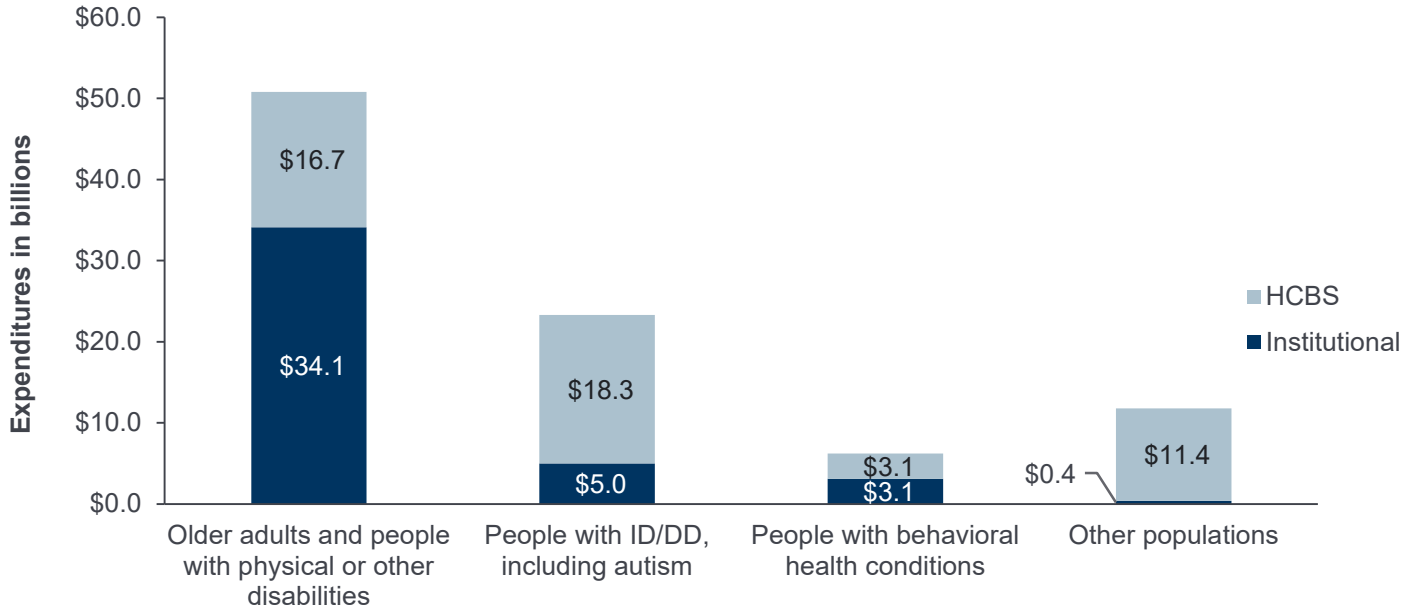
HCBS taxonomy categories	Count of Medicaid HCBS Authority and States Offering HCBS, by Target Population						
	Intellectual and developmental disabilities or autism	Physical and other disabilities	Aged	Brain injury	Mental illness and serious emotional disturbance	Medically fragile and technology dependent	HIV/ AIDS
Total number of waivers and authorities	129	86	76	33	28	27	10
Total number of states	51	49	50	26	23	23	10

Notes: The number of states includes all 50 states and the District of Columbia for a total of 51.
Source: MACPAC analysis of approved Section 1915(c) and Section 1115 waivers and Section 1915(i) state plan authority, July 2022. Does not include Section 1915(k) state plan authority.

Spending

- Since fiscal year (FY) 2013, national spending on HCBS (federal and state spending) as a proportion of total LTSS expenditures has exceeded spending on institutional care
  - In FY 2019, HCBS expenditures (including for services delivered in fee for service and managed care) as a share of total Medicaid LTSS reached 58.6 percent
- The proportion of spending on HCBS compared to institutional care, however, varies by state and by population
  - In FY 2019, HCBS made up 50 percent or more of total LTSS spending in 29 states and the District of Columbia

Medicaid HCBS and Institutional Expenditures for Most States by LTSS Targeted Population Subgroups, FY 2018 (billions)

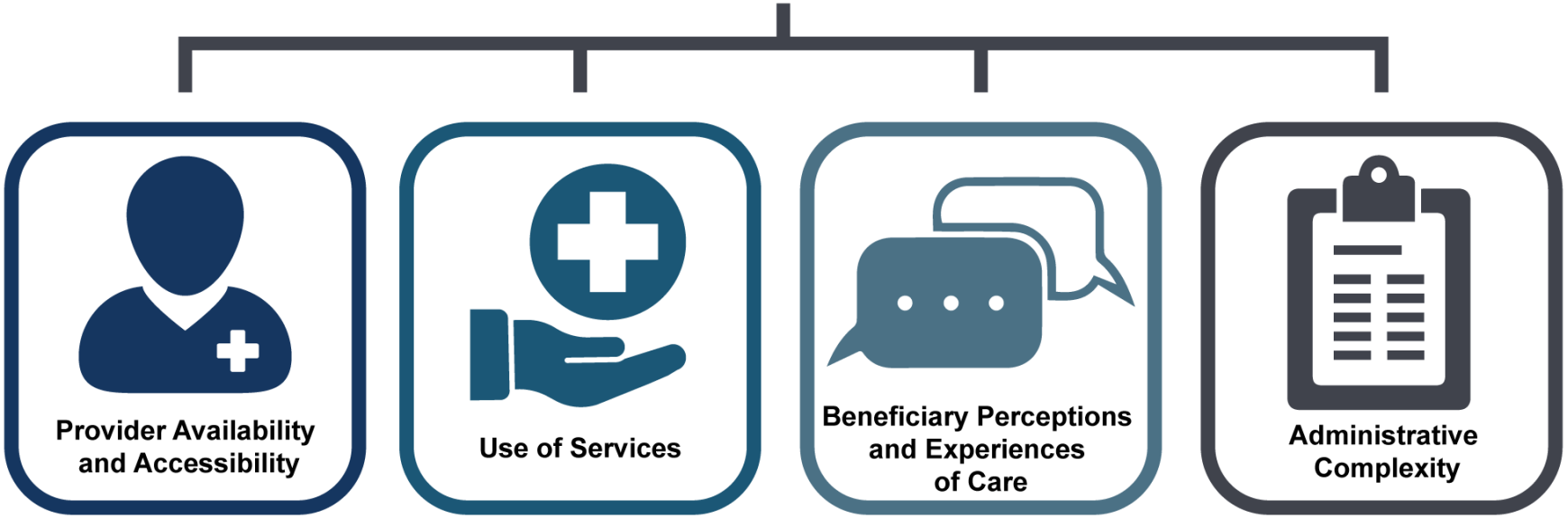


Notes: Data are from Mathematica's analysis of FY 2018 CMS-64 data, state-submitted managed long-term services and supports (MLTSS) data, and Money Follows the Person worksheets for proposed budget. The results for each population group are limited to states that reported data that could be assigned consistently by service category. The following states are not included: CA, IL, KS, MA, NH, NC, NY, PA, TX, VA, and VT. Most states did not have any, or had very minimal, institutional spending for the other populations category ($0.4 billion) because the only institutional expenditures included are other MLTSS institutional expenditures not captured in the nursing facility, intermediate care facilities for individuals with intellectual disabilities, or mental health facility categories.

Source: Murray, C., A. Tourtellotte, D. Lipson, and A. Wysocki. 2021. *Medicaid long term services and supports annual expenditures report: Federal fiscal years 2017 and 2018*. Chicago, IL: Mathematica. https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/ltssexpenditures-2017-2018.pdf.

Access to HCBS

HCBS Access Framework



Provider Availability and Accessibility

- Limited provider capacity and HCBS workforce shortages are key barriers to increasing access to HCBS
- ARPA provided a temporary increase in the federal medical assistance percentage for state Medicaid programs to support HCBS infrastructure
  - 33 states and DC are using ARPA funds to make changes in payment policies
- All states with a Section 1915(c) waiver submitted an Appendix K requesting flexibilities in HCBS delivery and services

Use of Services

- Enrollment caps and waiver waiting lists help states control costs, but also restrict access to HCBS for eligible individuals
  - Wait times to enroll in a waiver differ by population and by state
  - 6 states are using ARPA funding to work towards eliminating or reducing waiting lists

- Disparities in HCBS access exist by HCBS subpopulation, race and ethnicity, geographic location and age; however, additional data are necessary to better identify existing inequities

Beneficiary Perceptions and Experiences of Care

- Consumers may lack information about available HCBS supports and how to access services

- Information and referral/assistance (I&R/A) entities (e.g., area agencies on aging) provide assistance to beneficiaries, sometimes through a no wrong door (NWD) system
  - I&R/A counselors may lack training and typically experience high turnover rates
  - Some states have allocated ARPA funding specifically to their state's NWD system to improve the availability of HCBS information

Administrative Complexity

- States have limited capacity and resources to establish more robust HCBS systems
- MACPAC's work highlighted the administrative burden on states navigating the various Medicaid statutory authorities that exist for providing HCBS
  - States are subject to different requirements, such as for reporting, for different waiver and state plan authorities
- Stakeholders and panelists suggested ways to streamline including aligning requirements under different HCBS authorities and rethinking HCBS program design
  - For example, Minnesota established a Waiver Reimagine Advisory Committee to consolidate the state's four disability waiver programs into two

Administrative Complexity, cont.

- Some income and resource eligibility criteria can deter individuals from applying for HCBS
  - Recent CMS rulemaking looks to streamline Medicaid eligibility for HCBS beneficiaries coming in through the medically needy pathway
- Establishing a core benefit was discussed as a mechanism to expand access to HCBS
  - MACPAC explored the concept of a core benefit with stakeholders through several projects
  - While some support exists for this concept, stakeholders expressed concerns around workforce availability, need for federal financial support, and limited state capacity
  - MACPAC is committed to engaging in research and analyses to minimize barriers to HCBS access, through exploration of a range of policy areas not limited to the core benefit

Next Steps

Next Steps

- Beneficiaries experience access barriers due to workforce shortages, lack of information on HCBS supports, complex and lengthy eligibility determinations, and caps on enrollment and waiting lists
- States face challenges administering HCBS programs due to limited capacity and having to navigate various federal requirements
- Future work will explore policy levers intended to support improved access for beneficiaries and reduced administrative burden for states
- Staff would appreciate Commissioner feedback on the draft chapter

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