

April 10, 2025

Timely Access to Home- and Community-Based Services

Level of Care Determinations and Person-Centered Service Planning Processes

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Medicaid and CHIP Payment and Access Commission

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Overview

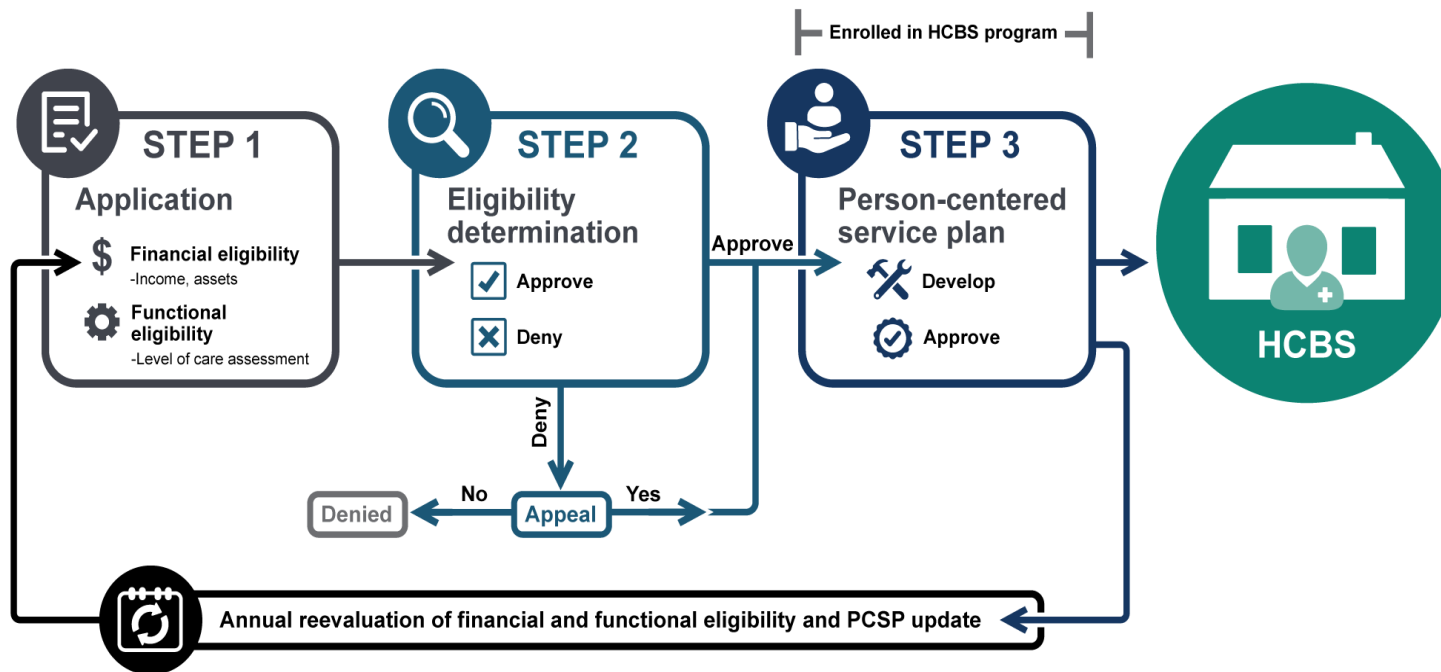
- Background
 - Level of care (LOC) determinations
 - Person-centered service planning process
- Preliminary findings from interviews with state officials
- Next steps



The background features a dark blue gradient with several overlapping, semi-transparent shapes in lighter shades of blue and white. These shapes include a large circle on the left, a vertical rectangle in the center, and various other curved and angular forms that create a layered, geometric effect.

Background

Eligibility Process and Requirements for Individuals Seeking Medicaid Home- and Community-Based Services



Notes: HCBS is home- and community-based services. PCSP is person-centered service plan.

Source: 42 CFR 441.301, 441.303, 441.535, 441.540, 441.720, 441.725, 435.907, 435.916.

Methods

- Contracted with The Lewin Group to conduct a comprehensive [environmental scan](#) of Section 1915 HCBS authorities, Section 1115 demonstrations, and additional relevant resources
 - Captures state use of eligibility and other streamlining flexibilities and how states administer LOC determinations and develop person-centered service plans (PCSPs)
- From June through August 2024, we conducted interviews with officials in seven states

Background

Level of Care Determinations

Level of Care Determinations

- To be eligible for HCBS, individuals generally must need a level of care (LOC) equivalent to that provided in an institution, such as:
 - Nursing facility
 - Hospital
 - Intermediate care facility for individuals with intellectual disabilities (ICF/IID)
- LOC determinations, which include both conducting and approving the functional needs assessment, may be made directly by a state Medicaid agency or by another designated state government agency (42 CFR 431.10)

Entities Responsible for LOC Determinations

Type of entity	Number of states ¹		Examples
	Conducts assessment	Approves LOC determination	
Medicaid agency	29	32	<ul style="list-style-type: none"> • Medicaid agency oversees entire process (Iowa, Minnesota, Mississippi) • Medicaid agency approves determination, but another entity conducts assessments (Massachusetts, North Dakota)
Operating agency ²	23	20	<ul style="list-style-type: none"> • Department of Mental Health (Alabama) • Department of Aging and Disability Services (Kansas) • Office for Citizens with Developmental Disabilities (Louisiana)
Government agency under contract with the Medicaid agency ³	21	5	<ul style="list-style-type: none"> • Case management agencies (Colorado, Ohio) • Area agencies on aging (Ohio) • Medical professionals employed by LOC entities (Massachusetts)
Other ⁴	32	22	<ul style="list-style-type: none"> • Managed care organizations (Arizona, Delaware) • Quality improvement organizations (Montana) • Contractors (District of Columbia)

Notes: LOC is level of care.

¹ Includes all 50 states and the District of Columbia. Individual states may be classified under multiple entity types. A state may be counted multiple times when one or more program within the state has implemented an approach.

² An operating agency is a state agency other than the Medicaid agency that is responsible for the day-to-day operation and administration of a Section 1915(c) waiver or other HCBS program. An operating agency conducts waiver operation and administration functions under an interagency agreement or memorandum of understanding with the Medicaid agency.

³ Another government agency that has been designated by the Medicaid agency in accordance with 42 CFR 431.10. The Medicaid agency must oversee the performance of the other agency, including ensuring that applicable LOC criteria have been properly applied.

⁴ Other entities are typically third-party contractors.

Source: The Lewin Group analysis, 2023, under contract with MACPAC.

LOC Determination Timeline Requirements

- States set timeline requirements for the eligibility determination process, both for conducting and approving the LOC assessment
- Conducting the LOC assessment: 32 states have requirements for how long assessors can take to complete the functional needs assessment, with a range of 2 to 45 days
- Approving the LOC assessment: 17 states have timeframe requirements to approve a LOC assessment for at least one HCBS program in the state, with a range of 5 to 30 days

LOC Assessment Methods

- LOC assessments can be conducted in person, by telephone, virtually, or by record review (42 CFR 441.535, 441.720)
 - All states conduct LOC assessments in person
 - 19 states also allow telephonic or virtual options
 - 32 states use record review in conjunction with another method
- States are required to reassess participants no less frequently than annually (42 CFR 435.916(b))

Background

Person-Centered Service Planning Process

Person-Centered Service Planning Process

- PCSPs are designed to identify an individual's goals and desired outcomes and reflect the services and supports that will assist them in achieving their goals
- Requirements include:
 - Individual leads the process, where possible
 - Includes people chosen by the individual
 - Provides necessary information and support to ensure that the individual directs the process to the maximum extent possible and is enabled to make informed choices
 - Is timely and occurs at times and locations convenient to the individual
 - Reflects cultural considerations and is conducted by providing information in plain language and in a manner accessible to individuals with disabilities and persons with limited English proficiency

Person-Centered Service Planning Process, cont.

- Requirements, continued:
 - Includes strategies for solving conflict or disagreement, including clear conflict-of-interest guidelines for all planning participants
 - Offers informed choices to the individual regarding the services and supports they receive and from whom
 - Includes a method for the individual to request updates to the plan as needed
 - Records the alternative home and community-based settings that were considered

PCSP Timeline Requirements

- States set their own timeline requirements for development of the PCSP, with most states requiring completion within 30 to 45 days of enrollment
- In some states, the case manager begins to develop the PCSP during the functional needs assessment meeting
- States are required to review, and revise as appropriate, the PCSP at least every 12 months (42 CFR 441.301(c)(3))
- Our scan found that nearly all states (48) have at least one HCBS program that reviews PCSPs annually, but some states have shorter timeframes such as 6 months (12 states) or 3 months (4 states)

PCSP Assessment Methods

- PCSPs should be developed at times and locations convenient to the individual and should include any other individuals chosen by the participant (42 CFR 441.301(c))
 - All states use in-person meetings
 - 25 states also allow telephonic or virtual options
 - 3 states use record review
- Sub-regulatory guidance from the Centers for Medicare & Medicaid Services (CMS) states that the qualifications of the professional responsible for PCSP development should be reflective of the nature of the program's population
- States can allow more than one type of professional to lead the PCSP development. For at least one HCBS program, states use:
 - Case manager: 46 states
 - Licensed nurse: 23 states
 - Licensed physician: 2 states
 - Other: 35 states

PCSP Signature

- PCSPs must be signed by the enrollee and the providers responsible for its implementation (42 CFR 441.301(c)(2)(ix))
- 33 states permit the use of electronic signatures (e-signatures) in one or more HCBS programs



Preliminary Findings from Interviews with State Officials

LOC Determinations

- State timelines for making LOC determinations largely depend on the state's policy decisions and operational practices
 - Shorter timelines may be used for individuals in emergency or crisis situations
 - Programs serving individuals with complex needs may have longer timelines to allow for time to collect and review medical records and other documentation
- Most states said they are generally able to complete their determinations within the stated timelines, but that is dependent on an adequate workforce and timely responses from medical providers

LOC Determinations, cont.

- State officials agreed that virtual LOC assessments are an appropriate alternative to in-person assessments in some circumstances and for some populations, but generally preferred to do assessments in person
 - Virtual assessments are most often used in crisis situations, in rural areas, and when the individual or other household member is sick
 - In-person assessments can allow for a better assessment of an individual's needs, physical environment, and potential health and safety risks
- The states we spoke with had a clear understanding of federal LOC policy and guidance

Person-Centered Service Planning Process

- State timelines for completing the initial PCSP largely depend on the state's policy decisions and operational practices
 - States noted that PCSPs are generally completed within the stated timelines or sooner
- The states that we spoke with that have the shortest timelines tend to be those that complete the LOC assessment and PCSP (or begin working on the PCSP) together in the same meeting
 - Information from the LOC assessment flows into the PCSP, although the PCSP requires additional information such as service authorization

Person-Centered Service Planning Process, cont.

- States had similar practices for using virtual meetings to develop the initial PCSP as they did for the LOC assessments, stating that the preference is to conduct meetings in person
- State officials were generally supportive of using e-signatures on PCSPs as it has improved efficiency for both states and enrollees
- States largely understand the flexibilities available to them to design their person-centered service planning processes

The background is a solid dark blue color. On the left side, there are several overlapping, semi-transparent shapes in a lighter shade of blue. These shapes include a large circle, a vertical rectangle, and a smaller circle, creating a layered, geometric effect. The text 'Next Steps' is positioned in the center-left area, overlapping the lighter blue shapes.

Next Steps

Next Steps

- Address Commissioner questions and feedback
 - Do Commissioners have any questions on the material presented today?
 - What areas would Commissioners like to see explored in upcoming interviews?
- Staff will conduct additional interviews this summer and return in the fall for a discussion of our findings

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