

April 10, 2025

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

Review of draft chapter for June report

Gabby Ballweg and Kirstin Blom



Medicaid and CHIP Payment and Access Commission

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Overview

- Background
 - Medicaid coverage of self-direction
 - Key stakeholders in program administration
- State design considerations
- State administration considerations
- Next steps



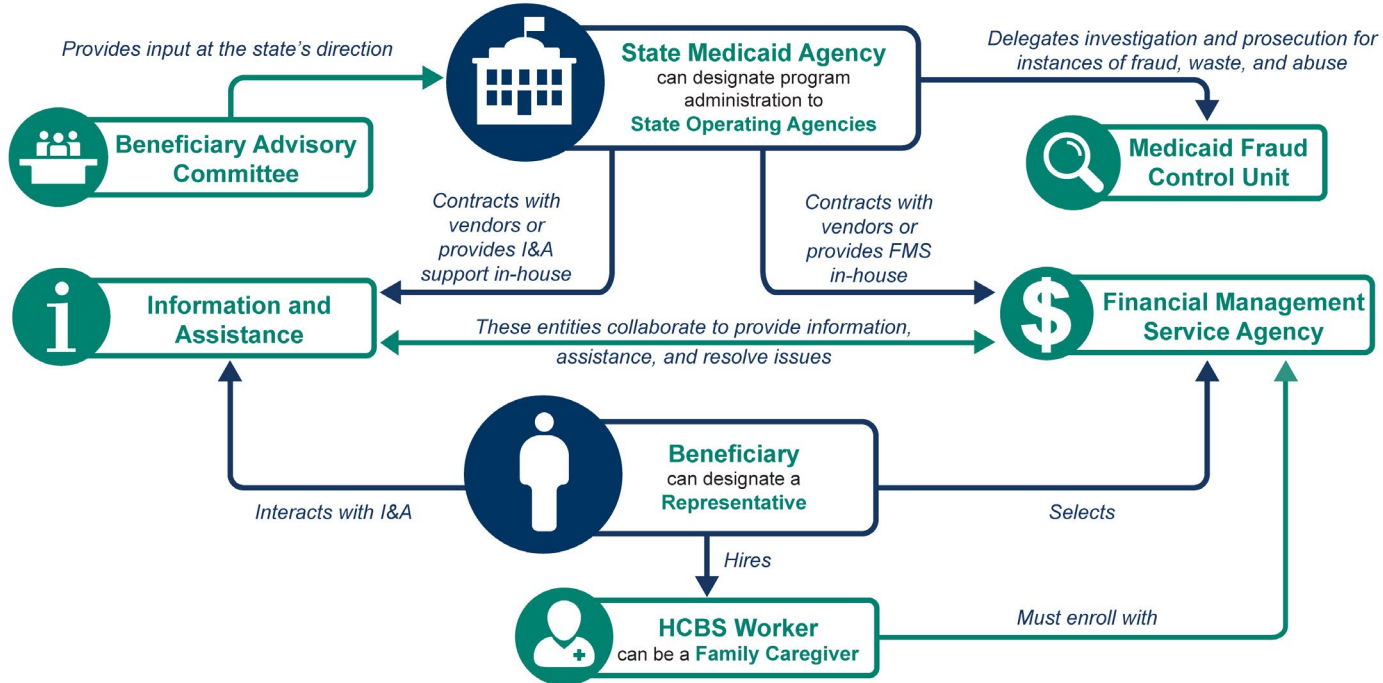
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Background

Medicaid Coverage of Self-Direction

- 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

Key Stakeholders in Program Administration



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



State Design Considerations

Medicaid Authority and Populations Served

- States choose which Medicaid authorities to use for self-direction based on their policy and programmatic goals and on the authorities already in use in the state
 - Section 1915(c) waiver authority is the most commonly used to provide self-direction
- Interviewees identified several considerations regarding the level of supports necessary for beneficiaries to self-direct
 - Individuals with dementia, low technological literacy, living in rural areas, limited English proficiency, or experiencing homelessness may need additional supports to effectively self-direct their HCBS
 - Beneficiaries with strong natural supports may need fewer additional supports to effectively self-direct their HCBS

Services and Flexibilities for Beneficiaries

- Case study states frequently offered self-direction for the following services
 - Respite; personal care; homemaker; peer support; transportation; nursing; supported employment; equipment, technology, and modifications; and individual goods and services
- State agencies can allow budget authority, employer authority, or both by service within a self-direction program
- Many state agencies offer beneficiaries the flexibility to hire family caregivers, which can address the HCBS workforce shortage, help reach rural areas, and provide culturally competent care



Considerations for State Administration

Information and Assistance Entities

- State agencies establish roles and responsibilities for state staff and third-party entities that provide information and assistance supports
 - Some states rely on entities that beneficiaries are already familiar with to provide information and assistance
- The roles of different information and assistance entities often overlap and may be difficult to clearly distinguish both within, and across, states
- Information and assistance support entities must collaborate to effectively support beneficiaries

State Approaches to FMS

- State Medicaid agencies and operating agencies can contract with multiple FMS agencies, a single FMS agency, or provide FMS in-house, and can take different approaches within a state
- These approaches represent a trade-off between minimizing administrative burden and allowing beneficiary choice

Quality Reporting, Monitoring, and Oversight

- States rely on information from contracted entities for their quality reporting, monitoring, and oversight processes
- Federal data
 - Subject matter experts cannot identify total spending or enrollment data specific to Medicaid self-direction
 - The Centers for Medicare & Medicaid Services (CMS) does not require personal identifiers for beneficiaries self-directing their HCBS in the Transformed Medicaid Statistical Information System
- State data
 - Interviewees cited poor data systems infrastructure and interoperability among entities as key barriers to program administration
 - The CMS final rule on ensuring access to Medicaid services may support state quality monitoring of self-direction programs

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Next Steps

Next Steps

- Obtain Commissioner feedback and address questions
- Publish chapter in June 2025 report to Congress

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