Introduction to Home and Community-Based Services (HCBS): Key Considerations for Health Plans

Over the past several decades, states have advanced alternatives to institutionalization for eligible Medicaid beneficiaries who express interest in receiving long-term services and supports (LTSS) in home and community-based settings.[1] Home and community-based services (HCBS) encompass a broad range of services and supports designed to reflect beneficiaries' preferences and help older adults and people with disabilities live in their homes and communities, rather than in institutional settings, such as nursing facilities. Most HCBS are non-medical in nature. Historically, some Medicaid beneficiaries have received services through Medicaid waivers, though there is significant variation in how states define HCBS, as well as what types of services are offered. Section 1115 demonstrations and waiver authorities in Section 1915 of the Social Security Act allow states to waive traditional Medicaid rules governing institutional care to reduce cost, expand coverage, improve care, or support people not otherwise eligible for Medicaid. Each state defines HCBS eligibility requirements based on functional and financial standardized assessment tools and criteria (see brief on *Preparing to Support LTSS Needs* for more information on functional assessment tools). This brief provides key considerations for understanding HCBS, including services offered through HCBS programs, HCBS settings and providers, and person-centered planning.

Services

HCBS programs differ across states and populations. Some of the most common services offered through HCBS programs include:

- Adult day programs
- Behavioral supports
- Case management
- Home health care
- Homemaker services
- Home-delivered meals
- Personal care assistance
- Rehabilitation
- Skilled nursing care
- Supported employment
- Transportation
- Vocational counseling

To ensure individuals receiving HCBS have access to the benefits of community living, some HCBS programs also offer additional non-medical supplemental benefits, including:[2]

- Community transition support

[1] Centers for Medicare &Medicaid Services (CMS). (2020). *Long-term Services and Supports Rebalancing Toolkit.* Retrieved from https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/ltss-rebalancing-toolkit.pdf.
[2] Ibid.

- Housing-related supports (e.g., education and training on tenant rights, housing assessments that identify individuals' preferences and barriers)
- Non-medical transportation services
- Caregiver supports (e.g., respite care)

To better understand the unique state programs, health plans can review the approved state waiver documents on Medicaid.gov. The approved state waiver documents include definitions and requirements of each state's unique waiver programs. Additionally, health plans can review more specific administrative rules or procedures in waiver documents posted on state websites or work directly with the state to determine the appropriate HCBS for inclusion in the health plan's network.

Settings

In general, HCBS are provided in three kinds of settings.[4]

- ***Individual beneficiary's homes*** are the most common setting for HCBS.
- ***Community residential settings*** include 24-hour residential supports and services (such as a group home, supported living arrangement, supervised living facility, or assisted living facility) and supports and services provided for less than 24-hours.
- ***Non-residential community settings*** include day programs, rehabilitative or medical services (such as day services for seniors and adult day care), and job or vocational services (such as supported employment).

CMS Definition of HCBS Settings

In May 2014, CMS published the HCBS Final Rule Regulation in the Federal Register.[3] The final rule defines and describes home and community-based setting requirements across three Medicaid authorities: 1915(c), 1915(i), and 1915(k). The intent of the final rule is to ensure that individuals receiving LTSS through an HCBS program have full access to benefits of community living, the opportunity to receive services in the most integrated setting appropriate, and to enhance the quality of HCBS and provide protections.

Providers

HCBS are provided by a broad range of independent contractors and agencies. The most common HCBS services, day to day living support, are provided by direct service workers. Direct service workers are part of a large and diverse workforce that includes various job titles and classifications. Many direct service workers are employed by private agencies, which vary from small family-owned businesses with two or three employees, to national chains with thousands of employees. Other direct service workers operate as independent contractors.

The job titles and classifications for direct service workers may include home health aides, personal and home care aides, and direct support professionals.

[3] Centers for Medicare & Medicaid Services. (2014). *Medicaid Program; State Plan Home and Community-Based Services, 5-Year Period for Waivers, Provider Payment Reassignment, and Home and Community-Based Setting Requirements for Community First Choice and Home and Community-Based Services (HCBS) Waivers (CMS-2249-F).* Retrieved from https://www.federalregister.gov/documents/2014/01/16/2014-00487/medicaid-program-state-plan-home-and-community-based-services-5-year-period-for-waivers-provider.

[4] Ibid.

- ***Home health aides*** provide home-health services in private homes and community residential settings. They are often employed by Medicare-certified home health agencies, and they typically provide more clinical or medically oriented services.
- ***Personal and home care aides*** provide personal and home care supports in private homes and community residential settings, usually to older adults or individuals with physical disabilities. This category includes a growing number of family members and friends providing services to individuals in self-directed programs.
- ***Direct support professionals*** provide direct support and behavioral health support services to individuals with intellectual and developmental disabilities, substance use challenges, and serious and persistent mental health issues. These individuals work in residential settings, community mental health programs, day programs, rehabilitative programs, and vocational settings.

As the demand for HCBS grows, there are workforce challenges associated with meeting the need for expanded capacity. Workforce challenges, such as workforce shortages, turnover, and training, apply to all provider types under HCBS, but are more pronounced in the direct service workforce due to the large and critical role direct service workers play in the delivery of HCBS.[5] For more information on direct service workers and workforce challenges, visit the CMS Workforce Initiative website.

Below are additional examples of HCBS service providers.

- ***Transportation support providers*** deliver transportation to and from HCBS, medical services, or community activities. Sometimes the transportation benefit is provided through public transit vouchers.
- ***Home modifications providers*** deliver environmental accessibility adaptation services (e.g., wheelchair ramp installation), personal emergency response systems, or other modifications/ adaptations to support the individual.
- ***Adult day programs*** are generally facilitated by community-based organizations (CBO's) and are designed to offer family supports for individuals needing a safe environment and socialization outside the home during the day. Depending on program design, services may include personal care, supervision, transportation, meals, or skilled medical assessment and treatments.

Person-Centered Planning and Care Delivery

The 2014 HCBS Settings Final Rule defined person-centered planning requirements for individuals receiving HCBS. Person-centered planning is "a process for selecting and organizing the services and supports that an older adult or person with a disability may need to live in the community. More importantly, it is a process that is directed by the person who receives the support."[6] Person-centered planning and care delivery are centered on effective service plan development. Managing the assistance from the care providers ensures that the care delivered is in accordance with the

[5] Centers for Medicare & Medicaid Services. (2020). *Workforce Initiatives.* Retrieved from https://www.medicaid.gov/medicaid/long-term-services-supports/workforce-initiative/index.html.
[6] Administration for Community Living. (2021) *Person Centered Planning*. Retrieved from https://acl.gov/programs/consumer-control/person-centered-planning#:~:text=Person%2Dcentered%20planning%20(PCP),person%20who%20receives%20the%20support.

individual's unique needs and preferences. The person-centered service plan is created through a person-centered planning process that identifies an individual's strengths, preferences, medical and non-medical needs, and desired outcomes.[7]

Person-centered care delivery may include self-directed Medicaid services that allow participants to have decision-making authority over the delivery of available supports, including who provides the services and how services are provided.[8] Participants can recruit, hire, and train the individuals that provide their services. Additionally, some participants may have decision-making authority over how the Medicaid funds in a budget are spent.[9]

Health plans can utilize individualized person-centered plans to better understand the population they serve and inform which services must be offered by the health plan (see brief on Preparing to Support LTSS Needs for more information on key considerations for health plans).

The Medicare-Medicaid Coordination Office (MMCO) in the Centers for Medicare & Medicaid Services (CMS) seeks to help beneficiaries dually eligible for Medicare and Medicaid have access to seamless, high-quality health care that includes the full range of covered services in both programs. This brief is intended to support health plans and providers in integrating and coordinating care for dually eligible beneficiaries. It does not convey current or anticipated health plan or provider requirements. For additional information, please go to https://www.resourcesforintegratedcare.com/. The list of resources in this guide is not exhaustive. Please submit feedback to RIC@lewin.com.

[7] Ibid.
[8] Centers for Medicare and Medicaid Services. (n.d.). *Self-Directed Services*. Retrieved from https://www.medicaid.gov/medicaid/long-term-services-supports/self-directed-services/index.html.
[9] Ibid.