



# A Review of Extended Home- and Community-Based Services (HCBS) in Section 1115 Waiver Programs

## SPOTLIGHT ON TENNCARE: CHOICES IN LONG-TERM SERVICES AND SUPPORTS

*This is a spotlight on Tennessee’s TennCare, an 1115 waiver program that extends home- and community-based services (HCBS) to people who do not yet meet a nursing-facility level of care (NFLOC) through its CHOICES program.*

### About TennCare and CHOICES

The overall aims of TennCare are to provide services to Medicaid state plan and demonstration enrollees using a managed care approach that does not exceed the costs of fee-for-service Medicaid, to ensure access to quality care, to improve health care, to ensure participating health plans are sustainable and viable, and to provide cost-effective HCBS that will “improve the quality of life for persons who qualify for Nursing Facility care, as well as for persons who do not qualify for Nursing Facility care but are “at risk” of institutional placement and that will help to rebalance long-term services and supports expenditures.”<sup>1</sup>

The aims of the CHOICES Program, launched in 2010, are expanding access to HCBS, rebalancing LTSS expenditures, and delivering HCBS as an alternative to

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<sup>1</sup> TennCare II Special Terms and Conditions (July 2013-June 2016). Accessed at: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/tn/TennCare-II/tn-tenncare-ii-stc-07012013-06302016-4.pdf>.



institutionalization in cost effective way. This is intended to delay or prevent the need for institutional care.

## Eligibility

CHOICES 3 is intended for older adults aged 65 and older and working-age adults aged 21 and older with physical disabilities who do not meet nursing facility level of care but require some services in order to delay or prevent institutionalization.<sup>2</sup> To qualify, individuals must be SSI recipients who do not meet the nursing facility level of care, but who in the absence of HCBS are “at risk” for institutionalization, as defined by the state: “such that, in the absence of the provision of a moderate level of home and community based services and supports, the individual’s condition and/or ability to continue living in the community will likely deteriorate, resulting in the need for more expensive institutional placement.”<sup>3</sup>

## Benefits

The total cost of HCBS may not exceed \$15,000 per calendar year, excluding the cost of minor home modification. Otherwise, the benefit package is the same as for those that meet nursing facility level of care. Benefits include short-term nursing facility care, community-based residential alternatives, personal care visits, attendant care, home-delivered meals, personal emergency response systems, adult day care, in-home respite care, in-patient respite care, and assistive technology.<sup>4</sup> The cost of home care may not exceed the cost of nursing home care.<sup>5</sup>

## Delivery System

At-risk MCOs coordinate physical health, behavioral health, and LTSS for members eligible for the program.

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<sup>2</sup> CHOICES. Tennessee Division of TennCare. Accessed at: <https://www.tn.gov/tenncare/long-term-services-supports/choices.html>.

<sup>3</sup> TennCare Waiver. Accessed at: <https://www.tn.gov/content/dam/tn/tenncare/documents/tenncarewaiver.pdf>.

<sup>4</sup> TennCare Waiver. Accessed at: <https://www.tn.gov/content/dam/tn/tenncare/documents/tenncarewaiver.pdf>.

<sup>5</sup> CHOICES. Tennessee Division of TennCare. Accessed at: <https://www.tn.gov/tenncare/long-term-services-supports/choices.html>.



## Evaluation

A special study report of the CHOICES Program from 2015 investigates the impact of the program on Tennessee's long-term services and supports system from 2011-2013. In particular, the study examined the impact of CHOICES on rebalancing nursing facility and HCBS participants and expenditures, the cost efficiency of HCBS as compared to nursing facility services, and transitions between HCBS and nursing facility services.

The study found that member months for nursing facility residents as a percentage of all CHOICES member months decreased 15.76% while member months for HCBS members increased 41.23%. The percentage of total long-term care expenditures accounted for by nursing facility services decreased from 87.67% in 2011 to 78.23% in 2015, reflecting a 10.77% shift in expenditures from nursing facility care to HCBS. The study found a decrease in the average amount spent per CHOICES member per month of \$119.97 (4.14%) over two years – while the average monthly cost of nursing facility members increased over the two years, the average monthly cost of HCBS members decreased. HCBS was found to be more cost effective than nursing facility care, and transitions of nursing facility members to HCBS were found to increase over the course of the study. Overall, the CHOICES Program was found to have the expected result of shifting utilization and expenditures from nursing facility care to HCBS.



### Long-Term Quality Alliance

Long-Term Quality Alliance (LTQA) is a 501(c)3 membership organization aimed at improving outcomes and quality of life for people who need long-term services and supports (LTSS), and their families. LTQA advances person- and family-centered, integrated LTSS through research, education, and advocacy. For more information, visit [ltqa.org](https://www.ltqa.org).

### Acknowledgements

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