



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

EXECUTIVE SUMMARY

Project Background

Long-Term Quality Alliance (LTQA) worked with O’Leary Marketing Associates and the Minnesota Department of Human Services (DHS) to explore the feasibility of a program that would assist older adults to stay in their homes as their long-term care needs increase. Applying for a Section 1115 Waiver was identified as a possible pathway to pilot such a program.

What is a Section 1115 Waiver?

Section 1115 of the Social Security Act permits the Secretary of Health and Human Services to approve state demonstration or pilot projects that promote the aims of the Medicaid program and “demonstrate and evaluate state-specific policy approaches to better serving Medicaid populations.”¹ Several are using Section 1115 waivers to expand access to home- and community-based services (HCBS) to beneficiaries who do not yet meet functional or financial eligibility requirements but are deemed “at risk” of future LTSS use or institutionalization.

Programs Selected for Review

The following 1115 waiver programs extend HCBS to populations who would not otherwise have been eligible based on functional or financial need:

¹ Medicaid.gov. About Section 1115 Demonstrations: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/about-section-1115-demonstrations/index.html>.



Table 1: Programs Selected for Review

State	Program
Arizona	Arizona Health Care Cost Containment System: Arizona Long Term Care System (ALTCS)
Delaware	Delaware Diamond State Health Plan: DHSP-Plus
Hawaii	Hawaii QUEST Integration
Minnesota	Minnesota Reform 2020: The Alternative Care Program
Rhode Island	Rhode Island Comprehensive Demonstration
Tennessee	TennCare III: CHOICES Program
Vermont	Vermont Global Commitment to Health
Washington State	Washington Medicaid Transformation Project (MTP): Medicaid Alternative Care (MAC) and Tailored Support for Older Adults (TSOA)

Key Takeaways from the Review

Functional Eligibility:

- Many 1115 programs that extend HCBS do so by expanding functional eligibility to those who do not yet meet a nursing facility level of care (NFLOC) but are determined to be “at risk” of institutionalization by state.

Financial Eligibility:

- Many programs have the same financial eligibility requirements as for NFLOC.
- Unlike other programs examined, programs in Minnesota and Washington State extend financial eligibility for HCBS but do not extend functional eligibility.

Benefits:

- Most programs offer a limited HCBS benefit package to the “at risk” population.

Delivery System:

- Many programs employ a capitated managed care delivery model.



Evaluation:

- While there is limited data on the efficacy of extending HCBS benefits specifically, there is evidence to show that these programs have positive impacts on HCBS rebalancing more generally.

Next Steps to Expand HCBS Access

- Implementing **presumptive eligibility**, as in Washington State's programs, allows beneficiaries to receive services as their eligibility is being determined. An amendment request from this year that would expand presumptive eligibility indicated a high rate of accuracy in making presumptive eligibility determinations, representing a low risk to the state and federal partners.²
- Expanding **functional eligibility**, as programs in Arizona, Delaware, Hawaii, Rhode Island, Tennessee, and Vermont have done, allows beneficiaries to receive HCBS before they reach a NFLOC. Expanding **eligibility based on age** to 55, as in the Washington State programs, would also help achieve this aim.
- Many programs examined employ a **managed care delivery model**. It may be worth exploring contracting with MCOs, such as those that deliver MSHO products, to provide high value, cost efficient care.
- Additional **communications and outreach strategies**, especially for underserved populations, may be needed. Despite presumptive eligibility, enrollment in Washington State's programs was lower than anticipated.³

² Washington State Medicaid Transformation Project Section 1115 Demonstration Amendment Request. January 2020. Accessed at: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/wa-medicaid-transformation-pa4.pdf>.

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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

This report was prepared for the State of Minnesota Department of Human Services (DHS) and is shared with the permission of the State of Minnesota.

Thank you to Drew Gerber for his contributions to this report.