

## Medicaid HCBS Waivers

The Medicaid Home and Community-Based Services (HCBS) Waivers Program was established by the federal government in 1981 under Section 1915(c) of the Social Security Act. The waivers give states the flexibility to design and implement programs that target certain populations and supplement the traditional Medicaid program. The waivers forgo several key provisions of Medicaid law including:

- The provision that requires Medicaid to be statewide, giving states the flexibility to target the program in an area of the state with the greatest need or where there is a certain type of provider available.
- The provision requiring comparability of services, allowing states to target populations at a greater risk of being institutionalized, without providing specific services to the entire Medicaid population.
- The provision regarding income and resource limits, targeting people that would otherwise be eligible for an institution.

To provide HCBS waiver services, states must apply to the Centers for Medicare and Medicaid Services (CMS) for approval and meet several requirements including, demonstrating that the program is cost effective, ensuring the well-being of the consumer, providing adequate and reasonable provider standards, and ensuring services are provided in accordance with a plan of care.

### Iowa HCBS Waivers

Iowa has seven different HCBS Waivers. For individuals to qualify for the waivers they must first be eligible for Medicaid and then meet the requirements of the waiver. The seven waivers include:

- **Ill and Handicapped** – Provides services for blind or disabled persons under the age of 65.
- **AIDS-HIV** – Provides services for persons with an AIDS or HIV diagnosis.
- **Elderly** – Provides services for persons at least 65 years of age or older.
- **Intellectual Disabilities** – Provides services to persons with a diagnosis of mental retardation.
- **Brain Injury** – Provides services to persons with a brain injury diagnosis due to accident or illness that are between the ages of one month and 65 years.
- **Physical Disability** – Provides services for persons with a physical disability between the ages of 18 and 65.
- **Children's Mental Health** – Provides services for children diagnosed with a serious emotional disturbance.

The HCBS Waivers provide a variety of different services to the individuals they serve. Although the services provided vary by waiver, some of the more common waiver services include:

- Adult Day Care
- Consumer-Directed Attendant Care
- Counseling Services
- Home and Vehicle Modification
- Home-Delivered Meals
- Home Health Aides
- Personal Emergency Response Systems
- Nutritional Counseling
- Supported Community Living
- Respite
- Transportation
- Consumer Choice Option

For a complete list of services provided by each waiver, visit the link below for the Iowa Medicaid Enterprise HCBS Waivers website.

### More Information

Iowa Medicaid Enterprise HCBS Waivers: [http://www.ime.state.ia.us/HCBS/help\\_ownhome.html](http://www.ime.state.ia.us/HCBS/help_ownhome.html)

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**Budget Impact**

Iowa spent \$55.9 million of State funds, or just under 7.0% of the Medicaid budget on HCBS Waivers in FY 2009. In addition to spending at the State level, counties spent \$82.5 million on the Intellectual Disabilities Waiver as part of the county mental health budgets. Total spending on waivers from all sources was just over \$430.1 million in FY 2009. This is an 8.7% increase compared to FY 2008. Although total spending has increased compared to FY 2008, State and county expenditures have decreased because of the increased Federal Medical Assistance Percentage (FMAP) match that was part of the American Reinvestment and Recovery Act of 2009.

<b>Iowa HCBS Waiver Expenditures - FY 2009</b>				
<b>Waiver</b>	<b>State Share</b>	<b>County Share</b>	<b>Federal Share</b>	<b>Total Dollars</b>
Intellectual Disabilities	\$ 15,806,367	\$ 82,523,575	\$ 207,153,765	\$ 305,483,707
Elderly	23,436,815	-	49,369,850	72,806,665
Ill and Handicapped	6,662,821	-	13,988,959	20,651,780
Brain Injury	6,551,516	-	13,767,831	20,319,347
Children's Mental Health	1,967,483	-	4,171,756	6,139,239
Physical Disabilities	1,329,158	-	2,810,829	4,139,987
AIDS-HIV	170,488	-	359,217	529,705
	<u>\$ 55,924,648</u>	<u>\$ 82,523,575</u>	<u>\$ 291,622,207</u>	<u>\$ 430,070,430</u>

**Waiver Slots and Waiting Lists**

The HCBS Waivers had an average enrollment of 17,825 people in FY 2009. The waiver with the largest enrollment is the Elderly Waiver with an average of 9,562 people enrolled. The Elderly Waiver is the only waiver that does not cap enrollment and therefore it is the only waiver that has increased consistently on an annual basis.

The Legislature appropriated an additional \$2.6 million for FY 2008 and \$2.8 million in FY 2009 to purchase additional slots on the six other waivers, with the majority of the new funding dedicated to reducing the Children's Mental Health Waiver. Even with the additional funding, approximately 100-200 individuals are added to the waiting list each month and the demand outpaces the supply. There are 4,505 individuals on the HCBS Waiver waiting lists as of July 2009, with an additional 825 people with a pending status (approved and in the process of being enrolled).

<b>HCBS Waiver Enrollment and Waiting List</b>				
<b>Waiver</b>	<b>Enrollment Avg FY 2009</b>	<b>Enrollment July FY 2009</b>	<b>Pending Slots July 2009</b>	<b>Waiting List July 2009</b>
Intellectual Disabilities (Children)	2,603	2,571	264	-
Intellectual Disabilities (State Cases)	492	545	27	27
Elderly	9,562	9,730	-	-
Ill and Handicapped	2,554	2,609	218	1,784
Brain Injury	1,084	1,090	78	723
Children's Mental Health	654	621	99	635
Physical Disabilities	827	864	133	1,330
AIDS-HIV	49	50	6	6
<b>Total</b>	<u>17,825</u>	<u>18,080</u>	<u>825</u>	<u>4,505</u>

Eliminating the HCBS Waiver waiting lists comes with significant cost. To eliminate the waiting lists and provide services to all eligible individuals would have an annualized estimated cost of \$9.1 million of State funds as of July 1, 2009. This assumes that only 60.0% of the individuals on the waiting lists would actually become enrolled. This estimate reflects that individuals apply for more than one waiver and may find alternatives for needed services if they are on the waiting list for an extended period of time.