



Home and Community-Based Services (HCBS) Rent Subsidy Program Overview

Background

- This program aids individuals who receive services under a federal Medicaid waiver program called home- and community-based service (HCBS) and who are at risk of nursing facility placement. The program provides a monthly rent assistance payment to help them live successfully in their own home and community, until they become eligible for any other local, state or federal rent assistance.
- The HCBS program has been in existence since 1996. In 2005, the Iowa Legislature transferred this program from the Iowa Department of Human Services to the Iowa Finance Authority.
- The HCBS program offers an accessible, affordable community-based option for Medicaid-eligible consumers who would otherwise be placed in institutions. On average, the cost of providing Medicaid waiver-funded care for a year is more than approximately \$17,000. This compares to more than \$30,000 in a nursing facility or more than \$46,000 in a hospital-based facility. The average annual rent subsidy amount is \$1,824, equaling a significant cost-savings to the state.

Need

- The program was forced to stop taking applications entirely from September 19, 2009 – October 1, 2010 due to lack of funds. There were 486 participants receiving HCBS assistance at the time the list was closed and approximately 150 individuals were turned away for assistance during this time period.
- IFA has approved 200 applications for assistance since November 1, 2010, after the program began assistance after over one year of not taking applications.
- No applications are currently being taken for Section 8 Housing in Des Moines, Johnson, Lee, Polk and Story Counties. This has an impact on HCBS, as the participant is waiting for a permanent source of funding and will remain an active participant on the HCBS Program longer due to there being no funding for Section 8 Vouchers.
- A February 2011 report by the U.S. Department of Housing and Urban Development (HUD) found that “worst case housing needs” grew by nearly 1.2 million households, or more than 20 percent, from 2007 to 2009 and by 42 percent since 2001. “Worst case housing needs” are defined as low-income households who paid more than half their monthly income for rent, lived in severely substandard housing, or both. This is the largest two-year jump since HUD began reporting this segment of the rental market in 1985.

Average Per-Person Annual Cost-Comparison

- HCBS Rent Subsidy: \$152 per month for 12 months, totaling \$1,824 per recipient.
- Estimated Medicaid waiver-funded care: more than \$17,000. This compares to an estimated more than \$30,000 in a nursing facility or more than \$46,000 in a hospital based facility.

Eligibility

For a person to be eligible for the HCBS Rent Subsidy program they must meet the following criteria:

- **HCBS Recipient** - The person must currently be an adult recipient of one of the home- and community-based service waiver programs or a child (under 18 years of age) receiving residential-based supported community living services under the HCBS waiver (1915(c) programs.
- **Demonstrated Need** - The person must provide evidence that they are responsible for paying more than 30% of their income for rent and they have been determined ineligible, or have been placed on a waiting list, for U.S. Department of Housing and Urban Development (HUD) rental assistance or any other available rental subsidy programs. Persons receiving other rental assistance at the time of, or prior to the time of application to the HCBS Rent Subsidy program are not eligible. A person who declines a HUD Housing Choice Voucher (Section 8 voucher), or fails to respond to a notice from the public housing authority when a voucher becomes available is no longer eligible for the HCBS Rent Subsidy Program.
- **Risk of Nursing Facility Placement** - The person must demonstrate both: 1) they have insufficient funds to pay for their community housing cost and that insufficient funds will cause them to enter a nursing facility; and 2) participation in an HCBS waiver will prevent them from entering a nursing facility and that access to the rent subsidy program is required so that they may live in a community living arrangement permitted under the waiver.
- **Responsible for Rent** - The person must be financially responsible for rent cost. In the case of children receiving residential-based supported community living services under the mental retardation home- and community-based services waiver program, they or their families must demonstrate this financial responsibility.
- **Qualified Rental Unit** – The person must live in a qualified rental unit. A qualified rental unit is an apartment, mobile home, or private room for which a signed written lease exists and which is governed by Iowa Code Chapter 562A Uniform Residential Landlord and Tenant Law. A qualified rental unit does not include a home owned by a family member.

Results

- The HCBS program has been appropriated \$700,000 each year since 2005, assisting an average of 350 individuals a year.