



1915(i) HCBS Option and Adult Care Homes

Deficit Reduction Act of 2005 added new section 1915(i) to Social Security Act, effective January 1, 2007

Allows states to provide home and community based services (HCBS) under the Medicaid State Plan

Prior to this, most HCBS services could only be provided under Medicaid waiver programs in which institutional level of care criteria had to be met (ICF-MR, Nursing Level or Hospital)



Examples of Services Coverable Under 1915(i)

- Case Management
- Homemaker/Home Health Aide
- Personal Care Services
- Adult Day Health Services
- Habilitation Services
- Respite Care



Services Coverable under 1915(i) for Persons with Chronic Mental Illness

- Day Treatment
- Partial Hospitalization Services
- Psychosocial Rehabilitation Services
- Clinic Services



Characteristics of a 1915(i) Program

- States must establish functional eligibility criteria such as ADL dependencies
 - Must be less stringent than institutional criteria
- “Independent assessment” required
 - Evaluation of need for services cannot be conducted by service provider serving the recipient
 - State must establish conflict of interest safeguards

1915(i) Characteristics - Continued

- Individualized, person centered care/service plan required
- Quality assurance/improvement program required
- 1915(i) services can be participant directed (self-direction)
- Can limit number of people served and waive “statewideness”
 - Limiting number served was subsequently disallowed by the Affordable Care Act (ACA)
- Cannot “target” populations, e.g., aged, physically disabled, Alzheimer’s patients
 - Restriction on targeting was lifted by ACA

1915(i) Financial Eligibility

- Income can't exceed 150% of Poverty (\$1354/month, family of 1)
 - Establishes an income ceiling only, does **not** create a new eligibility group
- Similar to 1915(c) waiver programs, can do “institutional budgeting”
 - Consider income of applicant only, exclude spouse's or parents' income

Affordable Care Act (ACA) and 1915(i)

- ACA made changes to 1915(i) in the following areas:
 - Services that can be covered
 - Targeting
 - Limiting participation
 - Statewideness
 - Financial eligibility

ACA and 1915(i) Services

- ACA expanded the services that can be covered under 1915(i) by including:
 - “Such other services requested by the State as the Secretary may approve.”
 - This gives the State the same degree of flexibility in service package design as does the HCBS waiver authority.



ACA and 1915(i) Target Populations

- As a result of ACA States can target 1915(i) services to specific populations, for example, to persons with chronic mental illness, developmental disabilities or to particular eligibility groups.
- States can also serve more than one target group and have separate benefit packages for each target group.

ACA and Limiting 1915(i) Participation

- ACA made another change to 1915(i) that removed the states' authority to limit the number of people who can participate in 1915(i):
 - No wait lists – all who qualify get the service(s);
 - 1915(i) can no longer be restricted to certain geographic areas of the state.

ACA and 1915(i) Financial Eligibility

- ACA added a new eligibility group
 - Income between 150% of FPL and 300% of SSI (currently, \$2,022/month)
 - Still seeking clarification from CMS about this item because there appears to be contradiction
 - Appears to be available only to states who cover this group for institutional care (nursing facility, ICF-MR) - NC does not cover the 300% of SSI group

Decision to Use 1915(i) Option for Adult Care Homes

- CMS compliance concerns regarding personal care services (PCS) in adult care homes in comparison to in-home PCS:
 - Provider qualifications for PCS in adult care homes are different from those in private residences
 - Payment methodology different
 - Nature of the service appears to be different depending on location
 - All of the above should be consistent for a single service



Future Considerations

- What additional target groups?
 - Entitlement
- What additional services?
 - Respite
 - Developmental Therapy
 - Transitional residential
- How to fund the match?
 - State funds historically used for non-Medicaid eligibles
- Timeframe for submission?