

**CALIFORNIA DUALS DEMONSTRATION:
Draft Policy for Demonstration Plans Offering
Additional Home- and Community-Based Services (HCBS)
January 24, 2013**

California has been a leader in developing home- and community-based services that were eventually adopted across the nation and by the federal government, such as the In Home Supportive Services (IHSS) program created in the 1970s. One of the most important aspects of the Duals Demonstration is to continue this rebalancing of Medicaid services away from institutional care and to care delivered in home- and community-based settings. Today, Medicaid pays for nursing home care and In-Home Supportive Services (IHSS) for anyone who meets the eligibility requirements. However, other home and community-based services (HCBS) are provided to several specific groups of beneficiaries through federal “waivers” of Medicaid law. The number of participants that can be served in these waivers, at any point in time, is limited.

By definition, additional HCBS are available only by waiving federal law, which otherwise does not allow for such services. The notion that these additional HCBS are only available through a waiver creates a situation where such services are trapped in a silo. As a result, the Long Term Services and Supports (LTSS) system is fragmented. These waivers were designed to provide care coordination and other long-term supportive services, but do not include medical and behavioral health services so beneficiaries do not have access to a fully integrated system of care.

Under the Duals Demonstration, the California Department of Health Care Services (DHCS) intends to expand the availability and use of HCBS by allowing demonstration plans¹ to pay for these services out of the monthly payments they receive to provide care to their enrollees. The goal is to create a structure and culture where HCBS are broadly available. Demonstration plans will have the incentive to offer additional HCBS in order to avoid costly institutional care.

Purpose of this Paper

This paper offers draft guidance on additional HCBS, in accordance with Welfare and Institutions Code Section 14186(b)(6)(B)² and 14186.1(c).³ DHCS has already issued guidance on central HCBS activities through the Long-Term Services and Supports Network Adequacy and Readiness Provisions and the Care Coordination Readiness Standards. Taken together, these

¹ Demonstration plans are Medi-Cal managed care plans selected to participate in the Duals Demonstration that will offer medical, Long Term Services and Supports (LTSS), and behavioral health services.

² “Managed care plans may authorize personal care services and related domestic services in addition to the hours authorized under Article 7 (commencing with Section 12300) of Chapter 3, which managed care plans shall be responsible for paying at no share of cost to the county. The department, in consultation with the State Department of Social Services, shall develop policies and procedures for these additional benefits, which managed care plans may authorize. The grievance process for these benefits shall be the same process as used for other benefits authorized by managed care plans, and shall comply with Section 14450, and Sections 1368 and 1368.1 of the Health and Safety Code.”

³ “Home- and community-based services (HCBS) plan benefits” may include in-home and out-of-home respite, nutritional assessment, counseling, and supplements, minor home or environmental adaptations, habilitation, and other services that may be deemed necessary by the managed care plans, including its care coordination team. The department, in consultation with stakeholders, may determine whether plans shall be required to include these benefits in their scope of service, and may establish guidelines for the scope, duration, and intensity of these benefits. The grievance process for these benefits shall be the same process as used for other benefits authorized by managed care plans, and shall comply with Section 14450, and Sections 1368 and 1368.1 of the Health and Safety Code.”

three documents will set forth the requirements plans will have to meet for the readiness review with regard to the interaction with key HCBS providers and the services that they provide.

More specifically, the providers discussed include:

- In-Home Supportive Services (IHSS).
- Community Based Adult Services (CBAS).
- Multipurpose Senior Services Program (MSSP).
- Nursing Facility (NF)/Sub-Acute Care Facilities (SCF) providers.

In particular, the Care Coordination Standards focus on how to improve chronic disease management by bringing MSSP practices of care coordination to demonstration plans. The Coordinate Care Initiative (CCI) legislation also provides specifications for how the Program of All-Inclusive Care for the Elderly (PACE) will interact with the CCI.

This particular guidance is focused on the provision of a limited number of additional HCBS that are listed in the authorizing legislation for the duals demonstration, which “may include”:

1. Respite care: in home or out-of-home;
2. Additional Personal Care and Chore Type Services beyond those authorized by IHSS;
3. Habilitation ;
4. Nutrition: Nutritional assessment, supplements and home delivered meals;
5. Home maintenance and minor home or environmental adaptation; and,
6. Other services (the list provided by legislation is permissive.)⁴

Background

Medicaid HCBS are delivered through federal waivers, frequently called “1915(c) waivers” in reference to the authorizing section of the Social Security Act. Under these waivers, states furnish an array of HCBS that enable Medi-Cal beneficiaries to live in the community and avoid or transition out of institutionalization. Most Medicaid services are offered on a statewide basis and in a uniform manner, but the services provided through waivers are typically available only to a set number of enrollees who have a need for level of care that qualifies them for admission into a nursing facility.

Out of the 8 million Medi-Cal beneficiaries, approximately 13,000 receive HCBS through California’s 1915(c) waivers today that are directly related to the CCI. These waivers each have enrollment caps on a statewide basis and in some cases regionally. (Please see Table A and Appendix A.)

⁴ The legislation allows for “other services,” which could include Personal Emergency Response Systems (PERS), assistive technology, In-home skilled nursing care, and other items. DHCS invites comment on additional services to be listed.

Table A: California HCBS Waivers Most Relevant to CCI (Statewide)

Waiver	Enrollment Count
Assisted Living Waiver (ALW)	1,840
In-Home Operations (IHO)	134
Nursing Facility/Acute Hospital (NF/AH)	2,220
Multipurpose Senior Services Program (MSSP)	8,987
TOTAL	13,181

Source: California DHCS Data Analysis; includes non-dual eligibles

Duals Demonstration Vision for HCBS

California’s existing LTSS system for providing and funding HCBS is experiencing a number of challenges, including fragmented delivery, isolated data systems and limited access. The Duals Demonstration seeks to transform today’s system, to one where services are more broadly and consistently offered. Under California’s Medi-Cal system, managed care plans are the most appropriate vehicle capable of achieving integration of acute and long-term care services at scale.

The demonstration plans will be given flexibility to provide supports to enhance a member’s care, allowing members to stay in their own homes safely, thereby preventing unnecessary hospitalization and prolonged care in institutional settings. The demonstration plans’ new authority to offer these services will eliminate the need for the waivers for those eligible for the Duals Demonstration. At the same time, demonstration plans will have the incentive to offer the six additional HCBS discussed in this paper in order to keep persons in the home and community, resulting in a higher quality of life for their members and avoiding unnecessary and costly institution-based care.

Preparing for the Demonstration

To achieve a more efficient and effective HCBS system under the demonstration, DHCS will take the following steps:

- *Engage with plans and providers about the vision, goals, operations and potential partners of the new system.* There is an array of HCBS providers available to individuals who are dual eligible in addition to the programs being integrated into demonstration plan services, including, but not limited to, Area Agencies on Aging, Independent Living Centers, Aging and Disability Resource Connections, and California Community Transition Lead Organizations. Starting in Spring 2013, DHCS will help facilitate a focused effort to help make sure that such providers are meeting with the demonstration plans and building relationships in order to develop a shared understanding of each entity’s role.
- *Offer Technical Assistance to HCBS Community Groups.* Today, many community providers function under a funding model of grants and donations. For these organizations new to the managed care contracting world, it is incumbent on DHCS to help create opportunities to educate and support such community providers in learning about contracting with demonstration plans and new business model opportunities (as needed).

It is worth noting that, MSSP sites have specific statute and policy addressing their role:

- State law requires that MSSP sites be allocated the same level of funding during the first 19 months of the demonstration as was allocated in 2012.⁵
- MSSP sites will remain open to enrollment in demonstration counties for any populations excluded from the demonstration.

Plan Approach to Certain Home- and Community-Based Efforts

As a requirement for participating in the demonstration, and with regard to the six additional HCBS only, plans will:

- Coordinate such services for beneficiaries who need them.
- Refer beneficiaries to community providers to deliver services and to work with those providers as the plan deems appropriate.
- Develop a care plan where the member has input into the services to be provided (for members requiring such a plan.)
- Be authorized to deliver additional HCBS to beneficiaries at the plan's discretion. Plans will have the financial incentive to provide these additional HCBS; however, there is no obligation to offer the six additional services.

Since the six additional services are not part of the core Medi-Cal program today, those services will not be subject to Medi-Cal grievance and appeals procedures if a plan chooses to offer them. Plans will develop internal procedures as part of developing a care plan that is patient-centered. In contrast to the provision of the six additional HCBS services, health plans have very specific requirements to meet regarding the provision of key LTSS through IHSS, MSSP, CBAS, and nursing facilities, as set forth in separate guidance. For the LTSS benefits that are required to be offered under Medi-Cal, the grievance and appeals procedures that exist today will continue.

This approach creates a flexible structure where the plan can offer services beyond those traditionally covered by Medicare and Medi-Cal and can work with HCBS providers to provide person-centered care planning.

Readiness and Compliance

The provision of these certain HCBS will be a new function for many demonstration plans. As such, the state will require that plans take a number of steps to prepare for implementation. More specifically, for the services discussed in this document, demonstration plans must create:

1. Policies and procedures that guide the demonstration plans' care coordinators, Interdisciplinary Care Teams, and primary care physicians in assessing the appropriate authorization of these services and/or benefits, in addition to the required community-based LTSS (i.e. CBAS and IHSS), including but not limited to assessment tools and reassessment cycles.
2. Policies and procedures to identify members that may need HCBS, and to refer members to community-based organizations and other entities that provide these services, such as

⁵ 14186.3(b)(2)(B)(i): "Managed care demonstration plans shall allocate to the MSSP providers the same level of funding they would have otherwise received under their MSSP contract with the California Department of Aging."

California Community Transitions organizations, Area Agencies on Aging, Independent Living Centers, or ADRCs where available.

3. A training curriculum and program for demonstration plan staff that provides for an orientation for all staff on the Americans with Disabilities Act, the Olmstead Decision and HCBS issues, and detailed training on community and county HCBS that maybe available.

Appendix A: California HCBS Waivers Relevant to CCI

<i>Title of waiver</i>	<i>Federal laws or regulations waived*</i>	<i>Description of waiver</i>	<i>Population served and number of enrollees</i>
<u>Assisted Living Waiver (ALW)</u>	<ul style="list-style-type: none"> • 1902(a)(1) • 1902(a)(10) (B) • 1902(a)(10) (C)(i)(III) 	<p>The ALW succeeds the Assisted Living Waiver Pilot Project. The waiver offers assisted living services in two settings: Residential Care Facilities for the Elderly and publically subsidized housing. Qualified participants have full-scope Medi-Cal benefits with zero share of cost and are determined to meet the Skilled Nursing Facility Level of Care, A or B.</p>	<p>Beneficiaries over the age of 21 who would otherwise be in a nursing facility.</p> <p>ALW enrollment: approximately 1,840</p>
<u>In-Home Operations (IHO)</u>	<ul style="list-style-type: none"> • 1902(a)(10) (B) • 1902(a)(10) (C)(i)(III) 	<p>This waiver serves either 1) participants previously enrolled in the Nursing Facility A/B Level of Care (LOC) Waiver who have continuously been enrolled in a DHCS administered HCBS waiver since January 1, 2002, and require direct care services provided primarily by a licensed nurse; or 2) those who have been receiving continuous care in a hospital for 36 months or greater and have physician-ordered direct care services that are greater than those available in the Nursing Facility/Acute Hospital Waiver for the participant’s assessed LOC.</p>	<p>Aged population 65 and older, the physically disabled population under age 65, the medically fragile, and the technology dependent.</p> <p>IHO enrollment: 134</p>

<p>Nursing Facility / Acute Hospital (NF/AH)</p>	<ul style="list-style-type: none"> • 1902(a)(10) (B) • 1902(a)(10) (C)(i)(III) 	<p>The NF/AH Waiver combined the previous Nursing Facility Level A/B, Nursing Facility Subacute, and In-Home Medical Care Waivers into one waiver. This combined waiver offers services in the home to Medi-Cal beneficiaries with a long-term medical condition for who, in the absence of this waiver, would otherwise receive care for at least 90 days in an intermediate care facility, a skilled nursing facility, a subacute facility, or an acute care hospital.</p>	<p>The NF/AH Waiver serves the aged population 65 and older, the physical disabled population under age 65, the medically fragile, and the technology dependent.</p> <p>NF/AH Enrolment: 2,220</p>
<p>Multipurpose Senior Services Program (MSSP)</p>	<ul style="list-style-type: none"> • 1902(a)(10) (B) • 1902(a)(10) (C)(i)(III) • 1902(a)(1) 	<p>Provides home and community-based services in 39 sites statewide to Medi-Cal beneficiaries who are age 65 or over and disabled as an alternative to nursing facility placement. The goal of the program is to arrange for and monitor the use of community services to prevent or delay premature institutional placement of frail clients. MSSP provides comprehensive care management to assist frail elderly persons to remain at home.</p>	<p>Medi-Cal beneficiaries who are 65 or over and disabled.</p> <p>MSSP enrollment capacity: 16,335</p> <p>MSSP enrollment is 8,987</p>

Source: Semi-Annual Update to the Legislature, Senate Bill 853 Section 173 California's Medicaid Waivers, October 2012.