

## *Medicaid Home and Community-Based Services Waiver*

### **Q. What is the Medicaid Home and Community-Based Waiver?**

**A.** The Medicaid Home and Community-Based Services Waiver (HCBW) is a vehicle that allows states to apply to the Center for Medicare and Medicaid Services (CMS) to expand the array of intensive home and community-based services available to children and youth with serious mental health treatment needs who require a hospital level of care.

### **Q. How do states qualify for the HCBS Waiver?**

**A.** To qualify for the waiver, a state must show that it can serve children that require a hospital level of care with intensive services at home and in the community at a cost equal to or less than a hospital level of care. Most states find it challenging to qualify because they have closed their children's psychiatric hospitals, however Utah would qualify because the state has cost data on serving children in a hospital setting.

### **Q. What factors are waived from the federal Medicaid law for the HCBS waiver?**

**A.** The following factors are waived:

- Requirement that services be provided statewide. This gives Utah the flexibility to create a small demonstration project in a limited number of communities to roll-out intensive home and community-based services while controlling costs;
- Requirement on the amount, duration and scope of services that must be provided. This allows states to offer new home and community-based services in a limited number of communities; and
- For children enrolling in waiver services, their parent's income and resources are not considered when determining the child's Medicaid eligibility, the child is considered a *family of one* and is eligible for waiver services, as long as the child requires a hospital level of care.

### **Q. Have other states like Utah successfully used the Medicaid HCBS waiver?**

**A.** Yes. Kansas developed the HCBS waiver after closing their children's psychiatric hospital in 1997. Kansas successfully serves children and adolescents that require a hospital level of care with intensive home and community-based services and reports the following positive outcomes for those receiving waiver services:

- 95% of children live in a permanent home setting;
- 79% receive grades of A's, B's, or C's;
- 88% are attending school regularly;
- 92% are without arrests or contact with law enforcement;
- Significant decrease in institutional expenditures, total number of youth served in institutions, total bed days, and in the average length of stay for youth;
- Significant increase in waiver slots, with a significant drop in institutional expenditures; and

- Transformation from an institutional model of mental health care to a home and community-based model.

Moreover, Kansas has recognized significant cost savings by using the waiver. Waiver services are less than half of the cost of institutional services. The average annual per child cost for waiver services in KS is \$13,501.00 and the average annual per child cost for hospital level services is \$27,563.00. KS is now serving children and youth in the least restrictive setting, is producing positive outcomes based on the services provided and is saving on costs under the waiver.

**Q. What other benefits exist if Utah pursues a Medicaid HCBS waiver?**

**A.** There are many benefits for Utah in pursuing a Medicaid HCBS waiver, including the following:

- Children belong in their homes and communities -- close to home, schools and their natural supports and this has worked quite well in other states with the right array of intensive home and community-based services.
- Providing the right array of intensive home and community-based services promises to keep families together. Even children with the most intensive mental health treatment needs can be effectively served at home and in the community with a full array of services.
- Serving children and youth with effective home and community-based services promises to produce better outcomes and to spend public funding in a more cost effective manner.
- The state will avoid the future risk of litigation under the provisions of the Americans with Disabilities Act that require that children and adults with disabilities, including mental illness, be served in the least restrictive setting.