

# Home and Community Based Services (HCBS)

## OVERVIEW

Several provisions in the Affordable Care Act ("ACA"), particularly for Medicaid, encourage the use of HCBS as a more cost-effective alternative to institutionalized care. The Act notes that Medicaid dollars can support nearly three individuals and adults with physical disabilities in the home and community for every one individual in a nursing home. Below is a summary of some of the new programs under Medicaid and Medicare for HCBS.

## MEDICAID

Although under the Medicaid program states can currently provide services under home and community-based waivers, these services are unevenly distributed and only benefit a small number of individuals. The Act expands where and when states can provide HCBS under the Medicaid program.

### Community First Choice Option

1. This creates a new waiver under the Medicaid program, effective in 2011.
2. Covered services would include HCBS to assist with ADLs and health-related tasks.
3. Similar to other Section 1915 waivers, but under this waiver, states are prohibited from capping the number of individuals served, establishing waiting lists, or limiting services to specific areas of the state.

### Removal of Barriers to Providing HCBS

1. These changes took effect April 1, 2010.
2. The Act grants states the option to expand existing HCBS to certain waiver-eligible individuals with income of up to 300% of the SSI benefit rate.
3. States may also provide HCBS through a Medicaid state plan amendment, rather than through a waiver.

### Extended Demonstration Program: Money Follows the Person

1. This program is extended for 5 years.
2. This program offered \$1.75 billion in competitive grants to states to:
  - Increase the use of HCBS, as opposed to institutional services,
  - Eliminate barriers in state law or funding that restrict the use of Medicaid funds to enable Medicaid recipients to receive long term care services in the setting of their choice,
  - Increase the ability of Medicaid plans to assure continued provision of HCBS to those transitioning from a community setting, and

- Ensure that procedures are in place to provide quality assurance for HCBS.

### State Balancing Incentive Program

1. This program encourages states to increase HCBS by providing federal matching dollars to states where less than 50% of their Medicaid expenditures are on such services.
2. The funds are available October 1, 2011 through September 30, 2015.

### Protection Against Spousal Impoverishment

Requires states to apply existing spousal impoverishment rules to Medicaid beneficiaries who receive HCBS.

## MEDICARE

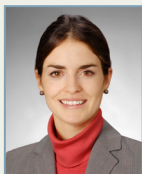
### Independence at Home (Demonstration Program)

1. This program will be created in 2012.
2. It will allow medical practices to provide high-need Medicare beneficiaries with primary care services in their home.
3. Health professionals can then share in savings if they reduce preventable hospitalizations, prevent hospital readmissions, improve health outcomes, improve the efficiency of care, reduce the cost of health care services, and achieve patient satisfaction.

For more information or if you would like to schedule a consultation, please contact:



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