



On December 17, 2010 a meeting was held with advocates of the Aging and Disabilities Communities to learn more about the Long Term Supports and Services Provisions of the Affordable Care Act and to discuss the how the communities can work together to ensure that New Jersey takes advantage of these new provisions. Speakers included Diane Justice, Senior Program Director at the National Academy for State Health Policy, and Bill Ditto, Consultant (formerly Director, NJ DHS Disability Services).

On the following pages, you will see the PowerPoint slides from Ms. Justice. The dialogue included the understanding the services and programs in place currently (1915(j) programs, Money Follows the Person, Personal Care Assistance, Global Options, etc) and the options available for Home and Community Based Services according to the new provisions of the Affordable Care Act.

## Health Care Reform and Long Term Services and Supports

### **New Opportunities to Expand Home and Community Based Services**

Diane Justice  
National Academy for State Health Policy  
December 17, 2010

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### Affordable Care Act Approaches to Increasing Medicaid HCBS Financing

- Financial Incentives: Enhanced Federal Matching Rates
- Medicaid State Plan Options
- Combined Strategies
- New Demonstration Authority

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## State Rebalancing Incentive Payments Program

- Enhanced Medicaid Matching Funds for HCBS
- State Eligibility:
  - States Must Submit Application to CMS
  - Spend Less than 50 % of Total Medicaid LTSS on Home and Community Based Services
  - Be Selected by CMS to Participate

## Rebalancing Incentive Cont.

- States Must Make 3 Structural Changes to HCBS Programs
  - Create Statewide System of Access Points for HCBS
  - Adopt Conflict Free Case Management
  - Use Standard Assessment Instruments for Eligibility Determination

## Rebalancing Incentive Cont

- States Must Collect Data on:
  - Service Utilization
  - Core Quality Measures
  - Consumer Outcomes
- Maintain HCBS Eligibility Standards as of 12/31/10

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## Rebalancing Incentives Cont.

- States with Less than 25 % Total LTSS Spending on HCBS Receive 5 % Enhanced HCBS Match
  - Target of 25% Spending by 2015
- States with 25%-50% HCBS Spending Receive 2 % Enhanced Match
  - Target of 50 % Spending by 2015
- Total of \$3 B for Enhanced Match: Must be Used by States to Expand HCBS

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## Money Follows the Person Demo

- Started in 2007: NJ is 1 of 30 States
- Enhanced Medicaid Match for HCBS Expenditures for Persons Leaving Institutions after 180 Days (now 90 days)
  - Continues for 1 Year After Community Transition
  - Enhanced Match Reinvested in HCBS
- 100% FMAP available to grantees for admin. and systems development

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## Money Follows the Person Cont.

- Affordability Act Changes:
  - Enhanced Match Available for Persons Leaving Institutions in 90 Days
  - Medicare Rehabilitation Nursing Home Days Do Not Count Toward 90 Qualifying Days
  - Extended from 2011 Through 2016
  - Funding Increased from \$1.75B to \$4B

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## Primary Medicaid Financing Authorities for Home and Community Based Services

- 1915(c) Home and Community Based Services Waivers (HCBS)
- Personal Assistance Services-Medicaid State Plan Optional Service
- 1915(k) Community First Choice Option
- 1915(i) State Plan HCBS

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## Medicaid 1915(c) HCBS Waivers

- Primary funding vehicle for HCBS
- National expenditures in 2009 = \$33 Billion
- Over one million people served in 2009
- Eligible persons must otherwise require institutional care
- States may use institutional financial eligibility criteria (up to 300% of SSI)

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## Medicaid 1915(c) HCBS Waivers, cont

- Can target specific populations
- Broad array of covered services
- States may set limits on the number of program participants (way to control growth of program costs)
- States can waive statewideness
- May offer self-direction of services and supports

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## Personal Assistance Service: Medicaid Optional State Plan Service

- Adopted by 36 states
- National expenditures in 2009 = \$9 billion
- Eligible persons must be eligible for Medicaid under the state plan (institutional financial criteria cannot be used)
- Persons are not required to need an institutional level of care; states define “medical necessity”—e.g. functional need criteria
- Must be provided statewide
- States cannot set enrollment limits—service is an entitlement for persons who qualify
- May offer self direction

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## Community First Choice Option

- New Medicaid State Plan Option with Enhanced Match
- Community Attendant Services & Supports
  - Funds attendants providing ADL and IADL supports & health related tasks
  - May fund institutional transition costs, tech substitutes for human assistance
  - May not fund assistive devices, home mods, voc rehab

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## Community First Choice Option cont

- Participants are eligible for Medicaid under the state plan; have income up to 150% of FPL or have an institutional level of care need and income up to 300% of SSI
- States cannot set program enrollment ceilings (establishing an entitlement to services)
- States May Not Waive Statewidenss
- States Receive 6% Enhanced Medicaid Match
- States Must Maintain Medicaid HCBS Spending for 1 Year

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## Medicaid State Plan HCBS

- Established in 2005: Medicaid State Plan Option
- Eligibility Criteria Must be Less than Institutional Need
- Eligibility is “needs based” defined by state
- Participants must be eligible under the state plan & have income less than 150% of FPL
- Few States Adopted to date. They:
  - Have have limited programs
  - Serve narrow population or provide limited services

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## Medicaid State Plan HCBS: Affordable Care Act Changes

- Expands Scope of Covered Services: Same as 1915(c)
- States May Enroll Persons Eligible for HCBS Waivers in Addition to Persons with Lesser Needs
- Enables States to Further Target Populations by Age, Disability and Diagnosis; May have targeted benefits
- Eliminates States' Ability to Set Enrollment Ceilings (creating an entitlement)
- Eliminates States' Ability to Waive Statewideness

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