

WHAT'S NEXT IN HOME AND COMMUNITY- BASED SERVICES?



ADAPTED FROM:

Alliance for Health Policy webinar, "What's Next in Home and Community-Based Services?" (June 17, 2022)

BACKGROUND

As defined by the Medicaid and CHIP Payment Access Commission, "Home- and community-based services (HCBS) allow people with significant physical and cognitive limitations to live in their home or a home-like setting and remain integrated with the community." Offerings include intensive, round-the-clock care, as well as wrap-around services such as caregiver support, home-delivered meals, and employment supports. About two million people received home- and community-based services in 2020. Traditionally, Medicaid is the largest payer of HCBS in the country, but recently Congress has debated dedicating more federal funding, including through American Rescue Plan Act and the House-passed Build Back Better.

There is wide variation in what home- and community-based services are made available by state Medicaid programs. This can lead to significant variation in patient access, experiences, and outcomes. The most common HCBS option states choose is through section 1915(c) of the Social Security Act. Section 1915(c) allows states to cap the number of members served via waiting lists, target specific populations,

and requires individuals to meet institutional-level care status to receive HCBS.

People who are dually eligible for both Medicare and Medicaid coverage make up 75% of LTSS beneficiaries. For this population, obtaining the appropriate HCBS supports can be challenging due to a lack of coordination between Medicare and Medicaid programs. When LTSS services (financed by Medicaid) are not coordinated with medical services (financed by Medicare), it can lead to injuries, exacerbation of illness, or rehospitalizations, which are poor outcomes for individuals and increase costs for public programs.

Another persistent obstacle to the successful delivery of home- and community-based services is the workforce shortage among direct support professionals (DSPs). DSPs assist beneficiaries with activities of daily living (ADLS), such as showering, eating, and getting dressed. Even before COVID-19, workforce shortages persisted due to low wages, lack of career growth, and dissatisfaction among existing employees on account of high turnover rates.

RELEVANCE TODAY

Under the [American Rescue Plan Act \(ARPA\)](#) states were made eligible for a 10% increase in the Federal Medical Assistance Percentage (FMAP) for certain Medicaid HCBS programs if states enhance or expand these programs in some capacity between April 1, 2021 and March 31, 2025. States [plan](#) to use the money to improve waitlist

times, increase provider rates and bonuses, improve the DSP workforce training and recruitment, update technology, and more. Although the ARPA's 10% increase is predicted to be beneficial in increasing access, many advocates are calling for more long-term and sustainable federal investments in HCBS.

KEY CONSIDERATIONS

- At present, HCBS care providers receive insufficient funding to provide individualized and person-directed services based on individual need and preference.
- Lack of integration and coordinated care for the dual-eligible population continues to serve as a roadblock for delivering effective home- and community-based care.
- Access to high-quality and coordinated HCBS is a health care equity issue and disproportionately impacts marginalized groups.
- There is a shortage in the workforce of direct support professionals to provide these services. This is due to stagnant reimbursement rates and inability to compete with other industries, an issue that has only worsened in the wake of COVID-19.
- Due to the flexibilities states have in covering specific populations and services, individuals in need of HCBS can experience a wide variation in access, care, and outcomes.

RESOURCES

[What's Next in Home and Community-Based Services?](#)

Webinar recording, expert list, and resources

[Health Policy Handbook: Chapter 6](#)

Dual Eligible Beneficiaries

[Understanding the Future of COVID-Related Medicare and Medicaid Flexibilities](#)

Overview of COVID-Era Program Flexibilities

[The Future of Medicare Series](#)

Foundational education about the mechanisms of the Medicare program

