



June 29, 2015

SDS E-Alert – Medicaid Reform: State Plan Benefit and Community First Choice Option

The State of Alaska, Department of Health and Social Service (DHSS), is committed to reforming Medicaid services to ensure Alaskans have continued access to sustainable Home and Community-Based Services (HCBS). To this end, the Divisions of Senior and Disabilities Services, Behavioral Health, and Juvenile Justice are starting a project to implement a Medicaid 1915(i) HCBS Benefit and a 1915(k) Community First Choice option. The project is a collaboration between DHSS, the Alaska Mental Health Trust Authority, the Alaska Commission on Aging, the Alaska Mental Health Board, the Advisory Board on Alcoholism and Drug Abuse, the Governor's Council on Disabilities & Special Education, and the Alaska Brain Injury Network. Project completion is expected by July 1, 2017. This E-Alert is the first in a monthly series intended to inform providers, recipients and their supporters, and the Alaskan community about this project, and how its implementation will impact Medicaid services in Alaska.

Introduction to Medicaid Home and Community-Based Services

The Medicaid program provides low-income individuals access to basic medical care, such as mandatory physician services and hospitalization, and if a state elects, optional services such as dental care or prescription medication. To participate in the Medicaid program, States develop a *Medicaid State Plan* specifying which service options the State Medicaid program will offer.

One Medicaid service option states may elect is “home and community-based services and supports,” which include hands-on personal care, meals on wheels, or help with chores, shopping, or other tasks of daily living. These services, along with supportive case management, assist the elderly and people with disabilities avoid institutional care, and remain as independent as possible in their homes and communities.

Before recent Congressional amendments to the Social Security Act, a state could not elect HCBS through their State Plan, but instead applied to the Centers for Medicare and Medicaid Services for a separate “1915(c) waiver.” The waiver allows the state to target HCBS only to those individuals who experience functional limitations so severe, that they would otherwise need to be cared for in a nursing home, hospital, or other institution. Alaska currently provides HCBS to approximately 4,000 individuals under four 1915(c) Medicaid waiver programs: Children with Complex Medical Conditions, Adults with Physical and Developmental Disabilities, Alaskans Living Independently, and Individuals with Intellectual and Developmental Disabilities.

1915(i) State Plan HCBS Benefit – 1915(k) Community First Choice Option

Beginning with the Deficit Reduction Act of 2005 and continuing with the Affordable Care Act, Congress amended the Medicaid program to encourage states to take advantage of the benefits of HCBS. Section 1915(i) allows states to make HCBS available to people not eligible for institutional care, but still in need of service and supports to remain independent. Section 1915(k) creates a financial incentive for states to provide HCBS to people who would otherwise need institutional care, by offering a 6% increase, from 50% to 56%, in the “federal financial participation rate” (FFP).

These reforms require involvement of stakeholders in the design and implementation of 1915(i) State Plan HCBS Benefits, and 1915(k) Community First Choice Option. CMS regulations require a consumer “Development and Implementation Council” to guide creation and implementation, with the majority of members being seniors, people experiencing disabilities, and their representatives.

If You Have Questions or Concerns

Feel free to contact the project management team if you have questions or concerns. You can reach us by emailing ulf.petersen@alaska.gov. Our second project update E-Alert will be sent next month.