



# Overview of Medicaid Home- and Community-Based Waiver Services

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Medicaid waivers allow people to receive care in their homes and communities instead of an institutional setting.

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## What are Minnesota's Medicaid home- and community-based waivers?

Minnesota currently administers the following five home- and community-based (HCBS) waiver programs:

- **Developmental Disabilities (DD) Waiver.** This waiver is for people with developmental disabilities or a related condition who need the level of care provided at an intermediate care facility for persons with developmental disabilities (ICF/DD).
- **Community Alternative Care (CAC) Waiver.** This waiver is for people who have a chronic illness and need the level of care provided at a hospital.
- **Community Access for Disability Inclusion (CADI) Waiver.** This waiver is for people who have a disability and require the level of care provided in a nursing home.
- **Brain Injury (BI) Waiver.** This waiver is for people with a traumatic or acquired brain injury who need the level of care provided in a nursing home or neurobehavioral hospital.
- **Elderly Waiver.** This waiver is for people who are over 65 years old and need the level of care provided at a nursing facility.

HCBS waivers allow for federal Medicaid reimbursement for certain services provided to the chronically ill, disabled, and elderly, which are not otherwise covered under the Medicaid program in the state plan (receipt of a "waiver" allows a state to waive certain federal Medicaid rules governing institutional care).

## What is the purpose of the waivers?

The purpose of these waivers is to help people remain in their homes and communities, rather than be institutionalized. These waivers allow Minnesota: (1) an alternative to placing Medicaid-eligible individuals in hospitals, nursing facilities, or ICF/DDs; and (2) to provide services that are not covered or are limited under the traditional Medicaid program.

## How does a state receive a waiver?

In order to participate in and receive federal reimbursement for home- and community-based Medicaid expenditures, states must make special application to the federal Department of Health and Human Services (DHHS), seeking approval for each home- and community-based waiver program. Each state must assure DHHS that it will protect each consumer's health and welfare, and assure the consumer's right to choose HCBS or services in an institutional setting.

## Who administers the HCBS waivers?

The Minnesota Department of Human Services (DHS) oversees the waivers and the distribution of funding to counties. The counties administer the waiver programs and develop individualized service plans with recipients.

## What are the eligibility requirements for an individual to receive waiver services?

In order to receive services under one of the home- and community-based waiver programs, an individual must be MA-eligible and choose to receive services in the community. Each waiver program also has additional criteria to be eligible for services, such as meeting the specified level of care requirement and having an assessed need for supports and services over and above those available through the MA state plan.

## How many people receive services through Minnesota's HCBS waivers?

In 2021, nearly 95,000 individuals were estimated to have received the HCBS waivers.

Waiver Program	Recipients in 2020	Recipients in 2021 (est.)
DD waiver	22,131	23,276
CAC waiver	703	809
CADI waiver	34,506	37,853
BI waiver	1,215	1,149
Elderly waiver*	30,020	31,675
Total	88,575	94,762

Source: Minnesota Department of Human Services, Background Data Tables for February 2021 Forecast

\*Managed care only, does not include fee-for-service

## How are the HCBS waivers funded?

As with Minnesota's other Medicaid services, the waiver programs receive half of their funding from the federal government and half from the state general fund.

States must assure that the expenditures under the home- and community-based waiver program, on average, will not exceed the cost of care for the identical population if they would have been in an institution.

Waiver Program	2020 Expenditures	2020 Avg. Cost/Recipient	2021 Expenditures (est.)	2021 Avg. Cost/Recipient (est.)
DD waiver	\$1,614,368,227	\$72,946	\$1,750,121,634	\$75,191
CAC waiver	53,801,986	76,532	62,190,605	76,852
CADI waiver	1,261,391,216	36,556	1,532,279,658	40,480
BI waiver	102,012,051	83,959	107,900,110	93,932
Elderly waiver*	424,170,901	14,130	393,278,875	12,416
Total	3,455,744,381	N/A	3,845,770,882	N/A

Source: Minnesota Department of Human Services, Background Data Tables for February 2021 Forecast

\* Managed care only, does not include fee-for-service

## What are some potential legislative issues?

In 2019, the legislature directed DHS to develop a proposal to reconfigure the MA disability waivers from four waivers to two waivers. The 2019 Legislature also authorized DHS to create a common service menu across the four disability waivers. The common service menu was phased in beginning in January 2021.

The 2021 legislature further directed DHS to:

- 1) consult with stakeholders on potential adjustments to the common service menu and the rate exemption criteria and process;
- 2) offer a public method to receive input from people with disabilities and their families regarding the reconfiguration of the disability waivers;
- 3) convene a Waiver Reimagine Advisory Committee that consists of a group of diverse stakeholders;
- 4) report to the legislature on plans for the waiver reconfiguration before seeking federal approval for any aspect of the waiver reconfiguration;
- 5) establish a process to assist waiver services recipients and lead agencies in transitioning to a two-waiver system with an individual budget methodology;
- 6) develop an online support planning and tracking tool for people using disability waiver services that allows access to the total budget available to the person, the

- services for which the person is eligible, and the services the person has chosen and used; and
- 7) develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to comply with informed decision-making for people who use HCBS waivers.

The reconfigured two-waiver system and individual budget methodology are effective July 1, 2024, or 90 days after federal approval, whichever is later.

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**For more information:** See the House Research publication [Medicaid Home- and Community-Based Waiver Programs](#), October 2016.

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