

Overview of Medicaid Home- and Community-Based Waiver Services

September 2025

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

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 eligible for Medical Assistance (MA), Minnesota's Medicaid program, 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 2025, over 114,000 individuals were estimated to have received the HCBS waivers.

Waiver Program	Recipients in 2024	Recipients in 2025 (est.)
DD waiver	25,215	26,377
CAC waiver	833	888
CADI waiver	47,244	52,195
BI waiver	998	969
Elderly waiver*	31,723	33,590
Total	106,013	114,019

Source: Minnesota Department of Human Services, Background Data Tables for February 2025 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 about 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	2024 Total Expenditures	2024 Avg. Cost/Recipient	2025 Total Expenditures (est.)	2025 Avg. Cost/Recipient (est.)
DD waiver	\$2,400,385,974	\$95,197	\$2,732,162,088	\$103,580
CAC waiver	80,439,580	96,566	97,908,966	110,298
CADI waiver	2,544,932,632	53,868	3,153,675,344	60,421
BI waiver	111,637,464	111,861	123,950,563	127,913
Elderly waiver*	598,012,146	18,851	754,366,953	22,458
Total	5,735,407,796	N/A	6,862,063,914	N/A

Source: Minnesota Department of Human Services, Background Data Tables for February 2025 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. Phase one of the proposal, a common service menu, was implemented in January 2021. Phase two of the proposal consists of supporting and expanding informed choice and informed decision-making and will be phased in beginning January 1, 2027.

The 2025 Legislature established an advisory task force on Waiver Reimagine¹ to make findings and recommendations related to phase two, including:

- Consolidation of the existing four disability home and community-based waiver service programs into two waiver programs;
- Budgets based on the needs of the individual that are not tied to location of services;
- Criteria and processes for provider rate exceptions and individualized budget exceptions;
- Appropriate assessments in determining service needs and individualized budgets;

¹ Waiver Reimagine is the DHS proposal to consolidate the four disability home and community-based waivers into two disability waivers, create a common service menu, move to an individual budget methodology, increase access to and options for self-directed services, and develop a web-based online support-planning tool for people with disabilities and their families.

- Covered services under each disability waiver program, including any proposed adjustments to the menu of services;
- Service planning and authorization processes for disability waiver services;
- A plan of support to live in the person's own home and in the most integrated setting;
- Intended and unintended outcomes of Waiver Reimagine; and
- Other items related to Waiver Reimagine.

The reconfigured two-waiver system and individual budget methodology will be phased in beginning January 1, 2027.

For more information: See the House Research publication [Medicaid Home- and Community-Based Waiver Programs](#), September 2022.



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