



## ISSUE BRIEF

April 2008

*Home and Community  
Based Services*

Home and community-based services should be available to those in need of these services and consumers should help determine what services and supports best meet their needs. Home and community-based services include adult and child day care, home health care, hospice care and transportation assistance. These services also include a wide range of supportive services that allow elderly persons, people with disabilities and people with impairments to receive services while continuing to live in their own homes or a place that they call home. Funding comes from a wide variety of programs, but Medicaid and the Older Americans Act provide the bulk of federal financing for these services.

Most people prefer to receive services in settings that allow them to remain integrated in their communities. Since 2001, federal and state governments have made a commitment to “rebalance” the health care system to promote home and community-based services over institutional placement. Real Choice Systems Change grants help states address direct service worker shortages, improve service quality, develop best practices and link affordable housing with support services. Aging and Disability Resource Centers and Nursing Home Diversion grants help individuals at risk of moving to an institution remain in their own home. There is a new Medicare Advantage plan which coordinates services for people with special needs to stay in their homes. The Lifespan Respite Care Act also helps families to provide informal, unpaid long-term care services.

The President’s FY 2009 budget proposal would not fund Real Choice Systems grants, Community Services Block Grants, preventative health services and Alzheimer’s Disease demonstration programs. The Bush budget would cut the Social Services Block Grant program, which can be used for many home and community-based services, by \$500 million, from \$1.7 billion to \$1.2 billion. The budget would allow no increase in funding for family caregiver support, supportive services, and congregate- and home-delivered meal programs.

### **Current Congressional Outlook**

Members of Congress are currently negotiating the final budget resolution and they will soon begin work on the appropriations bills. LSA calls on Congress to take the following action:

- Increase Older Americans Act funding by increasing spending by nine percent. Fund the Choices for Independence Program at \$28 million, fund the Social Services Block Grant at its authorized level of \$2.38 billion and fund the Community Services Block Grant at \$654 million. Provide \$17 million in funding for the Real Choice Systems Change grants in 2009.
- Provide \$10 million for the Lifespan Respite Care Act in FY 2009, a program that provides respite for family caregivers of adults and children.

## **Current Regulatory Outlook**

On March 31, the Centers for Medicare and Medicaid Services (CMS) published a proposed rule designed to provide guidance to states about the implementation of a provision under the Deficit Reduction Act of 2005 (DRA) that grants states the option of providing home and community-based services (HCBS) to persons receiving Medicaid without the need to apply for a waiver. Instead, states will have to submit a state plan amendment to CMS for approval. Through this option, HCBS may be expanded to thousands of Medicaid beneficiaries.

As provided in the DRA, HCBS will no longer be restricted to individuals determined to be at imminent risk of institutionalization. Instead, states that receive amendments to their state plans to exercise the HCBS option will be able to determine their own eligibility or needs-based criteria for providing HCBS. Medicaid beneficiaries may receive services under the HCBS option if they have incomes no greater than 150 percent of the federal poverty level and fulfill the needs-based criteria.

The proposed rule emphasizes “person centered” care, giving individuals an active role in developing their care plans, and the “self-direction” option in which states can allow individuals to take charge of their own services. The services states may make available under this benefit include case management, homemaker, home health aide, personal care, adult day health, habilitation and respite care.

Although the HCBS option has been available to states since January 2007, this guidance provides detailed assistance to states in their efforts to implement the option. A public comment period on the rule expires on June 3. To review the proposed rule, please visit <http://www.cms.hhs.gov/MedicaidGenInfo/Downloads/CMS2249P.pdf>.

## **Additional Resources**

For additional information concerning home and community-based services, please visit the following websites:

- American Association of Homes and Services for the Aging, [www.aahsa.org](http://www.aahsa.org)
- ANCOR, [www.ancor.org](http://www.ancor.org)
- Coalition on Human Needs, [www.chn.org](http://www.chn.org)
- Families USA, [www.familiesusa.org](http://www.familiesusa.org)