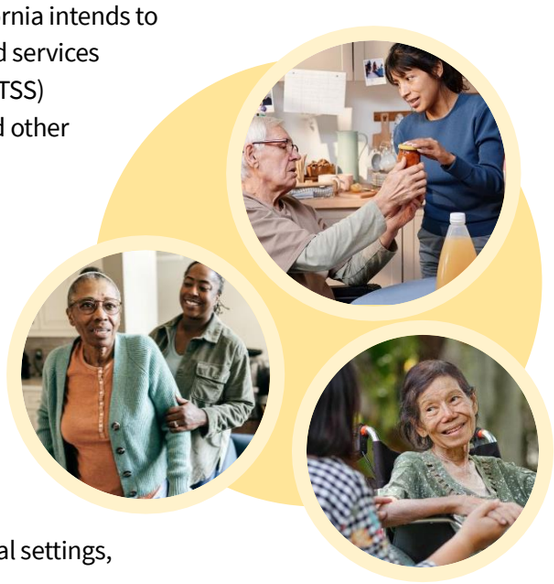
Center for Health Care Strategies

Moving Home- and Community-Based Services to Medicaid Managed Care: How States Can Address User Concerns

As part of its Medi-Cal transformation effort, CalAIM, California intends to move select 1915(c) waiver home- and community-based services (HCBS) to managed long-term services and supports (MLTSS) in 2028 (timeline and waivers subject to change). As California and other states transition to MLTSS, stakeholders can learn from the experiences of states that already moved to MLTSS over the last three decades.



This fact sheet can help states to address questions that HCBS users might have about transitioning to MLTSS, including how it may impact the care they receive.

What are HCBS?

HCBS help older adults and people with disabilities with daily activities, like eating, bathing, and managing medications. These services are provided in the home rather than in institutional settings, like nursing homes.

What happens under MLTSS?

States without MLTSS reimburse providers directly through their Medicaid program for each HCBS service provided to a Medicaid member, often referred to as fee-for-service. Under MLTSS, Medicaid programs subcontract with managed care plans (MCPs) to administer HCBS to members. In this arrangement, MCPs are paid a standard monthly rate for each enrolled member, regardless of how many services the members use.

What can states do to prepare HCBS users for a transition to MLTSS?

Following are two common HCBS user concerns about an MLTSS transition and ways states can address them, based on lessons from other MLTSS states and novel approaches not yet adopted by states. To learn more and access sources, read the companion explainer, ***Moving Home- and Community-Based Services to Medicaid Managed Long-Term Services and Supports: Considerations for California and Other Transitioning States***.

Will HCBS users be able to keep their providers?

Lessons from States that Already Transitioned

- **New Jersey** and **Iowa** required MCPs to contract with any HCBS provider that was willing to follow the MCP's policies for the first two years of the transition.
- **Iowa** required MCPs to honor existing care plans and reimburse existing providers for 90 days following the initial transition.

Novel Approaches States Might Consider

- Allow HCBS users to switch MCPs at any time to allow them to keep an existing provider.
- Provide a financial incentive to HCBS providers who contract with at least one MCP in their area.
- Require providers to educate users about which MCPs they will contract with.
- Implement an MLTSS network adequacy standard or quality bonus for MCPs that contract with every HCBS provider a member had prior to transition.

Will HCBS users receive fewer services or personal attendant hours?

Lessons from States that Already Transitioned

- **Indiana** requires MCPs to honor a member's previous HCBS benefit authorizations for 90 days, or until prior authorized services or approved units of service are exhausted.
- **Most MLTSS states** include CMS' HCBS waiver requirements for person-centered needs assessments and service planning in MCP contracts.

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- **Pennsylvania** expanded medical necessity criteria for MLTSS to include services that assist members with daily activities, enable community living, and achieve person-centered goals.
- **Texas** and **Florida** require regular reporting, reviews, and audits of member-level functional assessments and care plans, beyond what is required by CMS.

Novel Approaches States Might Consider

- Implement a quality measure that triggers review of any significant member service changes leading up to and throughout MLTSS implementation.
- Prior to a significant decrease in services, require MCPs to offer alternative services and/or a statement signed by the member/guardian agreeing to the change.
- Report on MCP denials or reductions in services and build in penalties for MCPs with problematic patterns.
- Prohibit MLTSS authorization determinations based solely on AI tools or algorithms.
- Include a comprehensive list of services that MCPs are expected to provide to members in the MLTSS contract to minimize siphoning off services to fee-for-service or out-of-pocket payments.


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Learn More

Read the explainer, ***Moving Home- and Community-Based Services to Medicaid Managed Long-Term Services and Supports: Considerations for California and Other Transitioning States***, to learn more about perspectives from HCBS users, providers, MCPs, and state Medicaid agencies on MLTSS transitions and how transitioning states can create systems that best serve Medicaid members.

ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. CHCS supports partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit **www.chcs.org**.