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## SECTION 1

# MEDICAID AND WAIVERS

### Learning Objectives

1. Identify ways in which the CAP/C program is different from regular NC Medicaid.
2. List the three components of freedom of choice.
3. Identify the reason for the monthly budget on each recipient's plan of care.

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# MEDICAID 101

- Title XIX of the Social Security Act
- Federal and State Partnership
- The Centers for Medicare and Medicaid Services (CMS) is the federal Agency that works with States to administer the Medicaid Program.
- All states, except Arizona, have State Medicaid programs.

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## FEDERAL MEDICAID REQUIREMENTS

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- Cover individuals in federal “Categorically Needy” groups.
- Cover Mandatory services.
- Assure Statewide coverage.
- Assure that services to people in the same kind of eligibility group are provided in Comparable amount, duration and scope.
- Assure that people have the Freedom to Choose their providers.
- Provide for the health and safety of individuals.

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## FEDERAL MEDICAID OPTIONS

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- States can cover additional groups of people.
  - Medically Needy
  - Optional Categorically Needy
- States can cover optional services.
- States can cover some groups at different levels of the Federal Poverty Level (FPL) at their option.

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# WHAT IS A WAIVER?

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- 4 kinds
  - Freedom of Choice Waiver (1915 (b) )
  - Demonstration Waiver 1115
  - **Home and Community-Based Services Waiver (1915 (c ))**
  - Combined 1915 (b) + (c) Waiver

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CAP/C is a Home and Community-Based Services Waiver - 1915(c).

## 1915 (c) WAIVERS

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- Waiver of Comparability
- Sometimes a waiver of Statewideness
- Does not waive Freedom of Choice (of providers)

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### Waiver of Comparability

Give services to people enrolled in the waiver in a different amount, duration or scope than to people in “regular Medicaid”.

Give services to people enrolled in the waiver that are not offered to people who are not enrolled in the waiver.

### Waiver of Statewideness

Give services only to people in a specific geographic area within the state.

# FREEDOM OF CHOICE

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## FUNDAMENTAL FEDERAL REQUIREMENT

- Choose either institutional or home and community based services

### Under the waiver

- Recipient is informed of any feasible alternatives under the waiver
- Recipient has free choice of all qualified providers of each service included in the written plan of care

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## DEEMING OF INCOME

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- Under CAP/C, the income of the child's parents is not considered in determining Medicaid eligibility. Only the income of the child, if any, is considered.
- This is not a Center for Medicare and Medicaid Services (CMS) waiver regulation; it is a Medicaid eligibility regulation.

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## WHY HAVE A WAIVER?

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- CMS realized that the Medicaid program had an “institutional bias”. Medicaid would pay for care in an institution and not pay for similar care in the home or community.
- 1<sup>st</sup> waiver--- Iowa - Katie Beckett. Child living in a hospital, but with support the parents could care for her at home.

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## ELEMENTS OF A WAIVER

- Target population
- Statewide or specific geographic area
- Services to be offered
- Different amount, duration and scope than under state plan

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Target populations may include, for example, medically fragile children, autism, TBI, physical disabilities, MR/DD, elderly, and HIV/AIDS. CAP/C's target population is medically fragile children.

CAP/C is offered state-wide.

Services to be offered may include, for example, case management, nursing, personal care, homemaker services, Meals on Wheels, nutritional supplements, supplies/ equipment, things not usually covered by Medicaid. CAP/C's services include case management, nurse, nurse-aide, respite, some home modifications (wheelchair ramps, hand-held showers, widening of doorways, grab bars, safety rails, and non-skid surfaces), and some supplies not normally paid by Medicaid (oral nutritional supplements and reusable incontinence garments).

CAP/C is able to offer more hours of personal care services than does the state plan.

## WAIVER ASSURANCES

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In order to operate a waiver, the state must assure CMS of the following:

- Health and Welfare – The state, on an ongoing basis, identifies, addresses, and seeks to prevent the occurrence of abuse, neglect, and exploitation.
- Service Plan - Participants have a plan of care that is appropriate to their need and that they have participated in developing, and the services are delivered according to that plan of care.

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## WAIVER ASSURANCES CONT'D

- Qualified Providers – Waiver providers are qualified to deliver services and supports.
- Level of Care – Participants have needs consistent with an institutional level of care.
- Administrative Oversight – The State Medicaid agency is involved in the oversight of the waiver, and is ultimately responsible for all facets of the waiver program.
- Financial Accountability – Claims for waiver services are paid for in accordance with the reimbursement methodology specified in the waiver.

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The FL-2 is the mechanism used by CAP/C to determine that CAP/C participants have needs consistent with an institutional level of care. An FL-2 approved at IC level indicates that the recipient would be eligible for placement in an intermediate care facility. An FL-2 approved at SC level indicates that the recipient would be eligible for placement in a skilled care facility.

## COST-EFFECTIVENESS

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- Another Federal Requirement
- The cost to care for the person in the Home and Community can not be greater than the cost to care for the person in the institution.
- There is a formula to be used.

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The monthly budget is the mechanism by which CAP/C maintains cost-effectiveness.

## WAIVER RENEWAL AND WAIVER AMENDMENTS

- The state must apply to have the waiver renewed by CMS every five years.
- The waiver may be amended by the state, with CMS approval, in between renewals.
- CMS can come on site to DMA for audits, and even visit local agencies and CAP/C recipients.
- CMS may terminate the waiver whenever it believes that the waiver is not being properly implemented.

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The CAP/C waiver was last renewed in July 2005.

## THE CAP/C WAIVER DOCUMENT

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is located on-line at:

<http://www.ncdhhs.gov/dma/commaltprog.htm>

The waiver renewal is due in July 2010.

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## REVIEW QUESTIONS

Please make sure you can answer the following questions before proceeding to the next section.

Answer the following questions true or false.

1. Under CAP/C, the parents' income does not count in determining Medicaid eligibility, but the child's income does count.

Answer the following multiple choice questions.

2. The FL-2 is the way that CAP/C assures CMS of
  - A. cost-effectiveness
  - B. health and welfare
  - C. level of care
  - D. service plan
3. The monthly CAP/C budget for each recipient is how CAP/C maintains
  - A. cost-effectiveness
  - B. health and welfare
  - C. level of care
  - D. service plan

Fill in the blanks.

4. Freedom of choice means that recipients have the right to choose:
  - A. \_\_\_\_\_
  - B. \_\_\_\_\_
  - C. \_\_\_\_\_
5. The CAP/C program answers to \_\_\_\_\_, the federal agency responsible for overseeing Medicaid.

## REVIEW ANSWERS

1. True. The child is considered a 'family of one'. If the child has income such as a social security death benefit or a trust fund, it may count toward their Medicaid eligibility.
2. C, level of care. CAP/C must assure CMS that the persons enrolled in the waiver have needs consistent with an institutional level of care. Since the FL-2 form is used to determine nursing facility placement, an approved FL-2 indicates that the recipient has needs consistent with an institutional level of care.
3. A, cost-effectiveness. By keeping costs within a monthly budget determined by the child's level of care, CAP/C can ensure that the cost of providing services to that child is less than the cost of placing that child in an institution.
4. A: between CAP/C and institutionalization  
B: among the agencies available to provide services to them  
C. among the individuals within those agencies that will provide services to them.
5. CMS (the Center for Medicare and Medicaid Services)