

Medicare Supplemental Benefits and Medicaid HCBS



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Over the past few years, policymakers have placed increasing emphasis on addressing factors that are not traditional health care services but that impact the health and well-being of individuals. This new focus on addressing the social determinants of health (SDOH) has manifested in many forms, such as the inclusion of SDOH as one of the five topical areas for the

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[Healthy People 2030 goals](#), the federal government's [Accountable Health Communities demonstration](#), numerous [private insurance interventions](#), and [Medicaid demonstrations](#) or related initiatives that attempt to address these nonmedical needs.

The emphasis on addressing SDOH is already manifesting in areas impacting the SHIP networks, notably in CMS (the Centers for Medicare & Medicaid Services) actions to expand the availability of nonmedical supplemental services for participants in Medicare Advantage plans. Though the ability to provide supplemental benefits through Medicare Advantage plans is a valuable option to address the needs of participants, it also creates new considerations and complexities when advising participants, particularly those who are dually eligible for Medicaid and who qualify for home and community-based services (HCBS).

Medicaid HCBS are a wide range of services and supports that enable an individual with a disability or chronic condition to live in the community rather than an institution. HCBS can include medical and nonmedical services and historically have encompassed a wide range of interventions, such as attendant care services, nonmedical transportation, home-delivered meals, housing-related supports that do not include payments for room and board, and employment supports. As such, there is potential for overlap between emerging initiatives that address SDOH and the existing HCBS delivery system.

One of the first considerations when engaging with a participant who asks questions about and/or may benefit from a SDOH-related intervention is to determine their level of need. While Medicare Advantage's supplemental benefits provide valuable new flexibility, they are limited by the preexisting supplemental benefit rules in Medicare and are therefore not designed to be extensive or all-encompassing supports. Those individuals who may have a higher level of need could potentially benefit from more comprehensive services that Medicaid HCBS covers. Unfortunately, Medicaid HCBS is an extremely complicated area and there are many considerations for a participant when SDOH considerations are introduced.

Overview of Medicaid HCBS

Medicaid HCBS services may be covered through several different statutory authorities. Each of these authorities has its own unique considerations and not every state includes the same authorities within their Medicaid program. Additionally, states may leverage the same statutory authority in ways that lead to greatly different covered individuals and benefits – both across the states and within the same state. Some important statutory authorities and associated considerations are:

1915(c) Waivers: These waivers are the most commonly used authorities to provide HCBS in state Medicaid programs. There are over 200 different 1915(c) waivers in 46 states and the District of Columbia across the country. Key considerations for these waivers include that they have clinical and/or functional eligibility requirements that an individual must meet to enroll in the services and that a waiver can be “targeted” to a specific group of individuals, such as those with physical disabilities, individuals with HIV/AIDS, or adults older than 65. To qualify, a participant must meet the eligibility requirements for an institutional care setting. These waivers also allow states to cap enrollment and establish a waiting list; thus, an individual may not be able to immediately access all of the needed services even if they meet all eligibility requirements. 1915(c) waivers provide states with broad flexibility for which services may be included and there are frequently numerous services that address SDOH-related concerns.

Arizona, New Jersey, Vermont, and Rhode Island are the only states without 1915(c) waivers. Importantly, these four states utilize 1115 waivers to achieve the same goals as a 1915(c).

1115 Waivers: 1115 waivers provide states with broad flexibility to modify their Medicaid programs for research and demonstration purposes. States utilize 1115s for many purposes beyond HCBS delivery; however, HCBS is sometimes a component of such a waiver. 1115s often have similar considerations to 1915(c) waivers, including requiring an individual to meet institutional eligibility criteria and the ability to establish a waiting list. Some states have also leveraged 1115s to provide unique or innovative HCBS, such as services tailored to meet the needs of a family caregiver or eligibility requirements that promote community-based care over institutional care.

1915(i) State Plan HCBS: The 1915(i) benefit provides states with similar flexibility to 1915(c) when designing service packages and targeting the benefit to a subset of the population. In contrast, 1915(i) does not require a participant to meet the same clinical/functional eligibility requirements as 1915(c) waivers and can therefore be used to develop programs that help maintain individuals in the community. Unlike the previous two HCBS authorities, states may not establish waiting lists for 1915(i) services.

1915(k) Community First Choice: The 1915(k) benefit provides states with increased financial funding as an incentive to adopt the benefit. This benefit allows states to provide attendant care and related services or to provide interventions that increase an individual's independence or substitute for human assistance. In general, the 1915(k) benefits are not as comprehensive as those available through other options discussed in this article; however, some states do provide benefits that address the SDOH-related needs of participants. Participants accessing 1915(k) benefits must meet the same institutional eligibility criteria as described in the 1915(c) waiver summary; however, in contrast to 1915(c), Community First Choice does not allow states to establish waiting lists.

Conclusion and Implications for SHIP Counselors

The increased emphasis on SDOH provides new options and opportunities to deliver a broad range of medical and nonmedical services for participants. While there may be many instances where an individual dually eligible for Medicare and Medicaid could assess sufficient services through the Medicare Advantage supplemental benefits, your state's Medicaid HCBS programs may

still be necessary for individuals who have higher levels of need than Medicare Advantage plans can address.

A basic understanding of the different options in your state and their associated strengths and limitations can improve the ability of a counselor to support an individual as they make the best decisions for their own personal situation.

The complexity of Medicaid HCBS is such that SHIP counselors are unlikely to be able to develop and maintain the comprehensive knowledge required to help individuals determine their full range of HCBS options; however, a basic understanding of the different options in your state and their associated strengths and limitations can improve the ability of a counselor to support an individual as they make the best decisions for their own personal situation. Similarly, recognizing when to refer an individual for more consultation regarding Medicaid HCBS could lead

to similarly improved outcomes. SHIP programs could benefit from establishing ongoing relationships with local entities at the county eligibility offices, Aging and Disability Resource Centers (ADRCs), and other groups that can assist with more technical aspects of HCBS programs and eligibility requirements. SHIPs should be aware that Medicare Advantage supplemental benefits present a valuable, but sometimes insufficient, resource to the individuals receiving counseling assistance. 🗎

Are you interested in learning more about this topic? Check out the *Medicare Advantage Nonmedical Supplemental Benefits & Medicaid's Long-Term Services and Supports* webinar on April 13, 2022, from 2:00 p.m. to 3:30 p.m. Eastern Time.

This event discusses the changes to Medicare Advantage, provides an overview of Medicaid HCBS, and discusses interactions that SHIP or SMP counselors should consider when providing advice to individuals who may be dually eligible for Medicare and Medicaid. The [event announcement](#) provides further description and the link to register or join. The resources and recording can be accessed in the SHIP and SMP password-protected libraries following the event.

ADvancing States, formerly the National Association of State Units on Aging, designs, improves, and sustains state systems delivering long-term services and supports for older adults, people with disabilities, and their caregivers.