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Feds Urge Guardrails To Protect Access To Medicaid Community-Based Services

by Michelle Diament | September 9, 2024

With new guidance, federal officials are outlining steps that states should take to ensure that people with disabilities are not inadvertently dropped from Medicaid home and community-based services.

States are regularly required to evaluate the eligibility of Medicaid beneficiaries. For people with developmental disabilities, the outcome of this process can affect not only their medical coverage, but also their access to community living supports.

Medicaid renewals were paused during the COVID-19 pandemic, but more than 25 million have lost coverage since the process was restarted last year, according to KFF, a nonprofit that conducts health policy research.

Now, in a 35-page informational bulletin, the Centers for Medicare & Medicaid Services is urging states to act so that people with disabilities retain the coverage they're entitled to.

"The loss of HCBS can pose a risk to beneficiaries' health or result in institutionalization," reads the notice from Daniel Tsai, deputy administrator and director of the Center for Medicaid and CHIP Services.

"States have an ongoing obligation to conduct periodic renewals of eligibility in Medicaid," Tsai notes, "and to facilitate continued access to HCBS for those who remain eligible."

Specifically, federal officials are reminding states that they are required to attempt to renew individuals based on information already available to them first without expecting anything from them. If that's insufficient, then states must send a renewal form that only asks for the information necessary to redetermine eligibility.

CMS officials are pushing states to adopt flexibilities that would ease the process for recipients of home and community-based services. This could include disregarding income and assets in the application and renewal process, working with other agencies to bolster support for individuals in maintaining enrollment and other changes to the way that states evaluate assets or assess eligibility.

Meanwhile, CMS is also recommending that states reconsider how they handle cases where individuals with disabilities mistakenly lose coverage.

“While states may have procedures in place to reinstate eligible individuals in coverage, those individuals previously enrolled in HCBS may have difficulties re-enrolling in their HCBS programs, despite meeting eligibility requirements,” the guidance states.

To address these situations, CMS said that states with limits on waiver enrollment could hold slots or prioritize enrollment for individuals who have lost coverage. They can also allow for provisional service plans and other adjustments to enable services to be restored more quickly.

“Access to HCBS can mean the difference between an individual’s ability to continue receiving services and supports in their home or community setting and institutionalization,” Tsai wrote in the bulletin. “CMS strongly encourages states to adopt flexibilities and strategies that facilitate ongoing coverage for individuals receiving HCBS.”