

Medicaid for Housers

National Council of State Housing Agencies

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Why do You Need to Know about Medicaid?

- Most people occupying subsidized housing have very low incomes – and many are eligible for Medicaid. Medicaid may be one of the tenants' most important sources of health care and related services.
- Affordable supportive housing linked with flexible community services and supports has become both a policy goal and a priority strategy for elders, people with disabilities, and people who are homeless.
- Medicaid is the single largest funder of most community services and supports for people with disabilities, and as such is a critical source of funding for services in supportive housing.

Why do You Need to Know about Medicaid? (cont.)

- Affordable supportive housing sponsors need an on-going commitment of funding for services essential to successful tenancy.
- To be successful tenants, people living in affordable supportive housing need an easily accessed and reliably delivered package of services tailored to their specific needs .
- Adequate sources of service funding may facilitate acquisition of development financing and operating/rent subsidies.
- Tenants may also need to be assisted to access Medicaid-funded primary health and other healthcare services in addition to the services linked with the housing.

What is Medicaid?

- Medicaid is a joint federal-state **health insurance** program that pays for health and health-related services for people (families with children, adults with disabilities, and elders) with low incomes.
- Medicaid is administered by states consistent with federal requirements. There are usually state Medicaid enabling statutes and regulations as well as the federal Medicaid statute and regulations.
- The federal government matches state payments for care: 50% (New York, Massachusetts, etc.) up to 83.3% (Mississippi).
- Some Medicaid services are mandatory, but states have considerable flexibility to cover additional service types.

What does Medicaid Pay For?

- Medicaid pays for **qualified services** delivered by **qualified providers** to **qualified recipients** at **qualified rates**.
- Medicaid pays for services that are **medically necessary** (Medical necessity defines who can get which services under what conditions).
- Medicaid is an **entitlement** based on income and other factors – enrollees have due process rights.
- Medicaid does not pay for housing development (bricks and mortar) or rent.

What is the Medicaid State Plan?

- The Medicaid Plan governs how each state will administer its Medicaid Program. It defines:
 - The specific asset and income standards for each eligibility category;
 - The service types covered for Medicaid reimbursement and the “amount, duration and scope” of each service type that may be reimbursed;
 - Medical necessity criteria for each service type;
 - Certification requirements for providers and practitioners;
 - Rates to be paid for each service type; and
 - Documentation requirements to support clinical services and claims processing.

What is the Medicaid State Plan?

- All states must assure provision of certain mandatory Medicaid services (physicians, hospital care, etc.).
- States may elect to include certain optional services (e.g., mental health and substance abuse community services, case management, personal care) in their state plans.
- Many states also have waivers approved by the federal government to change eligibility requirements and/or pay for flexible service delivery.
- ***States are now using optional services and waivers to link flexible community services and supports with affordable supportive housing.***

Who is Eligible for Medicaid?

- Categorical eligibility
 - TANF parents and children
 - SSI (most states) [aged, blind and disabled]
 - Children's Health Improvement Program (CHIP)
- Other potential groups
 - Medically needy "spend-down"
 - Medicare/Medicaid "Dual eligibles"
 - Waiver (e.g., assisted living, HCBS = 300% of federal poverty level)

What are the Medicaid Mandatory Services?

- Inpatient hospital
- Outpatient primary health care
- Physician care
- Surgery
- Nursing facilities
- Lab and related testing
- Medications

What are the Medicaid Optional Services?

- Rehabilitation Option Services
 - *Life skills training*
 - *In-home supports*
 - *Peer counseling*
 - *Assistance attaining housing and employment*
 - *Medication self-management*
 - *Crisis response*
 - *Intensive case management*
- Targeted case management
- Personal care (may be self-directed)
- Mental health and substance abuse outpatient services
- Partial hospital and day services programs

Importance of Medicaid Optional Services

- State policy tool for attainment of affordable supportive housing
- Targeted to people with mental illness and/or substance abuse who may not qualify under waiver programs
- Flexible, individualized services
- Consumer directed service approaches
- Mobile, 24/7 service models – not office-based
- Functional necessity = medical necessity
- Effective use of peers and paraprofessionals
- Generally less expensive than institutional or other residential (group home) models of service
- Meet consumer needs and choices: produce better outcomes

What are the Medicaid Waiver Programs?

- Home and Community Based Service Waivers (Section 1915(c))
 - People with mental retardation/developmental disabilities, HIV/AIDS, frail elders, physical disabilities
 - Limitation on number of people served, and certain person-by-person service cost limitations
- Freedom of choice waivers (Section 1915(b))
 - Managed care/HMO, primary care physician, prepaid health plan approaches
- Demonstration waivers (Section 1115)
 - Flexible eligibility
 - Innovative service models

Importance of Medicaid Waiver Services

- State policy tool for attainment of affordable supportive housing
- Primarily used for people at risk of nursing home placement or other form of institutionalization
- Very flexible – non-categorical services and eligibility requirements
- Financial incentives – risk sharing
- Cost neutral – convert institutional or other high cost services to lower-cost community services – and limit state cost exposure for new programs and services

Who are the Medicaid Players?

- Federal Department of Health and Human Services: Centers for Medicare and Medicaid Services (CMS) (includes regional offices)
- Single State Agency – Usually in Health and/or Human Services agency – prepares and manages the Medicaid State Plan and submits Plan Amendments and Waivers
- Other state/county departments (Mental Health, Mental Retardation, Aging, Public Health)
- Other state policy-makers: Governor, Legislature
- Certified Medicaid providers (and new providers potentially able to become certified)

Successful Strategies: Linking Housing and Services at the Policy and Financing Level

- Initiate and/or participate in interagency activities:
 - State *Olmstead* planning
 - Nursing home transition initiatives
 - Homeless initiatives
 - Comprehensive supportive housing initiatives
- Understand, engage and forge alliances with the service funding/decision-making agencies at the state level (Mental Health, Mental Retardation/Developmental Disability, Aging, Public Health, etc.)

Successful Strategies: Linking Housing and Services at the Policy and Financing Level (cont.)

- Seek/support legislative/budget stimulus or mandates
- Communicate a vision that fits state policy objectives – not just project-by-project
- Adapt to other agency's planning and budget development cycles

Successful Strategies: Linking Housing and Services at the Policy and Financing Level (cont.)

- Arm yourself with information
 - State Medicaid Plan requirements
 - Successful models and experiences in your state and in other states: Publications (see attached)
 - Understand the policy context: what do the state agencies, the Governor and the Legislature really want to accomplish (e.g., save money, reduce institutional care)?
 - Know who controls the money and who the real decision-makers are: agency and legislative staff, providers, etc.
 - Understand the competition: who doesn't want to change or want to give up or convert their current programs and resources?

Successful Strategies: Linking Housing and Services at the Policy and Financing Level (cont.)

- Develop cadres of allies and advocates
 - Consumer and family organizations
 - Committed providers
 - Human services/public policy advocates
 - Legal services, protection and advocacy organizations
- Provide concrete solutions
 - Target high-risk, underserved consumers
 - Forecast ability to save money or avoid future costs
 - Have a concrete plan for marketing, linking and coordinating services

Successful Strategies: Linking at the Medicaid Provider Level

- Engage local providers in planning, implementation and management
- Define participation through contracts or memoranda of agreement
- Facilitate blending of funding through flexible service delivery approaches and staffing models
- Assist with documentation to meet Medicaid requirements
- Designate a single point of contact for all providers

Successful Strategies: Linking at the Medicaid-Eligible Tenant Level

- Market to most appropriate, high priority consumers/tenants
- Assist tenants to attain and maintain Medicaid eligibility
- Facilitate access to in-house and other community services
- Coordinate housing management with service management
- Advocate for clinical responsibility (who are you going to call?)

Useful Publications

- ***Recovery in the Community: Funding Mental Health Rehabilitative Approaches Under Medicaid.*** Bazelon Center for Mental Health Law, Washington, DC, 2001.
- ***State Assisted Living Practices and Options: A Guide for State Policy Makers.*** Robert L. Mollica, National Academy for State Health Policy, September 2001.
- ***Strategies to Help People with Disabilities Be Successful in the Housing Choice Voucher Program*** Technical Assistance Collaborative, April 2002.