

**Community Support Waiver Update**  
**Michele Heydon, Commissioner, Long Term Services & Supports, KDADS**  
**Tuesday, January 16, 2024**  
**Senate Public Health & Welfare Committee**

Chairwoman Gossage & Committee Members,

Thank you for the opportunity to provide an update on KDADS work in developing a new Home and Community Based Services (HCBS) Medicaid Waiver for individuals with Intellectual and Developmental Disabilities (IDD) commonly referred to as the Community Support Waiver. Today I'll be providing you with some background information about the waiting list for the current comprehensive IDD Waiver, work that began with the 2022 Special Committee on IDD Waiver Modernization, information about what exactly a Community Support Waiver is, work KDADS is doing in areas integral to the development of this waiver, and a timeline and next steps for implementation.

**Background**

Today, more than 8,800 Kansans are served on the Home and Community Based Services (HCBS) Medicaid Waiver for Intellectual and Developmental Disabilities (IDD). Kansas has seen a steady increase over the last decade of individuals waiting to receive services on the HCBS IDD Waiver. There are currently 5,187 people on the waiting list and that number has not dropped below 3,000 in the last decade. The increased number of individuals on the waiting list has lengthened the time people are waiting to receive waiver services. This waiting list issue prompted creation of a interim Special Committee on IDD Waiver Modernization in 2022.

The interim Special Committee focused on creation of a second IDD Waiver that would provide fewer and less costly services as a way to move individuals who do not need as high of level of supports off the waiting list for the comprehensive waiver. Many other states who have developed community support waivers often cap the spending and do not include the more costly services of residential and day supports. The Special Committee had a number or recommendations including moving away from the BASIS assessment tool and adopting another tool such as the MFEI. Additionally, KDADS was directed to provide a fiscal impact statement for the potential Community Support Waiver (CSW) services discussed by the Committee. The Special Committee also recommended a \$20,000 cap per participant per year. This compares to the average cost of \$53,244 per participant on the current IDD waiver.

Services that were discussed by the Special Committee for possible inclusion in the Community Support Waiver include:

- a. **Transportation:** Transportation to and from work
- b. **Supported Employment:** Staff support with employment
- c. **Individual directed goods and services:** Budget authority to the person so they can purchase goods and services as they will assist the person in meeting their goals
- d. **Personal Care:** Individualized, one-to-one services provided during times when the participant is not typically sleeping to assist with activities of daily living
- e. **Respite:** Services to give families time off from caring for their loved one on the waiver
- f. **Therapy:** Can be talk therapy, cognitive and behavioral therapy, etc.
- g. **Assistive Technology:** Technological devices and programs to make the person more independent
- h. **Independent Living:** Person needs minimal staff supports to live in their own home/apartment
- i. **Family/Caregiver support and training:** Parent Support staff, trainings on diagnosis, etc.
- j. **Financial Management Services and Support Brokers:** Assistance with personal budget and expenditures
- k. **Benefits Counseling:** Navigator to help person and their family understand Medicaid in Kansas

In February 2023, KDADS provided a fiscal impact statement to the House Appropriations committee. The estimates provided were based on a range of participants for the CSW from 3,600 to 7,461 and can be honed in as KDADS begins receiving results from the ongoing IDD Waiting List Study being conducted under contract with the KU Center on Developmental Disabilities (KUCDD). The waiver would be funded with 60% federal funding and 40% State General Funds. Projections depend on how much funding would be dedicated to a potential new CSW by the Legislature. Total cost estimates range from approximately \$72M All Funds, including \$29M SGF, to \$149M All Funds, including \$40M SGF when fully implemented.

In the fiscal impact statement, KDADS suggested an approach in which the agency would work with Community Developmental Disability Organizations (CDDOs) and other stakeholders to roll out the waiver in a phased approach. This would be done to ensure system capacity is not overloaded, ensure appropriate service provision, and to ensure the waiver is implemented correctly. KDADS would also incorporate the Waiting List Study research and findings to guide decisions. Part of the process for developing a CSW is for KDADS to work with stakeholders to develop network capacity to serve additional people on the Community Service Waiver. Like other areas in health and human services, direct care staff worker shortages have been a challenge for the IDD waiver. The Governor and Legislature have supported funding to increase direct care rates over the last few years, but the success of this new waiver is contingent on adequate network capacity.

**Example of roll-out:**

**Year 1**-500 participants with a \$20,000 cost cap, equates to approximately \$10M All Funds, including \$4M SGF.

**Year 2**-1,000 additional participants with a \$20,000 cost cap, equates to an additional approximately \$20M All Funds and \$8M SGF.

After reviewing the cost estimates the Legislature included a budget proviso in 2023 HB 2184 directing the agency to submit to the Centers for Medicare and Medicaid Services (CMS) an initial application for a Community Support Waiver for individuals with IDD.

**Why a Community Support Waiver?**

The CSW will benefit families and their children through an emphasis on supported employment as well as respite, training, and personal care options. KDADS also anticipates there would be an increase in the number of people who will self-direct their care. This will provide beneficiaries more autonomy with choosing respite and personal care staff. KDADS also anticipates that participants who are currently on the I/DD waiver that do not utilize day or residential support may choose to transfer to the CSW as they would have individual budget authority. Individual budget authority will allow the participant to purchase services in the waiver to tailor services specifically to their distinct needs and preferences. That shift would free up slots on the current comprehensive I/DD Waiver for participants who would benefit and have the need for day and residential services.

**Work Underway by KDADS and Partners**

Since receiving the direction from the Legislature to work towards development of the Community Support Waiver, KDADS has taken several steps to lay the groundwork in Kansas for successful development, application to CMS, and implementation of a CSW in the state. Integral to development of a new HCBS waiver, KDADS has many large projects underway around implementation of the Final Settings Rule, CDDO/ TCM Conflict of Interest, MFEI/Tier Rates, and changes to the comprehensive IDD waiver such as unbundling and building the provider network.

KDADS has been working with providers and CMS to assure compliance with the Final Settings Rule which impacts the entire HCBS system. Final Rule refers to a CMS directive protecting the rights and choices, and guarding against institutionalization or isolation, of those served within the HCBS system. Final Rule aims to ensure that individuals receiving long-term services and supports through HCBS programs have full access to benefits of community living and the opportunity to receive services in the most integrated inclusive setting appropriate. The work KDADS and providers are doing will enhance our ability to deliver services on the CSW in the most integrated and inclusive setting.

The I/DD waiver system in Kansas has a CDDO and Targeted Case Management (TCM) system which is often attached to a provider of direct services. This is considered a conflict of interest by CMS. KDADS is working with stakeholders and national consultants to provide an updated I/DD system that is in compliance with CMS standards and sets the stage for compliance and approval of the CSW.

The 2022 Special Committee on IDD Waiver Modernization recommended moving away from the BASIS assessment to assess patient needs to a more strengths-based assessment. KDADS has been working with stakeholders to develop the Medicaid Functional Eligibility Instrument (MFEI) to replace the BASIS for the current comprehensive IDD waiver and have the MFEI ready for implementation of the CSW. We are soon selecting a contractor to assist us with implementing the MFEI and have it in place for the CSW for 2025.

The current, comprehensive IDD waiver is up for federal renewal in July 2024 and along with that work, KDADS is working on waiver amendments to replace the BASIS assessment with the MFEI tool so that both the comprehensive and CSW waivers will use the same assessment tool. Another amendment underway for the comprehensive waiver is unbundling of services, which is another major project that KDADS will be working with stakeholders on. Part of this work complements the work to develop the CSW. Both the renewal of the existing waiver and the work towards the CSW development are occurring concurrently so as to not delay implementation of the CSW.

Upon the recommendation of Senator Gossage, KDADS met with Missouri's state waiver team, which has been immensely helpful. Missouri has three HCBS waivers for individuals with IDD - a comprehensive waiver, a Community Support Waiver that does not offer residential services and is capped at \$40,000, and a Pathways for Hope waiver which is capped at \$12,000 and requires a 50% match of the state's obligation from counties who want to participate.

However, it's not as simple as taking the Missouri CSW off the shelf and plugging it into our system in Kansas. For example, Missouri doesn't have CDDOs or Managed Care Organizations authorizing HCBS services, which are both key components of the Kansas HCBS IDD system. Another factor is cost, as Missouri's community supports waiver now has a cap of \$40,000, whereas the Legislature has directed KDADS to cap ours at \$20,000. This directly impacts utilization estimates, cost neutrality modeling, and how we design the overall service menu to achieve the desired results. There are also rate discrepancies, differing state regulations, network capacity etc.

One suggestion from Missouri's team when KDADS asked about how to speed up our development of a CSW was to simply leave the same array of services as the comprehensive waiver but remove residential supports. However, that would ignore the work and recommendations of the 2022 Special Committee on IDD Waiver Modernization and Kansas stakeholders. These are all elements that must be carefully considered and designed to determine how the state administers the new program with our various partners. These are all solvable challenges, but our ultimate goal is to get this as right as we can on the first go.

### **Community Support Waiver Timeline & Next Steps**

**August 2023:** Approval from CMS to use FMAP funds to hire staff and contractor for Community Support Waiver. The Governor's FY 25 budget continues this staffing with and adds and additional staffing.

**Remainder of 2023, early 2024:** Hire and on-board internal Community Support Waiver staff and external consultant for additional assistance in development and application of the CSW .

**April-June 2024:** Chosen contractor will form and convene stakeholder groups to provide feedback to the State regarding services. Kansas Stakeholders will drive the development of the CSW.

**July 2024-August 2024:** Contractor will draft Community Support Waiver and expand the provider network.

**September 2024 –October 2024:** Public comment period, as required by CMS. Kansas has many engaged stakeholders and we want to be sure to include their input in developing a new waiver for Kansans with IDD.

**October 2024:** Submit to CMS; needs 3 to 6 months to review and approve.

**January 2025:** Work to build provider network capacity alongside our current providers and welcome new providers interested in providing CSW services.

**No Later Than Final Quarter of 2025:** Begin serving initial CSW participants.

As previously mentioned, high staff turnover rates and consistent vacancies in the direct care workforce is one of the main challenges, both for the current comprehensive IDD waiver as well as a new CSW. The challenge is not unique to Kansas and is being seen across the nation. We have been told by providers that increases in reimbursement rates over the last two years have helped reduce turnover among direct care workers.

Through the American Rescue Plan Act (ARPA), KDADS received an additional 10% in Federal Medical Assistance Percentages (FMAP) specific to Home and Community Based Services. With that funding, KDADS has a number of initiatives underway to address the HCBS workforce:

- Waiting list study by KUCDD will help inform where to build provider capacity in order to effectively reduce the waiting list. That study should be complete by the end of May 2024.
- Direct Service Worker Workforce Training Program allows training providers to apply for funding to create training and professional development for DSWs.
- Workforce Training and Career Ladder study.

The process for waiver implementation requires approval from CMS, and their requirements and timelines impact how rapidly the new waiver can be implemented. For now, KDADS has focused on building the internal staff capacity and developing the proposal to hire a contractor to assure waiver development and application occurs as quickly as possible. As noted earlier, concurrently we will work with the results from the wait list study on focused provider capacity development and other workforce initiatives. KDADS has developed a task order that is now going through the procurement process, and we expect to have a contractor in place by April. Using a task order does shave time off compared to the procurement process of an RFP. The development of the CSW as quickly as possible is a major priority of KDADS and the Administration.

Thank you for allowing us the time to provide this update to the Committee. We are eager to continue progress on creating a Community Support Waiver in Kansas.

Sincerely,

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Kansas Department for Aging & Disability Services