

## **CHI PACC Programs In Home and Community-Based Services Waivers**

### **Introduction**

The Centers for Medicare & Medicaid Services (CMS) has collaborated with Children's Hospice International (CHI) for several years, in designing and implementing the CHI PACC<sup>®</sup> (Program of All-Inclusive Care for Children and Their Families) model of care. CHI PACC is a blended package of curative and palliative care services designed to care for children with life-threatening conditions and their families. CHI PACC provides services with hope for a cure, as well as bereavement counseling, if a cure is not attained.

The information below is designed to provide assistance to states and other interested parties in designing a 1915 (c) Home and Community-Based Services (HCBS) waiver to implement the CHI PACC model of care.

### **HCBS Specifics**

HCBS waivers afford States the flexibility to develop and implement creative long-term care community alternatives to placing Medicaid-eligible individuals in hospitals, nursing facilities or intermediate care facilities for persons with mental retardation. The HCBS waiver program recognizes that many individuals at risk of being placed in these facilities can be cared for in their homes and communities, preserving their independence and ties to family and friends at a cost no higher than that of institutional care.

States have the flexibility to design HCBS waiver programs to meet the specific needs of defined groups. Federal regulations permit HCBS waiver programs to serve the elderly, persons with physical disabilities, developmental disabilities, mental retardation or mental illness. States may also target HCBS waiver programs by specific illness or condition, such as technology-dependent children or individuals with AIDS, as well as persons with acquired or traumatic brain injury. This flexibility allows states the ability to create an HCBS waiver targeting children with life-threatening conditions.

HCBS waivers must meet a test of cost neutrality, meaning that Federal Medicaid costs for the population served under the waiver must be no greater than what it would have cost the Medicaid program to care for the population in an institution. For the purposes of designing a CHI PACC waiver, the "institution" in question would most likely be a hospital, but could also be a combination of hospital and nursing facility.

States may offer a variety of services to participants under an HCBS waiver program and are not limited to the number of services that can be provided. States may use an HCBS waiver program to provide many of the services contained in the CHI PACC model, including a combination of traditional medical services (i.e., skilled nursing services) as well as non-medical services (i.e. respite, therapies, case management, environmental modifications, family counseling), and may expand the provision of a service beyond the parameters of the Medicaid State Plan (such as for personal care services).

There are no specific services that must be offered in an HCBS waiver program. Additionally, there is no limit on the number of services that can be offered under a single waiver program as long as the waiver retains cost-neutrality and the services are necessary to avoid institutionalization.

### **CHI PACC Flexibility**

There have been two recent policy decisions by CMS that will allow states to use the HCBS waiver authority to optimally implement the CHI PACC model.

The first decision will permit states to receive Federal reimbursement for the provision of bereavement counseling, provided the service is billed prospectively before the death of the Medicaid-eligible child. Under an HCBS waiver, all services must be provided for the direct benefit of the Medicaid eligible – in this case, the child. Historically, HCBS policy dictated that services could not receive Federal reimbursement if provided after the death of the Medicaid eligible individual, which would have prohibited a CHI PACC HCBS waiver from including bereavement services.

CMS recognizes the importance of bereavement counseling in the CHI PACC model, and due to the recent policy decision, will allow such an HCBS waiver to include bereavement services that are billed prospectively in their entirety. As an example, if the waiver were to include in the CHI PACC service package 12 months of bereavement counseling to the family, all 12 months of service would be billed prior to the death of the child. The service would also begin prior to the child's death. (Note that each HCBS waiver may design its own service package, and may include differing amounts of service duration.) Of course, CMS and the State would have to negotiate how the costs of this service would be built into the waiver's cost neutrality test. Other details, such as what happens when the death of the child occurs suddenly, before bereavement services are prospectively billed, are still being worked out.

The second policy decision permits states to: 1) allow an eligibility threshold for children in HCBS waivers that is less than the cost of equivalent institutional care and 2) allow the combination of EPSDT expenditures and the annualized expenditures of the periodic hospital stays in determining the cost neutrality of CHI PACC waivers.

CMS understands that children to be served under the CHI PACC model may not consistently meet an institutional level of care. This means that assuming the HCBS waiver targets hospitals as the institutional level of care to cover, these children probably will not always require hospital care, due to the episodic nature of their condition. This policy will allow states flexibility in determining cost neutrality in ways that maximize the non-waiver costs by focusing on the individuals with similar "institutional needs", rather than the entire institutional population. Generally speaking, this flexibility will allow the waiver to cover children who are "at risk of" attaining the hospital level of care.

Furthermore, this policy enables states to enroll children into the CHI PACC waiver program at the point when the child begins to need a hospital stay and consequently, is

likely, in the near future, to require an institutional level of care. Therefore, this will allow children to maintain waiver eligibility even when they are well enough to be cared for in the community, and are not technically at the hospital level of care at a given point in time. Again, negotiations between the State and CMS will be necessary to flush out details.

### **Summary**

CMS is confident that the HCBS waiver authority permits States to develop and implement the major components of the CHI PACC model. CMS is supportive of this innovative model, and we welcome the opportunity to work with States to ensure that these necessary services are provided to eligible children and families. Please contact CMS with questions, or requests for technical assistance.

### **CMS Contacts**

For general inquiries on the CHI PACC program, contact Melissa Harris at [mharris1@cms.hhs.gov](mailto:mharris1@cms.hhs.gov).

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