NATIONAL INSTITUTE for MEDICAL RESPITE CARE

A special initiative of the National Health Care for the Homeless Council

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ISSUE BRIEF

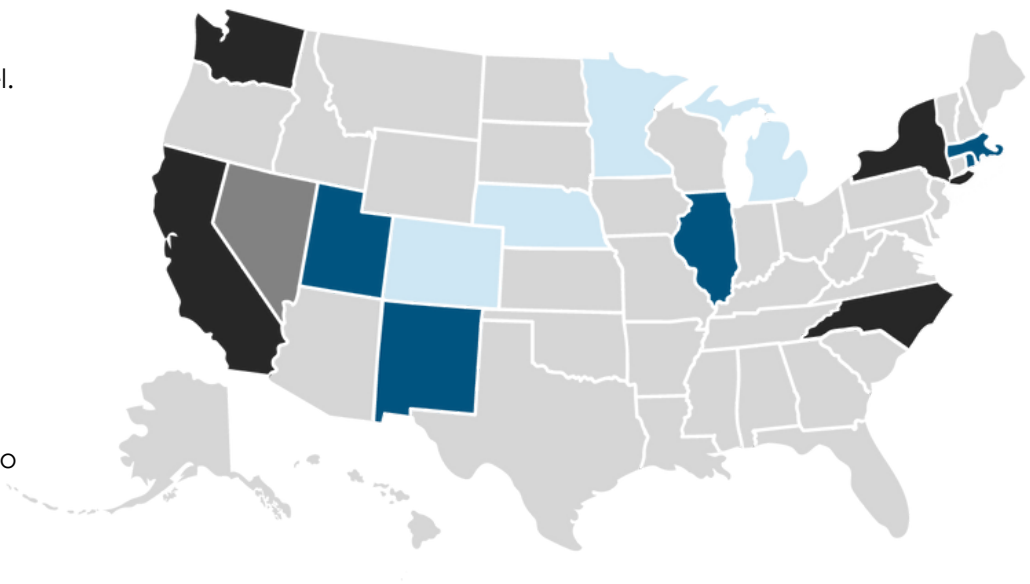
Status of State-Level Medicaid Benefits for Medical Respite Care

Medicaid respite care programs are rapidly growing in response to a rising need for people experiencing homelessness to have access to post-acute care in a safe, stable environment coupled with an increased awareness of the program model. While there are numerous financing strategies that work for medical respite programs, more state Medicaid plans and managed care organizations (MCOs) are paying for services through Medicaid as a way of creating more consistent and sustainable reimbursements. Further, some states are moving to add reimbursements for medical respite care as a statewide Medicaid benefit (see Figure 1).

The Centers for Medicare and Medicaid Services (CMS) is permitting substantial flexibility in programmatic design in state Medicaid waivers to allow transformative initiatives. At the same time, the federal agency is also establishing new guardrails and conditions — balancing that flexibility with new obligations. The programmatic flexibility and investments associated with these approvals will allow states to stabilize coverage, offer new benefits and services, and focus on whole-person care.

FIGURE 1

STATUS OF STATEWIDE MEDICAID ACTIVITY ON MEDICAL RESPITE CARE



- Waiver approved and being implemented
- Waiver request submitted to CMS for approval
- Waiver request in development
- State-level work in process

This issue brief is intended to provide a current snapshot of the state-level Medicaid activity related to medical respite care. As often as possible, the exact language used in the Medicaid waiver requests has been included in this brief.

Please note: This brief focuses on state-level Medicaid activity, and does not include reimbursement arrangements between individual plans and programs, or fee-for-service payments to health centers as part of their usual reimbursement rate.

WAIVER APPROVED AND BEING IMPLEMENTED

CALIFORNIA

California received approval in December 2021 to add 14 community support services — to include recuperative care — to its 1115 Medicaid waiver as part of the state's California Advancing and Innovating Medi-Cal (CalAIM) Act (more details in our 2022 State of the States report). Since that time, California added enhanced case management as a service, and is in the process of applying to CMS for approval to add six months of rent to the Medi-Cal program. Both these services will complement recuperative care, and bolster the support needed for positive outcomes.

In the past two years, hospitals, managed care plans, and recuperative care providers have navigated significant challenges transitioning to third-party reimbursements. For more information about this transition, to include perspectives from these three stakeholder groups, further action steps to consider, and advice for other states, see our new issue brief "CalAIM Implementation of Recuperative Care Benefit: Lessons Learned."

Moving forward, the Department of Health Care Services issued policy guidance outlining changes that managed care plans must follow. These include following consistent service definitions and eligibility criteria without any further restrictions (see this "cheat sheet" for a summary of these changes).

NEW YORK

On Jan. 9, 2024, CMS approved New York's Medicaid 1115 waiver request, which includes recuperative care as an allowable health-related social need (HRSN) service. Individuals who meet the Department of Housing and Urban Development's definition of homeless and are transitioning out of institutions, and who are at risk of incurring other Medicaid state plan services, such as inpatient hospitalizations or emergency department visits (as determined by a provider at the plan or network level), are eligible to receive treatment on a short-term basis.

CMS stipulates that recuperative care may be offered for up to 90 days once every 12 months (assessed on a rolling basis). Further, the approval language requires eligible settings for recuperative care to have appropriate clinicians who can provide medical and/or behavioral health care. CMS specifies that the facility cannot be primarily used for room and board without the necessary additional recuperative support services. They include an example: A room in a commercial hotel, where there are no medical or behavioral health supports provided onsite appropriate to the level of need, would not be considered an appropriate setting, but if a hotel had been converted to a recuperative care facility with appropriate clinical supports, then it would be an eligible setting.

CMS is requiring New York to develop an HRSN Services Protocol, which must include a description of the state's documented process to authorize Recuperative Care and document the medical need for the service. CMS is allowing the state to add other provider qualifications or other limits to the service as long as they are documented within the managed care plan contracts, HRSN Services Protocol, and state guidance.

NORTH CAROLINA

North Carolina received approval in September 2022 to add medical respite care to its 1115 waiver as part of the state's Healthy Opportunities Pilot Program (more details in our 2022 State of the States report). Since that time, the state has worked to establish reimbursement policies and procedures through managed care plans. One challenge has been that many people with Medicaid entering medical respite care are not yet enrolled in managed care, but in fee-for-service, which does not allow reimbursement for this service. The time required to do the transition to managed care often exceeds the time spent at the medical respite program.

Importantly, North Carolina recently expanded Medicaid eligibility to single adults starting Dec. 1, 2023. Moving forward, many more people experiencing homelessness will qualify for Medicaid and be enrolled in managed care, which should ease both access to care for individuals and reimbursement opportunities for providers.

WASHINGTON

The state submitted its 1115 waiver request to CMS in June 2022, and received approval in June 2023. The approval language includes recuperative care as a housing support under health-related social need (HRSN) services. Eligibility for housing supports includes individuals transitioning out of institutional care or congregate settings; individuals who are homeless, at risk of homelessness, or transitioning out of an emergency shelter as defined by 24 CFR 91.5; and youth transitioning out of the child welfare system. This service becomes eligible for statewide reimbursement effective July 1, 2024.

Like the New York waiver, CMS stipulates that recuperative care may be offered for up to 90 days. Further, the approval language requires eligible settings for recuperative care to have appropriate clinicians who can provide medical and/or behavioral health care. CMS specifies that the facility cannot be primarily used for room and board without the necessary additional recuperative support services. They include an example: a hotel room in a commercial hotel, where there are no medical or behavioral health supports provided onsite appropriate to the level of need, would not be considered an appropriate setting, but if a hotel had been converted to a recuperative care facility with appropriate clinical supports, then it would be an eligible setting.

Also like the New York provisions, CMS is requiring Washington State to develop an HRSN Services Protocol, which must include a description of the state's documented process to authorize Recuperative Care and document the medical need for the service. CMS is allowing the state to add other provider qualifications or other limits to the service as long as they are documented within the managed care plan contracts, HRSN Services Protocol, and state guidance. Currently, this protocol is anticipated to be finalized in early 2024.

WAIVER SUBMITTED TO CMS FOR APPROVAL

ILLINOIS

In June 2023, Illinois submitted its Medicaid 1115 waiver request to CMS for approval, which includes medical respite care as a covered benefit. Aimed at individuals enrolled in Medicaid managed care, eligibility criteria will include those experiencing or are at risk for homelessness and are at risk of ED/hospitalization or institutional care, in the ED or hospitalized, or in institutional care.

The waiver proposes a length of stay up to six months, and seeks to cover specialized onsite case management, connections to other health related services, transition support, limited support for activities of daily living and/or instrumental activities of daily living, and monitoring of the individual's ongoing medical or behavioral health condition(s) (e.g., monitoring of vital signs, assessments, wound care, medication monitoring).

Meanwhile, the state is supporting a statewide capacity-building initiative that includes funding, technical assistance, and peer learning cohort for communities statewide that are developing, piloting, and/or expanding medical respite services.

MASSACHUSETTS

In October 2023, Massachusetts submitted to CMS a request to amend its 1115 demonstration waiver, which includes adding medical respite care as a reimbursable service starting Jan. 1, 2025 *[note that medical respite is called Short-Term Post Hospitalization Housing (STPHH) in MA's request]*.[1]

Like other states, Massachusetts' proposal includes up to six months of STPHH (i.e., medical respite care) and supportive services for eligible MassHealth members, including those enrolled in managed care and those in fee-for-service, who meet the following risk-based and clinical criteria:

- Currently experiencing homelessness; and
- Being discharged from a hospital after an inpatient stay or from an emergency department visit; and
- Has a primary acute medical issue that is not yet resolved, but no longer requires or does not require hospital level of care and does not meet skilled nursing facility level of care.

Services delivered to members in the STPHH program will include, but are not limited to, monitoring of vital signs, assessments, wound care, and medication monitoring and reminders as well as 24-hour on call medical support. Clinical services rendered will be tailored to the needs of each individual enrolled. Programs will provide transportation to and from medical appointments and support in coordinating needed clinical services.

In addition to medical services, these programs will have robust housing navigation services available to assist members with the goal of identifying permanent housing options once they have recuperated. Members who meet the criteria may receive STPHH, regardless of prior receipt of this service. Each stay in STPHH will last no more than 6 months.

Lastly, Massachusetts proposes allowing members experiencing homelessness who do not have consistent access to a private bathroom to utilize STPHH services for up to two days to prepare for colonoscopies. After the procedure, the member would not be eligible to continue to receive STPHH services unless they met the risk-based and clinical criteria outlined above.

1. States are sometimes using the same terminology to describe different services, which can get confusing. Example: Massachusetts is using 'short-term post-hospitalization housing' to describe medical respite care, while California is using the same term to describe a different service.

NEW MEXICO

On Dec. 16, 2022, the New Mexico Human Services Department (HSD) submitted its request for a five-year renewal of its 1115 Medicaid demonstration waiver, which would add 11 new benefits — to include medical respite care — to its state Medicaid program. [Note: HSD will publish its final application on its waiver webpage following CMS confirmation of completeness.] The State proposes to pilot a medical respite care program, operated by Albuquerque Health Care for the Homeless, by transforming part of a former hospital that is no longer in use into a medical respite unit with 24 beds (though the pilot will begin with 12 of those rooms before expanding to full capacity). Initially, all referrals will come from the University of New Mexico hospital, with plans to add other hospitals in Albuquerque over the five-year demonstration.

Payment for this pilot will come through managed care organizations, with an adjustment to their capitated rate. The State will require a two-month cap on reimbursement for the medical respite site after hospital discharge, per member per year (though there will not be a limit to the number of stays or a lifetime limit). Proposed services include care coordination, medical care on site, personal care services, and 24-hour staffing.

The request to CMS includes a requirement that the program adhere to NIMRC's 2021 Standards for Medical Respite Programs. Public comment on the draft proposal ended on Oct. 31, 2022, and the request was submitted to CMS in December 2022 for approval. While the request is still pending approval from CMS, the five-year pilot program is projected to start Jan. 1, 2025, and cost $16.4 million.

RHODE ISLAND

In December 2022, Rhode Island submitted their 1115 waiver extension request to CMS that included a request for authority to implement a Restorative and Recuperative Care (Medical Respite Care) Pilot program. As of November 2023, that request remains under review with CMS; a decision is anticipated in late 2024 or early 2025. The state envisions that the Pilot will support at least three sites. Recuperative Care Centers will provide services to individuals experiencing homelessness to prepare for, undergo, and recover from medical treatment, injuries, and illness. Individuals will be required to obtain a referral or be evaluated for medical necessity to receive services. Care Centers will ensure that referrals will be screened and managed using equitable admissions criteria and will strive to offer a low barrier to access services.

The state requested the length of stay be limited to active treatment and/or recovery not to exceed 36 months. Individuals are eligible to receive services through the Pilot by meeting each of the following two criteria: 1. Unsheltered, unhoused or at high-risk of homelessness OR staying in a setting that is inappropriate for pre or post hospitalization or recovery; and 2. Have a health need that requires a safe and supportive environment.
Rhode Island plans to test how medical respite can improve health care utilization, decrease Medicaid spending, and improve housing status and access to social services. The state anticipates that the Pilot will operate through the FFS delivery system with the goal of transitioning to managed care following the pilot period. While awaiting approval from CMS, Rhode Island is piloting temporary respite programs utilizing a shared funding model supported by State and local resources. One current site opened in January and has served 75 clients, and a second site is planned to open by January 2024 that will expand state-supported respite capacity to 38 beds.

UTAH

On Dec. 30, 2021, Utah submitted to CMS a request to amend its 1115 Primary Care Network (PCN) Demonstration Waiver allowing the State to provide temporary medical respite care for individuals covered under the Adult Expansion Medicaid program who are also chronically homeless and/or living in a supportive housing program. If approved, the state will contract with a single entity to operate the pilot program where individuals will be eligible for a maximum of 40 days of medical respite care services per year. Initially services will be paid through fee-for-service, though this may transition to managed care at a later date. The demonstration aims to begin as soon as possible after approval, and estimates that 400-500 individuals will be served per year, costing $12.5 million over the course of a 5-year period (ending June 30, 2027). *Current status: Approval pending negotiations with CMS, which are still ongoing. These negotiations may result in changes to the original proposal.*

WAIVER REQUEST IN DEVELOPMENT

NEVADA

On Nov. 29, 2022, the NV Department of Health and Human Services released a proposal outlining provisions for four housing supports to be added into managed care as "In Lieu of Services" (ILOS), which included recuperative care.

Under the proposal, short-term recuperative care/medical respite is an allowable service if it is 1) necessary to achieve or maintain medical stability and prevent hospital admission or readmission, which may require behavioral health interventions; 2) not more than 90 days in continuous duration; and 3) does not include funding for building modification or building rehabilitation.

At a minimum, this service must include interim housing with a bed and meals and monitoring of the member's ongoing medical or behavioral health condition. This service may also include: (1) limited or short-term assistance with activities of daily living; (2) coordination of transportation to post-discharge appointments; (3) connection to any other on-going services an individual may require including mental health and substance use disorder services; and (4) support in accessing benefits and housing.

Providers of recuperative care may include:

- Interim housing facilities with additional on-site support
- Shelter beds with additional on-site support
- Converted homes with additional on-site support
- County directly operated or contracted recuperative care facilities

The proposal stipulates that "services must not include the provision of room and board or payment of rental costs without necessary medical and recuperative care as defined by the state" and also includes specific billing codes that managed care plans must use in reporting housing support services to the state.

STATE-LEVEL WORK IN PROCESS

COLORADO

The Colorado Department of Health Care Policy & Financing (HCPF) is partnering with the University of Colorado School of Medicine (an academic medical center) to evaluate data from Ascending to Health medical respite program after providing one year of grant funding. HCPF is currently assessing the data to better understand the impact of medical respite care on hospitals and the Medicaid program. The evaluation is expected to be complete in the summer of 2024.

MICHIGAN

The state is currently evaluating and developing policy to support the FY 24 budget allocation to support recuperative care efforts, and is not currently pursuing a Medicaid waiver. Instead, they anticipate leveraging state general fund dollars to support room and board services (which are not eligible for match) and leveraging match dollars to support care coordination services (which are eligible for federal match). The proposed braided funded approach will assist in meeting recuperative care goals.

MINNESOTA

In December 2022, the MN Department of Human Services released a report outlining a set of recommendations for the state legislature to consider in order to advance support for Medicaid-reimbursable recuperative care. These recommendations included support for technical assistance, establishment of care coordination benefits and a daily bundled rate for recuperative care programs, and short- and long-term support for state-only funding for room and board. In the 2023 state legislative session, legislation passed establishing a definition, services, and rates for recuperative care. At this time, DHS is finalizing the details of operating and financial policies to add to the provider manual; however, the state does not anticipate seeking an 1115 waiver for the recuperative care service (though they will likely amend the state's Medicaid plan to reflect the state-only changes).

NEBRASKA

The 2024 state legislative session includes a bill that would require the state's Department of Health and Human Services to submit a Medicaid waiver or state plan amendment for medical respite care.

DISCUSSION

As of this publication, four states (CA, NY, NC, WA) have approved Medicaid 1115 waivers and are under way with implementation. Five states (IL, MA, NM, RI, UT) have already submitted 1115 waiver requests to CMS and are in various stages of negotiation. One state (NV) is considering a unique approach using In Lieu of Services rather than an 1115 waiver. Finally, four states (CO, MI, MN, NE) are advancing state-level work related to Medicaid and medical respite care.

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DISCUSSION CONTINUED

The CMS guidance on health-related social needs specifically references medical respite care (other terms include post-hospitalization recuperative care, short-term pre-procedure and/or post-hospitalization housing) as an intervention appropriate for Section 1115 demonstrations. The purpose of these demonstrations is to test and evaluate state-specific policy approaches to better serving Medicaid populations. Importantly, if room and board are to be included in the reimbursement, CMS is not allowing medical respite to be approved under home- and community-based service authorities (such as Section 1915) or In Lieu of Services. This guidance provides important direction to states still considering whether and how to add medical respite care to its Medicaid program.

The nine states with published 1115 waivers (either proposals or approvals) outlined their requests in different ways, with various lengths of stay, details of benefits provided, terminology used, service venues, and integration with other benefits/services. The differing language may highlight opportunities to test different approaches, which is the purpose of 1115 demonstration waivers. The last two waivers approved by CMS (NY and WA) contain similar language, perhaps indicating that a more consistent approach is developing. As CMS approves additional waivers, template waiver language is likely to emerge, making it a useful model for other states to replicate.