

## **CMS Programs for Self-Directed Services** ***Independence Plus and the DRA*** **(For Historical Reference)**

### **Program Summary**

*Independence Plus* is based on the experiences and lessons learned from states that have pioneered the philosophy of consumer self-direction. During the mid-1990s, the Robert Wood Johnson Foundation awarded grants to develop self-determination in 19 States. These projects primarily evolved into Medicaid-funded programs under the section 1915(c) home and community-based services waiver authority. In the late 1990s, the Robert Wood Johnson Foundation again awarded grants to develop the “Cash and Counseling” (C&C) national demonstration and evaluation project in three States. These projects evolved into demonstration programs under the section 1115 authority of the Social Security Act (the Act). *Independence Plus* programs afforded older persons and persons with disabilities or their families the option to direct the design and delivery of services and supports to avoid unnecessary institutionalization, experience higher levels of satisfaction and maximize the efficient use of community services and supports.

CMS defined an *Independence Plus* self-directed program as “a state Medicaid program that presented individuals with the option to control and direct Medicaid funds identified in an individual budget.”

The CMS program requirements for an *Independence Plus* program included:

- Person-centered planning - A process, directed by the participant, intended to identify the strengths, capacities, preferences, needs and desired outcomes of the participant.
- Individual budgeting - The total dollar value of the services and supports, as specified in the plan of care, under the control and direction of the program participant.
- Self-directed supports - A system of supports such as information, training, counseling and assistance that helped the participant to develop, implement and manage the services identified in his/her individual budget.
- Quality assurance and quality improvement - The QA/QI model built on the foundation of discovery, remediation and continuous improvement.

Furthermore, CMS expected an *Independence Plus* program to have an independent advocate or advocacy system available to participants and expected to see an increase in the number of participants who were self-directing their services and supports during the life of the *Independence Plus* program, as measured against the state’s projected numbers.

### **Background:**

- On May 9, 2002, Secretary Thompson unveiled the *Independence Plus* initiative and templates to help states enable elders and persons with disabilities to maximize choice and control of services in their own homes and communities. The *Independence Plus* initiative was part of the Department of Health and Human Services response to the 2001 New Freedom Initiative.
- CMS developed two templates that allowed states to choose different self-directed design features to satisfy their unique programs. For states wishing to create programs that allow Medicaid beneficiaries to manage their cash allowance directly, the §1115 demonstration template was available. The §1915(c) waiver version allowed Medicaid beneficiaries to self-direct a wide array of services, so long as these services, considered together, were required to keep a person from being institutionalized in a hospital, nursing facility or Intermediate Care Facility for the Mentally Retarded. Use of the templates was optional.
- The intended purposes of the *Independence Plus* Initiative were to:

- Delay or avoid institutional or other high cost out-of-home placement by strengthening supports to families or individuals.
  - Recognize the essential role of the individual or family in the planning and purchasing of health care supports and services by providing individual or family control over an agreed resource amount.
  - Encourage cost effective decision-making in the purchase of supports and services.
  - Increase individual or family satisfaction through the promotion of self-direction, control and choice – a major theme expressed during the New Freedom Initiative – National Listening Session.
  - Promote solutions to the problem of worker availability.
  - Provide supports brokerage and financial management services to support and sustain individuals or families as they directed their own services.
  - Assist States with meeting their legal obligations under the Americans with Disabilities Act (ADA) and the Supreme Court Olmstead decision.
  - Provide flexibility for States seeking to increase the opportunities afforded individuals and families in deciding how best to enlist or sustain home and community services.
- In 2003, to further encourage states to offer self-directed service options using the *Independence Plus* framework, CMS awarded \$5.4 million in *Independence Plus* grants to 12 states under the Systems Change Grant Program: Colorado, Connecticut, Florida, Georgia, Idaho, Louisiana, Massachusetts, Maine, Michigan, Missouri, Montana, and Ohio.
    - The States receiving *Independence Plus* grants were expected to: (1) develop new waiver programs or amend existing self-direction programs to incorporate the *Independence Plus* features; (2) build capacity to strengthen new or existing self-direction programs in any of the *Independence Plus* framework areas; (3) build provider capacity under the self-direction service option; and/or (4) hire personnel to research self-direction program designs or funding opportunities with the expectation of submitting an *Independence Plus* §1915(c) waiver or §1115 demonstration application or amending an existing waiver .
  - On October 7, 2004, the Robert Wood Johnson Foundation, along with ASPE and the AoA, awarded a second round of C&C grants to eleven (11) states to develop *Independence Plus* programs using either the §1915 (c) waiver or §1115 demonstration application. (Alabama, Iowa, Kentucky, Michigan, Minnesota, New Mexico, Pennsylvania, Rhode Island, Vermont, Washington, and West Virginia.) Additionally, Illinois was funded by the Retirement Research Foundation to implement its own C&C program. The National Program Office at the Boston College Graduate School of Social Work coordinates and directs the replication project.
    - Of these C&C grantees, most have received approval to implement their C&C programs through a §1915(c) waiver. 1 State received approval under the §1115 demonstration authority (VT) and 1 State received approval under the new State plan option for self-directed personal assistance services, §1915(j) of the Act, (AL). (See below for more information).
  - In the spring of 2005, a new §1915(c) waiver application with instructions was developed that incorporated the CMS requirements for an *Independence Plus* program. One streamlined application enables the expansion of self-directed options through incremental growth in existing waivers; consistent participant protections across all waiver programs; minimal administrative burden to States; easier amendment process so States may change waivers by modules rather than through a new document; and improved quality by clearly communicating CMS expectations for quality. States may still seek the *Independence Plus* designation for their §1915(c) waiver programs. The §1115 program mirrored the policies of the *Independence Plus* program contained in the §1915(c) waiver application and instructions.

- On November 17, 2006, the §1915(c) waiver application became available as a web-based application with instructions. It can be accessed at: [www.hcbswaivers.net](http://www.hcbswaivers.net).
  - As of September 30, 2008, 43 States have submitted applications using the revised waiver application.
  - Each year, CMS holds numerous trainings for States, Regional Office staff and others on use of the §1915 (c) application web-based application.
- On February 9, 2006, the Deficit Reduction Act (DRA) of 2005 was enacted into law as Pub. L. 109-171.
  - Section 6087 of the DRA amended §1915 of the Social Security Act (the Act) to add new subsection (j). §1915(j) allows a State to furnish self-directed personal assistance services as a State Plan option. §1915(j) was built on the experience and lessons learned from States that pioneered the philosophy of self-directed care, including the *C&C* and *Self-Determination* programs. It is anticipated that when the §1115 *Independence Plus* demonstration programs in Arkansas, California, Florida, New Jersey and Oregon expire, these States will continue their self-direction programs under §1915(j) of the Act. It is further anticipated that Colorado's §1115 self-direction program will transition to a section 1915(i) State plan option.
  - Section 6086 of the DRA amended §1915 of the Act to add new subsection (i). Section 1915(i) allows States to provide home and community based services, as defined in Section 1915(c)(4)(b) of the Act, under their Medicaid State Plans. States may elect to offer individuals receiving services through 1915(i) to direct some or all of their services under that authority.
- As of 8/1/07, 14 States had 16 approved *Independence Plus* programs:
  - Arkansas (§1115 amendment to Cash and Counseling, approved 10/02/02, effective 1/22/03; extension approved on 1/29/07, effective 2/1/07, for one year until 1/31/08);
  - New Hampshire (§1915 (c) new waiver, approved 12/16/02, effective 1/1/03);
  - South Carolina (§1915 (c) new waiver, initially approved 3/11/03, renewal effective 5/1/08);
  - North Carolina (§1915 (c) renewal waiver, effective 1/1/07);
  - Florida (§1115 amendment to Cash and Counseling, approved 5/30/03, effective 5/30/03);
  - California (§1115 new demonstration, approved 7/30/04, effective 8/1/04);
  - North Carolina (§1915 (b)/(c) new waiver, approved 10/6/04, effective 4/1/05);
  - Maryland (§1915 (c) new waiver, initially approved 10/21/04, renewal effective 7/1/08);
  - New Jersey (§1115 amendment to Cash and Counseling, approved 12/15/04, effective 11/3/05);
  - Connecticut (§1915 (c) new waiver, approved 1/14/05, effective 2/1/05);
  - Vermont (§1115 new demonstration that embedded *Independence Plus* within a larger long-term care reform program, approved 6/13/05, effective 10/1/05);
  - Rhode Island (§1915 (c) new waiver, approved 12/26/05, effective 1/1/06);
  - North Dakota (Two (2)) (§1915 (c) new waivers, approved 1/17/06, effective 4/1/06);
  - Montana (§1915 (c) new waiver, approved 1/23/06, effective 4/1/06); and
  - Oregon (§1115 amendment to its self-direction program, approved 1/26/07; effective 2/1/07 for one year, until 1/31/08).

### **Current Status**

- As of 10/8/08:
  - Several States have expressed interest in pursuing the self-directed PAS State Plan option under §1915(j), and Alabama was the first State in the country to submit a SPA on March 8, 2007, and then to be approved on May 24, 2007. The §1115 *Independence Plus* programs in Arkansas, Florida, Oregon and New Jersey have expired. They have all transitioned to the section 1915(j) State plan option.

- Numerous States have expressed interest in pursuing a SPA using §1915(i). Iowa was the first SPA approved using this authority with an effective date of January 1, 2007.
- CMS released State Medicaid Director (SMD) letters and pre-prints for States to use in submitting a State Plan Amendment (SPA) pursuant to §1915(i) or (j).
  - The SMD letter and pre-print for the section 1915(j) self-directed PAS State plan option can be found at:  
<http://www.cms.hhs.gov/SMDL/SMD/itemdetail.asp?filterType=none&filterByDID=0&sortByDID=1&sortOrder=descending&itemID=CMS1203243&intNumPerPage=10>.
  - The SMD letter and pre-print for the section 1915(i) HCBS State plan option can be found at:  
<http://www.cms.hhs.gov/SMDL/SMD/itemdetail.asp?filterType=none&filterByDID=0&sortByDID=1&sortOrder=descending&itemID=CMS1209785&intNumPerPage=10>
- CMS drafted proposed rules to provide guidance to States that want to administer self-directed home and community-based services through their State plans pursuant to §1915(i) or self-directed personal assistance services through their State plans pursuant to §1915(j) of the Act.
  - The proposed rule for the section 1915(j) State plan option was published in the Federal Register on January 18, 2008 and public comments were due on February 19, 2008. The proposed rule can be found at:  
<http://a257.g.akamaitech.net/7/257/2422/01jan20081800/edocket.access.gpo.gov/2008/pdf/08-115.pdf>. Public comments were reviewed and the final rule was published on October 3, 2008. The final rule can be found at: [http://federalregister.gov/OFRUpload/OFRData/2008-23102\\_PI.pdf](http://federalregister.gov/OFRUpload/OFRData/2008-23102_PI.pdf) or at <http://frwebgate4.access.gpo.gov/cgi-bin/PDFgate.cgi?WAISdocID=322294382120+13+1+0&WAISAction=retrieve>
  - The proposed rule for the section 1915(i) HCBS State plan option was published in the Federal Register on April 4, 2008. The comment period ended on June 3, 2008. The proposed rule can be found at: <http://frwebgate1.access.gpo.gov/cgi-bin/PDFgate.cgi?WAISdocID=640333139100+21+1+0&WAISAction=retrieve>. The publication of the final rule is expected in Fall of 2008.

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