



## **Medicaid Waivers and Katie Beckett Program**

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## **Introduction**

The purpose of this document is twofold; one, to summarize the current Medicaid waivers in Illinois, and two, to summarize the Katie Beckett program. Medicaid waivers and the Katie Beckett program allow states to have additional flexibility in the design and implementation of their Medicaid programs and are one way to provide additional medical and financial supports to families of children with complex medical needs. This document has multiple components. First, key terms related to Medicaid waivers and the different types of Medicaid waivers are defined. Then, an overview of Medicaid waivers in Illinois is provided. Finally, information about the Katie Beckett program, including resources from other states that have the Katie Beckett program, is provided.

## Key Terms

**Disability under the Social Security Act:** Having a medically determinable physical or mental impairment or combination of impairments that cause(s) marked and severe functional limitations, and that has lasted or can be expected to last for a continuous period of not less than twelve (12) months, or can be expected to result in death.<sup>1</sup>

**Intermediate Care Facility (ICF):** For individuals with intellectual disability. Provides comprehensive and individualized health care and rehabilitation services to individuals to promote their functional status and independence. Need for ICF is specifically defined by states, all of whom have established ICF/ID level of care criteria.<sup>2</sup>

**Institutional Level of Care:** There is no federal definition of institutional level of care. It is up to each state to write their own eligibility criteria. According to the Centers for Medicare and Medicaid, 'a child must require the level of care provided in a hospital (or psychiatric hospital), intermediate care facility for the intellectually disabled (ICF/ID), or nursing facility. Without appropriate interventions and supports (both at home and in the community), the child would either reside in an institution or be at immediate risk for institutional placement.'<sup>3</sup>

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<sup>1</sup> <https://www.ssa.gov/disability/professionals/bluebook/ChildhoodListings.htm>

<sup>2</sup> <https://www.medicare.gov/medicaid/long-term-services-supports/institutional-long-term-care/intermediate-care-facilities-individuals-intellectual-disability/index.html>

<sup>3</sup> 42 C.F.R. §435.225(b)(1)

## Types of Medicaid Waivers and Programs

**Medicaid waivers** are waivers that states can apply for to have additional flexibility in design and implementation of their Medicaid programs.

**1915 Waivers: Allows states to target services to people who need long term services and supports. All 1915 waivers (a) are fee-for-service programs, meaning that the provider is paid for each service the patient receives (such as a test or procedure, and (b) Require individuals to meet criteria set by the state and based on level of need.**<sup>4</sup>

### 1915(a)<sup>5</sup>

- Allows states to implement a voluntary managed care program by executing a contract with companies that the state has procured using a competitive procurement process

### 1915(b): Managed Care Waiver<sup>6</sup>

- Originally enacted by Congress in the Omnibus Budget Reconciliation Act of 1981
- Allow states to implement a managed care delivery system
  - b(1): Freedom of Choice - restricts Medicaid enrollees from receiving services within the managed care network
  - b(2): Enrollment Broker - utilizes a "central broker"
  - b(3): Non-Medicaid Services Waiver - uses cost savings to provide additional services to beneficiaries
  - b(4): Selective Contracting Waiver - restricts the provider from whom the Medicaid eligible may obtain services

### 1915(c): Home and Community-Based Services [HCBS]<sup>7</sup>

- Originally enacted by Congress in the Omnibus Budget Reconciliation Act of 1981
- Authorizes states to provide HCBS as an alternative to institutional care in nursing homes, intermediate care facilities for individuals with intellectual disabilities, and hospitals
- States can provide targeted sets of services to specific populations based on geographical location, age, or diagnosis
- States can impose caps on waiver program enrollment and average costs per person

### 1915(i)<sup>8</sup>

- Provided under a state's Medicaid plan

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<sup>4</sup> <https://www.cms.gov/training-education/partner-outreach-resources/american-indian-alaska-native/lts-ta-center/information/state-medicaid-plans-and-waivers>

<sup>5</sup> <https://www.medicaid.gov/medicaid/managed-care/managed-care-authorities/index.html>

<sup>6</sup> <https://www.medicaid.gov/medicaid/managed-care/managed-care-authorities/index.html>

<sup>7</sup> <https://www.medicaid.gov/medicaid/home-community-based-services/home-community-based-services-authorities/home-community-based-services-1915c/index.html>

<sup>8</sup> <https://www.medicaid.gov/medicaid/home-community-based-services/home-community-based-services-authorities/home-community-based-services-1915i/index.html>

- Allows the state to provide certain HCBS to people who have incomes lower than 150% of the Federal Poverty Level and do not need to live in a facility to receive care.

#### **1915(j): Self-Directed Personal Assistance Services<sup>9</sup>**

- Provides individuals with active roles in the services they receive. Through self-directed personal assistance services, they can:
  - Direct types of care that they receive that they understand but cannot do (e.g., a person with a physical disability may wish to direct his or her own exercise program)
  - Choose who will be involved in providing their care
  - Include their own preferences, choices, and abilities in the service plan

#### **1915(k): Community First Choice<sup>10</sup>**

- Expands Medicaid opportunities for the provision of home and community-based LTSS, facilitates community integration, and provides an enhanced federal match of six additional percentage points.

**1115 Waivers:** Allows states to run experimental, pilot, or demonstration projects that promote the objectives of Medicaid.<sup>11</sup>

[This website](#) has a list of all 1115 and 1915 waivers.

#### **TEFRA/Katie Beckett Program<sup>12</sup>**

- Established in 1982 under the Tax Equity and Fiscal Responsibility Act/TEFRA (P.L. 97-248)
- Permits the state to ignore family income for certain children who have disabilities so they can access Medicaid

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<sup>9</sup> <https://www.medicaid.gov/medicaid/home-community-based-services/home-community-based-services-authorities/self-directed-personal-assistant-services-1915-j/index.html>

<sup>10</sup> <https://www.medicaid.gov/medicaid/home-community-based-services/home-community-based-services-authorities/community-first-choice-cfc-1915-k/index.html>

<sup>11</sup> <https://www.medicaid.gov/medicaid/section-1115-demonstrations/index.html>

<sup>12</sup> <https://ciswh.org/wp-content/uploads/2016/07/TEFRA.pdf>

## Medicaid Waivers in Illinois

1915(c): Home and Community-Based Services [HCBS]<sup>13</sup>

Waiver	Target Group	Description	Waives Parent Income?	Waives Individual Income?
<a href="#"><u>Children and Young Adults with Developmental Disabilities-Support Waiver</u></a>	Individuals with autism, intellectual disabilities, or developmental disabilities ages 3-21 years who meet an ICF/IID level of care	Provides adaptive equipment, assistive technology, behavior intervention and treatment, self-direction assistance, home accessibility modifications, personal support, temporary assistance, training and counseling services for unpaid caregivers, and vehicle modification services	Yes	No - child's financial resources are considered for Medicaid eligibility
<a href="#"><u>Children and Young Adults with Developmental Disabilities-Residential Waiver</u></a>	Individuals with autism, developmental disabilities, or intellectual disabilities ages 3-21 years who meet an ICF/IID level of care	Provides child group home, adaptive equipment, assistive technology, and behavior intervention and treatment services	Yes	No - child's financial resources are considered for Medicaid eligibility
<a href="#"><u>People who are Medically Fragile, Technology Dependent</u></a>	Individuals who are medically fragile or who are technology dependent ages 0 or older who meet a hospital or nursing facility level of care	Provides respite, specialized medical equipment and supplies, certified nursing assistant, environmental accessibility adaptations, family training, in-home shift nursing, nurse training, and placement maintenance counseling services	Yes	No - child's financial resources are considered for Medicaid eligibility
<a href="#"><u>Persons with Disabilities</u></a>	Individuals with physical disabilities ages 0-59 years who meet a nursing facility level of care	Provides adult day care, in-home, individual provider, respite, home health aide, occupational therapy, physical therapy, speech therapy, environmental accessibility adaptations, home delivered meals, in-home shift nursing, intermittent nursing, personal emergency response	No	No* - must be Medicaid eligible

<sup>13</sup> <https://hfs.illinois.gov/medicalclients/hcbs.html>

		system, and specialized medical equipment		*Services may still be available for those not eligible for Medicaid.
<a href="#"><u>Persons with Brain Injuries (BI)</u></a>	Individuals with brain injury ages 0 or older who meet a nursing facility level of care	Provides adult day service, day habilitation, homemaker, independent provider, prevocational services, respite, supported employment, home health aide, intermittent nursing, occupational therapy, physical therapy, speech therapy, cognitive behavioral therapies, environmental accessibility adaptations, home delivered meals, in-home shift nursing, personal emergency response systems, and specialized medical equipment and supplies	NA	No*  *or enrolled in the Health Benefits for Workers with Disabilities (HBWD) program.
<a href="#"><u>Adults with Developmental Disabilities</u></a>	Individuals with autism, developmental disabilities, or intellectual disabilities ages 18 or older who meet an ICF/IID level of care	Provides adult day service, community day services, residential habilitation, occupational therapy, physical therapy, speech therapy, self-direction assistance, 24-hour stabilization services, adaptive equipment, assistive technology, behavior intervention and treatment, behavioral services (psychotherapy and counseling), emergency home response services, home accessibility modifications, non-medical transportation, personal support, remote support, skilled nursing, supported employment - individual employment support, supported employment – small group supports, temporary assistance, training and counseling services for unpaid caregivers, and vehicle modification services	NA	No*  *or enrolled in the Health Benefits for Workers with Disabilities (HBWD) program.
<a href="#"><u>Persons who are Elderly waiver</u></a>	Individuals ages 65 or older and individuals with physical	Provides adult day service, in-home service, automated medication dispenser, and emergency home response services	NA	Yes

	disabilities ages 60-64 years who meet a nursing facility level of care			
<a href="#">Persons with HIV or AIDS</a>	Individuals with HIV/AIDS ages 0 or older who meet a nursing facility level of care	Provides adult day service, in-home, independent provider, respite, home health aide, intermittent nursing, occupational therapy, physical therapy, speech therapy, environmental accessibility adaptations, home delivered meals, in-home shift nursing, personal emergency response system, and specialized medical equipment and supplies	NA	No*  *or enrolled in the Health Benefits for Workers with Disabilities (HBWD) program.
<a href="#">Supportive Living Program</a>	Individuals ages 65 or older and individuals with physical disabilities ages 22-64 years who meet a nursing facility level of care.	Provides assisted living services		Income equal to or greater than current maximum allowable amount of Supplemental Security Income (SSI), and must contribute all but \$90 each month toward lodging, meals, and services



## Medicaid Waivers in Illinois

### 1115: Demonstration Waivers

Waiver	Description & Targets
<p><a href="#"><u>Continuity of Care and Administrative Simplification</u></a></p>	<ol style="list-style-type: none"> <li>1. Coverage for pregnant women ending 60 days postpartum;</li> <li>2. Churning between Medicaid Fee-for-Service (FFS) and Medicaid managed care due to late redetermination paperwork; and</li> <li>3. Implementing hospital presumptive eligibility (HPE)</li> </ol>
<p><a href="#"><u>Illinois Healthcare Transformation</u></a> (was originally called Behavioral Health Transformation)</p>	<p>Address root causes of health disparities by focusing on social determinants of health (SDOH) to address structural inequities including housing insecurity, food insecurity, and violence in tangible ways that will improve health outcomes.</p> <p>Target populations: Homeless, Justice-involved individuals, Pregnant individuals, People who are unemployed, people with food insecurity, people exposed to or at-risk of violence, people with behavioral health needs</p> <p>(originally targeted for those with opioid use disorder/substance use disorder)</p>

## States with Katie Beckett Programs

The

Alaska

- [TEFRA overview](#)
- [TEFRA application process](#)
- [TEFRA definitions](#)
- [Examples of TEFRA cases](#)

Arkansas

- [TEFRA overview](#)

Connecticut

- [Katie Beckett overview](#)
- [Katie Beckett legislation](#)

DC

- [TEFRA overview](#)
- [TEFRA application process](#)

Georgia

- [TEFRA overview](#) (application is on website)
- [Guide to Katie Beckett](#)

Idaho

- [Kate Beckett overview](#) (eligibility included on website)

Louisiana

- [TEFRA overview](#)
- [TEFRA Level of Care assessment tool](#)

Maine

- [Katie Beckett overview](#)

Michigan

Minnesota

- [TEFRA overview](#)
- [Level of Care assessment tool](#)

Mississippi

- [Katie Beckett overview](#)

Nebraska

- [Katie Beckett overview](#)
- [Guide to services in Nebraska](#) (p. 31)

#### Nevada

- [Katie Beckett overview](#)
- [Allowable costs](#)

#### Oklahoma

- [TEFRA overview](#)
- [TEFRA physician assessment form](#)
- [TEFRA parent guide](#)

#### Rhode Island

- [Katie Beckett overview](#)
- [Katie Beckett parent questionnaire](#)
- [Katie Beckett fact sheet](#)
- [Katie Beckett clinical evaluation form](#)

#### South Carolina

- [Medicaid programs overview](#) (Katie Beckett is under “Disabled Children”)
- [TEFRA application form](#)

#### South Dakota

- [Level of care assessment tool](#)

#### Tennessee

- [Katie Beckett overview](#)
- [Katie Beckett application process](#)

#### Vermont

- [Katie Beckett fact sheet](#)

#### West Virginia

- [Financial limitations](#)
- [Katie Beckett eligibility](#)

#### Wisconsin

- [Katie Beckett eligibility](#)
- [Eligibility overview sheet](#)

**Katie Beckett Level of Care Tools & Assessments**

<b>State</b>	<b>Tool to Assess Eligibility</b>
Louisiana	<a href="#"><u>Level of care assessment process overview</u></a>
Minnesota	<a href="#"><u>Level of care assessment</u></a>
Oklahoma	<a href="#"><u>Physician assessment form</u></a>
Rhode Island	<a href="#"><u>Parent questionnaire</u></a>
South Carolina	<a href="#"><u>Application form</u></a>
South Dakota	<a href="#"><u>Application form</u></a>
West Virginia	<a href="#"><u>Eligibility</u></a>
Wisconsin	<a href="#"><u>Institutional Level of Care tool</u></a>