

DATE: November 7, 2023

TO: Home and Community-Based Alternatives (HCBA) Waiver Agencies

SUBJECT: Release of HCBA Waiver Slots

PURPOSE

The purpose of this Policy Letter is to provide guidance on the Department of Health Care Services' (DHCS) policy for releasing available HCBA Waiver slots.

BACKGROUND

On July 12, 2023, HCBA Waiver Agencies (WA) were notified that the HCBA Waiver program was approaching its maximum capacity of 8,974 for the current waiver year. Enrollment into the HCBA Waiver is limited to the maximum number of members served at any point during the year.¹ Once this capacity is reached, DHCS must immediately implement a waitlist and can only process new enrollments as waiver slots become available.

DEFINITIONS

- **Applicant:** Individual who has applied to the HCBA Waiver.
- **Complete Enrollment Packet:** Includes all the following completed documents:
 - HCBA Waiver application
 - Assessment (also known as Case Management Report (CMR) or evaluation)
 - Plan of Treatment (POT)
 - Freedom of Choice Form
 - Home Safety Evaluation (HSE)
 - Menu of Health Services (MOHS)
 - Acuity Tool
- **Effective Date of Placement on the Waitlist:** This date is always the date that the WA, or DHCS in areas where there is no WA, receives the application. WAs must record the effective date of placement on the waitlist in MedCompass immediately. WAs must also use the appropriate MedCompass subprogram status to identify whether an applicant meets Reserve Capacity or Community enrollment criteria.

¹ [HCBA Waiver, Appendix B. \(B-3\), pgs. 34 and 35.](#)



- **Imminent or Recent Age Out of Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Medi-Cal:** Applicants currently enrolled in Medi-Cal whose 21st birthday is within six months of the time they applied to the HCBA Waiver.²
- **Intake Date:** Date that the Intake Assessment is administered by the WA, or DHCS, in areas where there is no WA.
- **Member:** Individual who is enrolled in the HCBA Waiver.
- **Notification of Enrollment Eligibility:** This is the date DHCS notifies WAs of their slot assignments for HCBA enrollment. DHCS will notify WAs via secure email and identify the applicants who have been assigned available slots.
- **Pending Closure Status:** MedCompass status used when WAs, or DHCS, in areas where there is no WA, sends Notices of Action (NOA) to applicants/members denying or terminating waiver enrollment for any reason other than the death of the applicant or member. The Pending Closure status period lasts between the date the NOA is mailed and the deadline for the applicant/member to request a State Fair Hearing, which is at a minimum 100 days (minimum 10 days' notice and 90 days to request a State Fair Hearing). This period will increase to accommodate any increase in the time between the NOA mailing date and the NOA effective date. If a Fair Hearing is requested by the applicant/member, then the waiver slot must be kept in Pending Closure Status pending the outcome of the State Fair Hearing. This status holds the waiver slot and prevents it from being reassigned it to another applicant.
- **Pending Enrollment Review (PER):** MedCompass status that indicates a WA has submitted a complete enrollment packet to DHCS for review and approval for applicant enrollment into the waiver.
- **PER Queue:** After WAs change the MedCompass status to PER, the case is electronically timestamped and placed in the PER queue in the order received. DHCS uses the PER queue to process enrollments when there is no waitlist.
- **Reserve Capacity:** The HCBA Waiver reserves slots for Medi-Cal eligible individuals who meet at least one of the following criteria:
 - Individuals transitioning from other HCBS programs because their skilled care needs, and LOC can no longer be met through those programs.
 - Individuals under the age of 21 years, with or without Medi-Cal eligibility, who meet all the following criteria:
 - Have submitted a completed HCBA Waiver application, and
 - Are medically eligible for placement into the HCBA Waiver.
 - Individuals residing in a facility for more than 60 days and can be

² Six (6) months from the date the HCBA Waiver Application is received by the WA or DHCS.

transitioned to a home or home-like setting in the community by connecting them with services and supports they require to keep them in a community setting of their choice.³

When there is a waitlist, applicants seeking to enroll in the HCBA Waiver who meet reserve capacity eligibility are prioritized for intake processing, so they have, and/or maintain, access to services of medical necessity in the community setting of their choice.⁴

- **Screening Date:** Date that the WA, or DHCS in areas where there is no WA, received the HCBA Waiver application.
- **Waiver Slot(s):** For Calendar Year 2023, the HCBA Waiver capacity is 8,974 slots.⁵ “Waiver Slots” refers to unused waiver capacity for purposes of establishing and maintaining a waitlist for enrollment. Once capacity is reached, Waiver Slots become available when an enrolled member exits the Waiver. In some situations, members retain the right to request a State Fair Hearing, and the Waiver Slot must be reserved for the member until the required hearing and appeals timeframes have passed.

POLICY

Initially, DHCS will process the enrollment packets that are currently in the MedCompass PER queue and Reserve Capacity applicant lists, which include completed enrollment packets received by DHCS before July 12, 2023. Any packets remaining in the PER queue when capacity is reached will be placed at the top of the waitlist and will be enrolled first as soon as a waiver slot becomes available. Once all cases in the PER queue have been processed, DHCS will release HCBA waiver waitlist slots per the policy set forth below.

HCBA Waiver eligible applicants on the waitlist will be assigned available waiver slots in the following order:⁶

- a) Individuals transitioning to the Waiver from similar HCBS waivers.
 - i) Individuals must be transitioning because their skilled care needs and Level of Care (LOC) can no longer be met, and the beneficiary requires access to HCBA Waiver services⁷.
- b) Individuals under 21 years of age, prioritized as follows:

³ [HCBA Waiver, Appendix B \(B-3\), pgs. 34 and 35.](#)

⁴ [HCBA Waiver, Appendix B \(B-3\), pg. 38.](#)

⁵ [HCBA Waiver, Appendix B \(B-3\), pg. 35.](#)

⁶ [HCBA Waiver, Appendix B \(B-3\), pg. 38.](#)

⁷ This Reserve Capacity criteria is limited to individuals that are applying because they require access to a service that is not available in their current waiver, such as in-home nursing (e.g., Multipurpose Senior Services Program (MSSP), Medi-Cal Waiver Program (MCWP)).

- i) Individuals imminently aging out of EPSDT, or who aged out of EPSDT within the previous 6 months, who have or had been receiving Private Duty Nursing (PDN) at the time they aged out of EPSDT.
 - ii) Individuals that require Institutional-Deeming to access Medi-Cal.
 - iii) Individuals under 21 years of age who do not meet criteria listed above in i) or ii).
- c) Individuals who have been residing in a skilled nursing or acute care facility for at least 60 days at the time the HCBA Waiver application is submitted to a WA, or DHCS in areas where there is no WA.
- d) Individuals residing in the community at the time of submission of the HCBA Waiver application and/or who do not meet the Reserve Capacity criteria above in a), b), or c). Waiver applicants who do not meet Reserve Capacity eligibility criteria are processed and enrolled on a first-come, first-served basis.

DHCS shall prioritize HCBA Waiver applications for the dependent children and spouses of active-duty military service members as set forth in Welfare & Institutions Code section 14132.993.

DHCS will maintain the master waitlist, monitor for, and notify WAs when waiver slots become available. WAs, or DHCS in areas where there is no WA, must screen all applications received for basic eligibility criteria and determine if they meet the criteria for Reserve Capacity. If the applicant is potentially eligible, they will be placed on the waitlist. WAs, or DHCS in areas where there is no WA, will notify the potential applicant in writing to confirm receipt of the HCBA Waiver application, and the effective date of placement on the waitlist.

DHCS will release HCBA Waiver waitlist slots as follows:

- 1) DHCS will utilize a hybrid waitlist management option which will include:
 - a) Dividing the waitlist into separate waitlists for each WA and DHCS, in areas where there is no WA.
 - b) Organizing the waitlist by the Reserve Capacity priorities as explained above and further organizing each Reserve Capacity category and Community applicants by the date they are placed into the waitlist.
 - c) Assigning slots to each WA, and DHCS, in areas where there is no WA. The number slots assigned will vary based on the information below, however each WA and DHCS, in areas where there are no WAs, will receive at least one slot, as long as there are applicants on their waitlist.

- 2) The number of slots DHCS releases each month may vary based on the following:
 - a) Total number of enrolled members for each WA and DHCS, in areas where there is no WA.⁸
 - b) Total number of applicants placed in the waitlist for each WA and DHCS, in areas where there is no WA.
 - c) Waiver enrollment attrition.
- 3) DHCS will use the enrollment and waitlist information to calculate the slot assignments for WAs and DHCS, in areas where there is no WA.⁹
- 4) DHCS will refresh and reorganize the HCBA Waiver waitlist monthly, as applicants are added and removed from the waitlist or status changes are reported to DHCS, and, as appropriate.
- 5) DHCS will provide waitlist information to WAs.
- 6) DHCS will target to release available slots to WAs on or before the 5th of each month.
- 7) Once DHCS notifies WAs of available slots, WAs must submit required information within the timeframes below. If a complete enrollment packet is not received by the 90th day, or if the applicant is found ineligible to enroll, DHCS will release the slot to the next applicant on the statewide waitlist.
- 8) If DHCS defers an enrollment packet, WAs must provide the requested information within the timeframe indicated in the deferral.
- 9) Within 60 days of the date DHCS notifies WAs of an available slot, an applicant must schedule and complete an evaluation, or assessment, with the WA, or DHCS in areas where there is no WA, to determine eligibility for enrollment. If this evaluation is not completed within 60 days, or if the applicant declines waiver services, then the WA, or DHCS if there is no WA, must send a Notice of Action (NOA) to the applicant and the applicant must be removed from the waitlist.
 - a) If a WA must send a NOA, the WA must follow normal protocol and enter MedCompass case notes, update the status to Pending Closure, and track

⁸ <https://www.dhcs.ca.gov/services/ltc/Pages/HCBA-Waiver-Current-Enrollment-Dashboard.aspx>

⁹ In determining the waiver slots for each WA and DHCS in counties where there is no WA, DHCS will account for the current enrollment and waitlist sizes for each WA and DHCS to determine the need in the service area. Service areas with a greater need will receive more waiver slots than those with less need.

the case for 100 calendar days.

AND

- b) The WA must notify DHCS via secure email that the case is in pending closure status, provide the NOA mailing date, date of the 100th day from the NOA mailing date, and provide the NOA reason once it is mailed. The email notification should be sent to ISCD-CMU-WA@dhcs.ca.gov.
- 10) Within 90 days of the date DHCS notifies WAs of an available slot, the WA must work with the applicant and/or legal representative to identify a waiver service provider and provide DHCS with a primary care physician-signed Plan of Treatment (POT). If the POT is not submitted to DHCS within 90 days, then a NOA must be sent to the applicant and the applicant must be removed from the waitlist.
 - a) If a NOA is sent, the WA must follow normal protocol and enter MedCompass case notes, update the status, and close the case on the NOA effective date (if the applicant did not respond). Additionally, the WA must notify DHCS via secure email that the case is in pending closure status and provide the reason once the NOA is mailed. The email notification should be sent to ISCD-CMU-WA@dhcs.ca.gov.
 - b) The 90-day time period will be extended only for applicants who have applied for Medi-Cal where special rules are applied to determine Medi-Cal eligibility because of their pending enrollment in the HCBA Waiver. The WA and applicant must continue to actively work with a county eligibility worker, and the WA must continue to include updates on those activities in the applicant's case notes. An applicant's and/or legal representative's failure to cooperate with the county will be a valid reason to close the pending Waiver case.¹⁰
 - 11) The enrollment effective date will be the date that the completed enrollment packet is submitted to DHCS, not the date the applicant is placed in the waitlist.
 - 12) If an applicant is unable to be enrolled or declines Waiver enrollment, the open Waiver Slot will be offered to the next applicant on the statewide waitlist.
 - 13) If an applicant is still residing in a skilled nursing or acute care facility at the time that a Waiver Slot becomes available and DHCS approves the enrollment, the applicant must be safely discharged from the facility within 30 days of the enrollment date. If a discharge date has not been confirmed within this timeframe, then DHCS will reassign the Waiver Slot to the next eligible applicant.

¹⁰ This is in reference to, but not limited to, cases that require Institutional Deeming or Spousal Impoverishment determinations to access Medi-Cal services.

- a) If a safe discharge is not an option at that time, the WA must send a NOA to the applicant and they may reapply when they are ready to be discharged into the community safely.

WA Responsibilities:

- 1) WAs must accept all applications received and screen them for basic HCBA Waiver eligibility and Reserve Capacity status. The WA must add the application to the waitlist, using the date that the application was received, in MedCompass with a case note, using the relevant template. See appendix for templates.
- 2) WAs must notify the applicant to confirm receipt of the HCBA Waiver application and the effective date of placement on the waitlist. WAs must refer applicants that are placed on the waitlist to other waivers or programs (including community supports and enhanced care management available through their Medi-Cal managed care plan) that may be able to provide support and for which they may be eligible.
- 3) WAs must use the appropriate MedCompass subprogram status to identify whether an applicant meets Reserve Capacity or Community enrollment criteria.
 - a) HCB Alternatives (Facility and EPSDT): Use this status for all Reserve Capacity applicants.¹¹
 - i) Normally, this subprogram is not used for individuals who are transitioning from similar HCBS programs; however, this subprogram will be used for all Reserve Capacity applicants during the waitlist period as there is currently no subprogram for this group.
 - ii) Applicants residing in a facility must reside in a facility for at least 60 days to meet this criterion. If the applicant has resided in a facility for less than 60 days, then this subprogram should not be used.
 - b) HCB Alternatives (Community): Use this status for non- Reserve Capacity applicants who reside in the community.
- 4) WAs must also provide the following information when placing an applicant in the MedCompass waitlist status if they meet Reserve Capacity criteria:
 - a) If the applicant is currently enrolled in another HCBS waiver, WAs must document in MedCompass that WA staff have informed the applicant that

¹¹ DHCS intends to add subprogram options in MedCompass to assist WAs and DHCS in further categorizing the Reserve Capacity population and facilitate waitlist monitoring. WAs will be provided with further instruction upon implementation.

- they can only be enrolled in one HCBS waiver at a time, that the applicant understands this requirement, and that the applicant is choosing to be enrolled in the HCBA Waiver and disenrolled from their current waiver.
- b) If the applicant requires Institutional-Deeming, then indicate “Institutionally Deemed” in the MedCompass Alert(s) field.
- 5) WAs must notify DHCS when WAs close applicant/members cases or place a case in Pending Closure status. This includes when a member is confirmed deceased, voluntarily chooses to disenroll from the HCBA Waiver, or the WA closes the case for reasons outlined in the HCBA Waiver.
- a) Send secure email to ISCD-CMU-WA@dhcs.ca.gov with the following information:
 - i) Applicant name and CIN
 - ii) Disenrollment effective date
 - iii) Disenrollment reason
 - iv) Include appropriate supporting documentation
 - b) Place the case in Pending Closure status until the required timeframe for State Fair Hearings has elapsed. Cases that are confirmed to be closed must be placed in Closed status in MedCompass.
 - c) Enter appropriate MedCompass case notes regarding the case closure after 100 days.
- 6) Notify DHCS if an applicant's status changes while waitlisted (i.e. an applicant is Reserve Capacity then status changes to non- Reserve Capacity, or non-Reserve Capacity to Reserve Capacity). DHCS will update the waitlist to accurately reflect applicant's enrollment priority status.
- a) Change from residing in the community to residing in healthcare facility for at least 60 days (non- Reserve Capacity to Reserve Capacity).
 - i) Send secure email to ISCD-CMU-WA@dhcs.ca.gov with the following information:
 - (1) Applicant name and CIN
 - (2) Indicate status change from and to
 - (3) Date of status change (the 60th day in facility)
 - ii) Update the applicant's MedCompass information:
 - (1) Change sub-program from HCB Alternatives (Community) to HCB Alternatives (Facility and EPSDT).

- (2) Update the Screening Date to the date that the applicant's status changed.
 - (3) Use the case notes templates to indicate the status change and include the start and end date that the applicant resided in the facility.
- iii) If any of the enrollment packet documents require edits, then WAs must indicate this and provide the status of the documents requiring edits if not submitted with the status change notification.
- b) Change from residing in healthcare facility for at least 60 days to residing in the community. If an applicant had been residing in a healthcare facility for at least 60 days *at the time of application*, then they maintain their Reserve Capacity status and date on the waitlist even if they move into the Community while waitlisted. However, the WA must notify DHCS of the discharge.
- i) Send secure email to ISCD-CMU-WA@dhcs.ca.gov with the following information:
 - (1) Applicant name and CIN
 - (2) Indicate status change from status and to status.
 - (3) Date of status change (discharge date)
 - ii) Do not update the applicant's MedCompass information. Use the case notes templates to indicate the status change and include the start date and end date that the applicant resided in the facility.
 - iii) If any of the enrollment packet documents require edits, then WAs must indicate this and provide the status of the documents requiring edits if not submitted with the status change notification.

If you have questions regarding the requirements of this Policy Letter, please contact your assigned DHCS Contract Manager or submit a question to the HCBA email inbox at HCBAAlternatives@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Cortney Maslyn, Chief
Integrated Systems of Care Division
Department of Health Care Services