

HCB Waiver for Individuals with a Serious Mental Illness

**Medicaid Oversight and
Advisory Committee**

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Annex Room 171

Definition of Serious Mental Illness (SMI)

SAMHSA Definition: Serious Mental Illness (SMI) is defined when an individual who is over 18 years of age, has had a diagnosable mental, behavioral or emotional disorder within the past year that causes serious functional impairment in one or more life activities.

Kentucky Definition: Individual is over 18 years old, has a diagnosis of (1) Schizophrenia Spectrum (2) Bipolar and Related Disorders, (3) Depressive Disorders, or (4) Trauma and Stress Related Disorders, which impact on daily life and have a duration of at least two years.

The definitions are not exactly the same but include age, a diagnosis, an impact on functional activities and a timeframe.

In 2020, the Community Mental Health Centers (CMHCs) served and supported approximately 43,000 individuals diagnosed with SMI.

- ▶ Approximately 25% of individuals served and supported
- ▶ 1.4% of all Kentucky Adults

Current HCB Waivers in KY

1. Acquired Brain Injury (ABI)
2. Acquired Brain Injury – Long Term Care (ABI-LTC)
3. Home and Community Based (HCB)
4. Model II (Ventilator-dependent)
5. Michelle P. Waiver (MPW)
6. Supports for Community Living (SCL)

A Substance Use Disorder 1115 waiver has been submitted to CMS and is awaiting final approval.

What group isn't here?

SMI Waiver

Individuals with a Serious Mental Illness are not included in a waiver in Kentucky and would benefit greatly from waiver services and supports.

SMI Waiver

Why an SMI Waiver?

1. Provide needed services to adults with SMI not available through traditional Medicaid.
2. Takes advantage of Kentucky's favorable Federal Medical Assistance Percentage (FMAP) of approximately 30/70.
3. The approximately 30/70 match rate means that for every \$30 that Kentucky invests in an SMI Waiver, the Federal Government will add \$70, resulting in \$100 to be spent on waiver services and supports.

SMI Waiver

What services and supports could be made available through a waiver which are not currently available in the KY Medicaid State Plan for individuals with SMI?

Residential Services and Supports such as:

1. Three-Person Staffed Residence
2. Family Home Provider
3. Tenant Skill Development
4. Extensive In-Home Supports – perhaps some of these service could be provided in the KY Medicaid State Plan but defining in a waiver would be beneficial

Supported Employment Services with the goal of obtaining and maintaining employment in a competitive workplace environment.

SMI Waivers In Other States

Florida has applied for an 1115 waiver which targets Behavioral Health and Supportive Housing Services and implements a pilot program in two regions of the state that provides additional behavioral health services and supportive housing assistance services for persons aged 21 and older with SMI, with SUD or SMI with co-occurring SUD, who are homeless, or who are at risk of homelessness due to disability.

CMS approved **Hawaii's** (1115 waiver) requested amendment which allows Hawaii to implement community integration services, e.g. supportive housing services, for qualified beneficiaries who are chronically homeless and have a mental illness, complex physical illness or substance use disorder. The initial approval date was October 1, 2013, and Hawaii is seeking an extension for five (5) years through December 2023.

SMI Waivers In Other States

There are four (4) states that have a 1915 (c) waiver serving adults with SMI. These states are **Colorado, Connecticut, Massachusetts and Montana.**

Some of the services covered are: prevocational services, residential habilitation, respite, supported employment, nursing, supported living, PERS (personal emergency response services), and home-delivered meals.

SMI Waivers in Other States

1915 (i)

The third alternative is a 1915 (i) state plan amendment; it is not actually a waiver. The 1915 (i) SPA allows states to design service packages targeted to people with specific needs including special services for individuals with a mental illness or substance use disorder. Some services provided include home-based services, expenses for live-in caregiver and supported employment. Again, stable housing and stable employment. There are twelve (12) states with 1915 (i) state plan amendments: **Connecticut, Florida, Indiana, Iowa, Louisiana, Maryland, Montana, Nevada, Oregon, Texas, Wisconsin & Wyoming.**

KY SMI Waiver Utilization & Cost Projection for SFY 2023 - 2024

This is just a cost estimation. A lot of work must be done to finalize the total cost.

SFY 2023 (July 1, 2022 – June 30, 2023) will be a planning year and preparation of the waiver application to be submitted to CMS, resulting in approval of Kentucky's SMI Waiver.

The cost for SFY 2023 will be CHFS (Medicaid and DBHDID) staff time.

KY SMI Waiver Utilization & Cost Projection for SFY 2023 - 2024

SFY 2024 (July 1, 2023 – June 30, 2024) will be the first year of actual SMI waiver operation.

The cost modeling is based on 100 individuals being phased in to services and supports in the first year of operation (SFY 2024: 7/1/23 – 6/30/24)

Month	New Waiver Participants	Recurring Waiver Participants	Total Months of Service
Jul-23	8	0	8
Aug-23	8	8	16
Sep-23	8	16	24
Oct-23	8	24	32
Nov-23	8	32	40
Dec-23	8	40	48
Jan-24	8	48	56
Feb-24	8	56	64
Mar-24	9	64	73
Apr-24	9	73	82
May-24	9	82	91
Jun-24	9	91	100
Total	100	534	634

KY SMI Waiver Utilization & Cost Projection for SFY 2023 - 2024

KY SMI Waiver Projected Cost for SFY 2024

- ▶ Using the SCL average annual per person cost for SFY 2019 (most recent average annual cost available)
- ▶ Average annual pp cost for the SCL waiver in 2019 = \$78,603
- ▶ The SCL 2019 cost was increased by 10% to get a more updated average annual per person cost
- ▶ • $\$78,603 \times 0.10 = \$7,860.30$
- ▶ Projected Adjusted Annual PP Cost: $\$78,603 + \$7,860.30 = \$86,463.30$
- ▶ Projected Adjusted Monthly Cost: $(\$86,463.30)/12 = \$7,205.28$

KY SMI Waiver Projected Cost for SFY 2024

The Projected Aggregate Cost of the SMI Waiver for SFY 2024 is based on the total months of service for waiver participants x the projected adjusted monthly cost.

- ▶ Total Months of Service x Projected Adjusted Monthly Cost
- ▶ 634 months of service x \$7,205.28 per month = \$4,468,147.52 or approximately **\$4,468,150**

KY SMI Waiver Projected Cost for SFY 2024

- ▶ SFY 2024 – 30/70 Federal Match Rate
- ▶ State Share: $\$4,468,150 \times 0.30 = \$1,340,445$
- ▶ Federal Share: $\$4,468,150 \times 0.70 = \$3,127,705$
- ▶ **Total Cost: \$1,340,445 (State \$)
+ \$3,127,705 (Federal \$)
= \$4,468,150 (Total)**

Kentucky SMI Waiver

- ▶ 1915 (c), 1915 (i) or 1115 waiver
- ▶ Needed Services
 - ▶ Residential Options
 - ▶ Supported Employment
- ▶ A good, safe home and a good job – not a very high bar!
- ▶ Kentucky Can Do Better – Kentucky Must Do Better!

QUESTIONS??

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