

**Report to  
the Joint Legislative Oversight Committee on Mental Health,  
Developmental Disabilities and Substance Abuse Services**

**on**

**Implementation Plan for the Four Tiers  
of the  
CAP-MR/DD Program**

**Session Law 2009-451  
Section 10.65A(a.)**

**June 1, 2010**

**Department of Health and Human Services,  
Division of Mental Health, Developmental Disabilities  
And Substance Abuse Services and  
Division of Medical Assistance**

**Report on Implementation Plan for the Four Tiers  
of the CAP-MR/DD Program  
June 1, 2010**

**Session Law 2009-451, Section 10.65A(a.), requires the following:**

*For the purposes of improving efficiency in the expenditure of available funds and effectively identifying and meeting the needs of CAP-MR/DD eligible individuals, on or before April 1, 2010, the Department of Health and Human Services, Division of Medical Assistance, in conjunction with the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, shall submit to the Joint LOC on MHDDSAS, a plan for the implementation of Tiers 1 through 4 of the CAP-MR/DD program. The plan shall describe the implementation of Tiers 1 and 4 and the proposed implementation of Tiers 2 and 3, and revisions of Tier 4, and shall include detail on each of the following:*

- 1. The array and intensity level of services that will be available under each of the 4 Tiers;*
- 2. The range of costs for the array and intensity level of services under each of the 4 Tiers;*
- 3. How the relative intensity of need for each current and future CAP-MR/DD eligible individual will be reliably determined; and*
- 4. How the determination of intensity of need will be used to assign individuals appropriately into one of the 4 Tiers.*

*The Department may develop an application to the Centers for Medicare and Medicaid services for additional Medicaid waivers for Tiers 2 and 3 of the CAP-MR/DD program. The Department shall not submit the application until after it has submitted the plan required under this subdivision. Nothing in this subdivision obligates the General Assembly to appropriate additional funds for the CAP-MR/DD waiver.*

The Department of Health and Human Services (DHHS) Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) and Division of Medical Assistance (DMA) are responsible for the operational and administrative functions of the 1915(c) Home and Community-Based Waivers for persons with Intellectual and Developmental Disabilities. The current 1915(c) Home and Community-Based Waivers, known as the Community Alternatives Program for MR/DD or CAP-MR/DD Waivers, have been in effect since November 1, 2008, and will expire October 31, 2011. The two CAP-MR/DD waivers are the Comprehensive Waiver and the Supports Waiver. The two waivers are designed to provide for the service and support needs of individuals supported within the waiver(s). The Supports Waiver is intended for individuals who have less intensive needs than individuals within the Comprehensive Waiver. Individuals within the Comprehensive Waiver have needs of an intensity that can not be met within the Supports Waiver although the range of needs is fairly broad. The Supports Waiver provides an annual financial limit/ benefit of \$17,500 per person per year. The Comprehensive Waivers provides an annual financial limit/ benefit of \$135,000 per person per year. In the planning for the revisions to the existing waivers and

the development of the additional waiver the DMH/DD/SAS has used information learned from the current waivers and from stakeholder feedback. This learning has provided the basis for the proposed system of tiered waivers detailed in this report. The overall goals of the tiered waivers are to improve efficiency in the expenditure of available funds and to effectively identify and meet the needs of individuals who are eligible for CAP-MR/DD waiver funding.

The proposed tiered waivers provides for three “stand alone” waivers with banding within one of the waivers. This allows DHHS to accomplish the intended goals while minimizing the administrative burden of four separate waivers. Each waiver provides for the specifically defined needs of intended participants based on intensity of need, financial limits, services, and supports. Attached to this report is *NC CAP-MR/DD Waivers: Description of Planned Tiers (3 waivers)* which includes a comprehensive description of each of the tiered waivers inclusive of the service array and range of cost for each waiver. The following is a summary of the CAP-MR/DD tiered waiver system.

**The Supports Waiver will be Tier I of the tiered waiver system.**

The defined target population will not change from the current Supports Waiver. The Supports Waiver is intended for individuals who have natural/community/non-paid supports and/or low intensity of service/support needs to enable them to live successfully in the community. The individual may be at risk of out-of-home placement or loss of their current living situation due to the family/caregiver’s inability to continue to provide support. The individuals’ needs are successfully met through the services offered in the Supports Waiver and/or with the addition of natural/community/non-paid supports. Individuals within the Supports Waiver need periodic and intermittent paid services/supports to increase and maintain habilitative skills and preserve optimal health and safety. The service array includes all basic services except for: Home Supports, Residential Supports, Enhanced Personal Care, Enhanced Respite and Adult Day Health. For a detailed list of the service array refer to the *NC CAP-MR/DD Waivers: Description of Planned Tiers (3 waivers)* attached to this report. The Support Waiver includes the Self-Direction option. The Supports Waiver provides an annual financial limit of \$17,500 per person per year.

**The Comprehensive Waiver will be Tier II of the Tiered waiver system. The current Comprehensive Waiver will be revised to include two Bands: Band A and Band B.**

**Band A** is intended for individuals who require a higher level of paid support/services than those available within the Supports Waiver and/or they require a service/or intensity of the service not available in the Supports Waiver. The individual may be at high risk of out-of-home placement or loss of their current living situation due to the family/caregiver’s inability to continue to provide support. The individual requires assistance /support to maintain current living arrangement and to minimize the potential for victimization/exploitation. The individual requires support to develop and maintain life skills (paying utility bills/rent on time to prevent disconnection, maintenance of home environment to prevent eviction, etc.). The individual’s support needs are routine, planned and structured in order to maintain habilitative skills and to reduce risk or

jeopardy of health and safety. Within Band A the service array includes all basic services with the addition of Residential Supports (Levels I and II) and Home Supports (Level I, and II). Supports included in the *Additional Supports Category* are available at \$15,000 per the life of the waiver for any combination of these supports. For a detailed list of services and supports included in the *Additional Supports Category* refer to the *NC CAP-MR/DD Waivers: Description of Planned Tiers (3 waivers)* attached to this report. Band A includes the Self-Direction option. Band A has an annual financial limit/benefit from \$17, 501 up to \$45,000 per person per year.

**Band B** is intended for individuals who require a higher level of paid support/services than those available within Band A. The individual has greater intensity of support needs and are at *severe* risk of loss of their current living arrangement due to ongoing challenging behavior and/or chronic medical needs. The individual's needs involve extensive supervision and support due to their related skill development, behavioral and/or medical needs. The individual's paid supervision and support needs are extensive; frequency, duration and intensity are greater than for individuals served within Band A. The individual requires enhanced medical monitoring/support (G-Tube feeding, suctioning, positioning) and/or the individual requires ongoing behavioral supports. Within Band B the service array includes all basic services and the addition of Enhanced Personal Care Services, Residential Supports (Level III), Home Supports (Level III), Enhanced Respite, and Institutional Respite. Supports included in the *Additional Supports Category* are available for up to \$20,000 per the life of the waiver for any combination of these services. Band B has an annual financial limit/ benefit from \$45,001 up to \$75,000 per person per year. Self-Direction is not an option within Band B.

**The Community Intensive Waiver will be Tier III of the Tiered waiver system.**

This will be a new waiver. The Community Intensive Waiver is intended for individuals whose support needs can not be adequately met in either the Supports or Comprehensive waivers. The individual is at immediate risk of loss of their current living situation, and/or have an identified health and welfare needs that requires 24 hours per day supervision. The individual requires specially trained staff to provide continuous, non-stop monitoring/supervision 24 hours a day to ensure the individual's health, safety and wellbeing. The individual has chronic, pervasive, and extensive medical conditions that require specialized services and supports, and/or the individual exhibits frequent intensive behavioral episodes that may include: inappropriate sexual behaviors, self-injurious behaviors, aggression, property destruction, etc. The individual requires ongoing specialized therapeutic services by a qualified Behavioral Health Professional, and/or qualified medical professionals. Within the Community Intensive Waiver the service array includes all basic services with the addition of Enhanced Personal Care Services, Residential Supports (Level IV) Home Supports (Level V), and Nursing Respite. Supports included in the *Additional Supports Category* are available for up to \$25,000 per the life of the waiver for any combination of these services. The annual financial limit/ benefit range is from \$75,001 up to \$135,000 per person per year. Self-Direction is not an option in the Community Intensive Waiver.

Essential to the operation of a tiered waiver system is the reliable determination of relative intensity of need, or how each person with I/DD compares to all persons with I/DD in the state. For the purposes of determining which waiver is best suited for individuals when implementing the new tiered waivers, intensity of need will be determined using a variety of tools and processes. These tools include the North Carolina Supports Needs Assessment Profile (NC-SNAP) and the Supports Intensity Scale (SIS), as that tool is implemented across the system. Until the time when everyone receiving waiver funding has received a SIS assessment, the use of the NC-SNAP, and other assessment information in conjunction with the Person Centered Planning process will be used to determine to which waiver individuals will be assigned. There will be a formal process using available assessment information, for current and future participants who receive waiver funding, to assign individuals appropriately into one of the three waivers. The DMH/DD/SAS is expanding the use of the SIS beyond the seven pilot Local Management Entities (LMEs). This expansion will also provide specific support needs information for individuals who chose to participate in the Self-Direction option within the Supports waiver. The DMH/DD/SAS has dedicated staff working with the LMEs and the SIS examiners to build the local infrastructure for full implementation of the SIS.

The completion of the required revisions of the current Supports Waiver and the Comprehensive Waiver and the creation of the new Community Intensive Waiver will include opportunities for stakeholder participation and input during the development process. Training opportunities for stakeholders regarding the details of the tiered waivers will occur prior to implementation of the new waivers. Training will involve both face to face regional meetings and web-based options, in addition to information sharing through the LME(s) and DMH/DD/SAS website postings. Development of the tiered waivers and, assuming approval by the General Assembly, submission to the Centers for Medicaid and Medicare Services (CMS) will occur by spring 2011 allowing adequate time for CMS approval and transition to the new waivers when the current waivers expire on November 1, 2011.

In summary, the DMH/DD/SAS, in collaboration with the Division of Medical Assistance (DMA), will develop a system of tiered waivers. The overall goals of the tiered waivers are to improve efficiency in the expenditure of available funds and to effectively identify and meet the needs of individuals who are eligible for CAP-MR/DD waiver funding. The proposed tiered waivers will provide three “stand alone” waivers with banding within one of the waivers. This allows DHHS to accomplish the intended goals while minimizing the administrative burden of four separate waivers. Each waiver provides for the specifically defined needs of intended participants based on intensity of need, financial limits, services and supports. The CAP-MR/DD tiered waiver system will require revision of the current Supports waiver to include minor changes to the available service array. There will be revision to the current Comprehensive Waiver to provide for two specific Bands. These Bands are for defined populations with specific service needs and the service array will be designed to meet the service needs of individuals within the specific Band. A new waiver titled Community Intensive Waiver will be created. This waiver is intended to meet the service and support needs of individuals who exhibit the most intensive need for services and supports. The revised and new waivers will be

created with input from stakeholders and, assuming approval by the General Assembly, will be submitted to CMS in spring of 2011 to be implemented at the expiration of the current waivers November 1, 2011.