



CMCS Informational Bulletin

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SUBJECT: Coverage of Housing-Related Activities and Services for Individuals with Disabilities

This Informational Bulletin is intended to assist states in designing Medicaid benefits, and to clarify the circumstances under which Medicaid reimburses for certain housing-related activities, with the goal of promoting community integration for individuals with disabilities, older adults needing long term services and supports (LTSS), and those experiencing chronic homelessness¹. Consistent with statute, CMS does not provide Federal Financial Participation (FFP) for room and board² in home and community based services,³ but can assist states with coverage of certain housing-related activities and services.

This Bulletin underscores CMS' commitment to help states expand home and community-based living opportunities consistent with the Affordable Care Act, the implementation of the Home and Community Based Services (HCBS) settings final rule governing Medicaid's 1915(c) HCBS Waiver program, 1915(i) HCBS State Plan Option, and 1915(k) Community First Choice State Plan Option⁴, as well as the Americans with Disabilities Act and the Supreme Court's decision in *Olmstead v. L.C.*⁵ The information in this Bulletin is based on evidence from studies demonstrating that providing housing-related activities and services facilitates community integration and is cost effective. This Bulletin is also intended to help states design benefit programs that acknowledge the social determinants of health, and contribute to a holistic focus on improvement of individual health and wellness.

Describing Housing-Related Activities and Services

Most broadly, housing-related activities include a range of flexible services and supports available to individuals with disabilities and older adults needing LTSS, as well as collaborative efforts among key Medicaid and housing agency staffs and stakeholders. In recent years, the

¹ CMS and SAMHSA are working on providing additional guidance to clarify the circumstances under which Medicaid reimburses for certain housing-related activities and services for persons experiencing chronic homelessness.

² Room and board also includes capital funds used for new construction or rehabilitation of housing.

³ There are two exceptions that are described in the paragraph on 1915(c) waivers on page 5.

⁴ Final Rule - CMS 2249-F – 1915(i) State Plan Home and Community-Based Services, 5-Year Period for Waivers, Provider Payment Reassignment, Setting Requirements for Community First Choice, and CMS 2296-F 1915(c) Home and Community-Based Services Waivers, published January 10, 2014, available at <http://www.medicare.gov/HCBS>

⁵ Americans with Disabilities Act and as interpreted in the U.S. Supreme Court's 1999 decision in *Olmstead vs. L.C. (Olmstead)*. For details: Statement of the Department of Justice on Enforcement of the Integration Mandate of Title II of the Americans with Disabilities Act and *Olmstead v. L.C.* http://www.ada.gov/Olmstead/q&a_Olmstead.htm

Money Follows the Person (MFP) rebalancing demonstration program⁶ and the Real Choice Systems Change grants⁷ have provided successful models for Medicaid-supported housing-related activities and services, particularly for individuals transitioning out of institutions.

Housing-related activities and services are: (1) Individual Housing Transition Services - services that support an individual's ability to prepare for and transition to housing; (2) Individual Housing & Tenancy Sustaining Services - services that support the individual in being a successful tenant in his/her housing arrangement and thus able to sustain tenancy; and (3) State-level Housing Related Collaborative Activities - services that support collaborative efforts across public agencies and the private sector that assist a state in identifying and securing housing options for individuals with disabilities, older adults needing LTSS, and those experiencing chronic homelessness. The studies cited below show strong evidence of the benefit of these services.

This Bulletin identifies how these housing-related activities and services can be incorporated into a Medicaid benefit design for individuals needing LTSS and in states' strategies for transforming systems to achieve optimal community integration. Although the focus of this Bulletin is on Medicaid reimbursement, other federal resources are also available to states for housing-related activities, in collaboration with programs funded by the Department of Housing and Urban Development (HUD), the Department of Agriculture (USDA) and other sources. State Medicaid agencies can play an important role in convening state program offices and other partners to identify other non-Medicaid funded sources to support these activities and to collaborate in HCBS systems transformation.

The Case for Housing-Related Activities and Services

Research has demonstrated successful community integration for individuals in need of long term services and supports (LTSS) that receive housing-related services. Some of these studies and their results include:

- Under the MFP rebalancing demonstration program, those states providing specific housing-related services and activities such as employing housing specialists, paying for one-time moving expenses, and incorporating assistance with searching for housing as a core function of transition planning had more success and a higher rate of transitioning individuals out of more costly nursing homes and other institutions and into community living than those programs without these services.⁸
- The Real Choice Systems Change grant program showed that building relationships between state Medicaid agencies and state and local housing organizations and stakeholders resulted in the capacity to take advantage of other federal and state funding opportunities to expand community-based housing resources for Medicaid eligible

⁶ For information on the MFP program: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Balancing/Money-Follows-the-Person.html>

⁷ For information on Real Choice Systems Change grants: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Balancing/Downloads/Final-RCSC-Report.pdf>

⁸ Lipson, Debra J., Christal Stone Valenzano, and Susan R. Williams. "What Determines Progress in State MFP Transition Programs?" National Evaluation of the Money Follows the Person (MFP) Demonstration Grant Program, Report from the Field, No. 8, Washington DC: Mathematica Policy Research, October 2011.

populations, including new rental assistance funds under the Department of Housing & Urban Development's Section 811 Project Rental Assistance program for integrated supportive housing units.⁹

States are increasingly using community-based housing-related services as part of a strategy when implementing *Olmstead* plans or settlement agreements to provide integrated community living opportunities for people exiting institutional or other segregated settings, as well as those at risk of unnecessary institutionalization due to being inappropriately housed.

Housing Related Activities and Services for the Individual:

Three housing-related activities and services are described in this section. Following this section is a description of the Medicaid authorities and demonstrations through which states can be reimbursed for these services.

1. Individual Housing Transition Services:

Housing transition services provide direct support to individuals with disabilities, older adults needing long term services and supports, and those experiencing chronic homelessness. These services are:

- Conducting a tenant screening and housing assessment that identifies the participant's preferences and barriers related to successful tenancy. The assessment may include collecting information on potential housing transition barriers, and identification of housing retention barriers.
- Developing an individualized housing support plan based upon the housing assessment that addresses identified barriers, includes short and long-term measurable goals for each issue, establishes the participant's approach to meeting the goal, and identifies when other providers or services, both reimbursed and not reimbursed by Medicaid, may be required to meet the goal.
- Assisting with the housing application process. Assisting with the housing search process.
- Identifying resources to cover expenses such as security deposit, moving costs, furnishings, adaptive aids, environmental modifications, moving costs and other one-time expenses.
- Ensuring that the living environment is safe and ready for move-in.
- Assisting in arranging for and supporting the details of the move.
- Developing a housing support crisis plan that includes prevention and early intervention services when housing is jeopardized.

2. Individual Housing & Tenancy Sustaining Services

⁹ Kehn, Matthew, and Lipson, Debra, "The Real Choice Systems Change Grant: Building Sustainable Partnerships for Housing," Final Report, Mathematica Policy Research, March 24, 2104, accessed at: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Balancing/Downloads/Final-RCSC-Report.pdf>

This service is made available to support individuals to maintain tenancy once housing is secured. The availability of ongoing housing-related services in addition to other long term services and supports promotes housing success, fosters community integration and inclusion, and develops natural support networks. These tenancy support services are:

- Providing early identification and intervention for behaviors that may jeopardize housing, such as late rental payment and other lease violations.
- Education and training on the role, rights and responsibilities of the tenant and landlord.
- Coaching on developing and maintaining key relationships with landlords/property managers with a goal of fostering successful tenancy.
- Assistance in resolving disputes with landlords and/or neighbors to reduce risk of eviction or other adverse action.
- Advocacy and linkage with community resources to prevent eviction when housing is, or may potentially become jeopardized.
- Assistance with the housing recertification process.
- Coordinating with the tenant to review, update and modify their housing support and crisis plan on a regular basis to reflect current needs and address existing or recurring housing retention barriers.
- Continuing training in being a good tenant and lease compliance, including ongoing support with activities related to household management.

3. State-level Housing Related Collaborative Activities

Several strategic, collaborative activities to assist in identifying and securing housing resources are:

- Developing formal and informal agreements and working relationships with state and local housing and community development agencies to facilitate access to existing and new housing resources.
- Participating and contributing to the planning processes of state and local housing and community development agencies, for example, by providing demographic, housing need, and other relevant data for the populations served by the LTSS agencies, among other planning activities.
- Working with housing partners to create and identify opportunities for additional housing options for people wishing to transition to community-based housing. This may include coordinating available housing locator systems and developing and/or coordinating data tracking systems to include housing.

Medicaid Authorities and Demonstration Programs

States have a number of options under Medicaid and demonstration programs to cover housing-related services and activities that promote community integration for individuals needing long term services and supports, particularly individuals transitioning from institutions. Housing-related services will help states to assist individuals with disabilities in accessing settings that comply with the new Home and Community Based Services Settings regulations in 42 CFR §441.530 for 1915(k), §441.301(c)(4) for 1915(c) and §441.710 for 1915(i). Medicaid funds

cannot be used to pay for a Medicaid beneficiary's room and board in the community.¹⁰ However, the following Medicaid authorities and demonstration programs offer opportunities for coverage of some of the housing-related activities and services described above. Some authorities offer greater opportunities for coverage, while others are more limited:

1915(c) HCBS Waivers

States can use the 1915(c) HCBS waiver program to cover some housing-related services. As part of the waiver case management activity under 1915(c), states can reimburse for housing transition and tenancy sustaining services, such as: assessing the participant's housing needs and presenting options, assisting in securing housing, including the completion of housing applications and securing required documentation (e.g., Social Security card, birth certificate, prior rental history), searching for housing, communicating with landlords, coordinating the move, providing training on how to be a good tenant, and establishing procedures and contacts to retain housing. Environmental modifications to install necessary accommodations for accessibility can also be covered. For persons transitioning out of Medicaid funded institutions or other provider-operated living arrangements to a living arrangement in a private residence where the person is directly responsible for his or her own living expenses, through CMS approved 1915(c) waivers, Medicaid can provide FFP to states for the following Community Transition Services necessary to enable a person to establish a basic household that do not constitute room and board: security deposits required to obtain a lease on an apartment or home, set-up fees for utilities or service access, including telephone, electricity, heating and water, essential household furnishings and moving expenses required to occupy and use a community domicile, including furniture, window coverings, food preparation items and bed/bath linens, and services necessary for the individual's health and safety such as pest eradication and one-time cleaning prior to occupancy. States cannot receive FFP for room and board except for temporary short-term out of home respite services and for unrelated live-in caregivers.¹¹ Community Transition Services are furnished only to the extent that they are reasonable and necessary as determined through the service plan development process clearly identified in the service plan and only when the person is unable to meet such expense or when the services cannot be obtained from other sources. Community Transition Services do not include monthly rental or mortgage expense, food, regular utility charges, and/or household appliances or items that are intended for purely diversional/recreational purposes.

1915(i) HCBS State Plan Optional Benefit

States can use the 1915(i) state plan service to offer housing-related services similar to those available in the 1915(c) waiver program such as: assessing the participant's housing needs and presenting options, assisting in securing housing, including the completion of housing applications and securing required documentation (e.g., Social Security card, birth certificate, prior rental history), searching for housing, communicating with landlords, coordinating the move, providing training in how to be a good tenant, and establishing procedures and contacts to

¹⁰ There are two targeted exceptions to this prohibition that are described in the paragraph on 1915(c) waivers on page 5.

¹¹ Payment for the room and board for the unrelated live-in caregiver is not available if the participant lives in the caregiver's home or in the residence owned or leased by the provider of waiver services.

retain housing. Environmental modifications to install necessary accommodations for accessibility can also be covered. For persons transitioning out of Medicaid funded institutions or other provider-operated living arrangements to a living arrangement in a private residence where the person is directly responsible for his or her own living expenses, through CMS approved 1915(i) State plan HCBS benefits, Medicaid can provide FFP to states for the following Community Transition Services necessary to enable a person to establish a basic household that do not constitute room and board: security deposits required to obtain a lease on an apartment or home, set-up fees for utilities or service access, including telephone, electricity, heating and water, essential household furnishings and moving expenses required to occupy and use a community domicile, including furniture, window coverings, food preparation items and bed/bath linens, and services necessary for the individual's health and safety such as pest eradication and one-time cleaning prior to occupancy. States cannot receive FFP for room and board except for temporary short-term out of home respite services and for unrelated live-in caregivers.¹² Community Transition Services are furnished only to the extent that they are reasonable and necessary as determined through the service plan development process, clearly identified in the service plan and only when the person is unable to meet such expense or when the services cannot be obtained from other sources. Community Transition Services do not include monthly rental or mortgage expense, food, regular utility charges, and/or household appliances or items that are intended for purely diversional/recreational purposes. Individuals do not have to meet an institutional level of care to be served through 1915(i), so States can choose to serve adults with behavioral health issues or others who could not be served under a 1915(c) waiver. States cannot waive state wideness or limit the number of individuals served.

1915(k) Community First Choice State Plan Optional Benefit

1915(k), also known as Community First Choice (CFC), is a state plan option that reimburses for person-centered home and community based attendant services and supports in a home and community based setting. CFC services assist in 1) accomplishing activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks; 2) acquisition, maintenance, and enhancement of skills for the individual to accomplish ADLs, IADLs, and health-related tasks; 3) backup systems or mechanisms to ensure continuity of services and supports; and 4) voluntary training on how to select, manage and dismiss attendants. States can also provide reimbursement for permissible services and supports linked to an individual's assessed need in their person-centered plan. Permissible services and supports are: transition costs for individuals transitioning from an institution to the community, and/or expenditures that increase an individual's independence or substitute for human assistance to the extent that expenditures would have been made for human assistance. Transition costs could also include security deposits for an apartment or utilities, purchasing bedding and basic kitchen supplies, first month's rent, and other one-time expenses required for the transition from an institution to community housing.

1915(b) Waivers

¹² Payment for the room and board for the unrelated live-in caregiver is not available if the participant lives in the caregiver's home or in the residence owned or leased by the provider of waiver services.

Managed care programs can offer individuals with disabilities, older adults needing long term services and supports (LTSS), and those experiencing chronic homelessness housing-related activities and services. States may use 1915(b) waivers to authorize a managed care delivery system through which services that are otherwise coverable under state plan and waiver programs or are medical, health-related or remedial in nature can be reimbursed, such as housing-related services. 1915(b)(3) authority permits states to use the savings from services covered through its 1915(b) waiver to provide additional services to waiver enrollees. These additional savings may be used to authorize 1915(b)(3) housing-related services specified in this bulletin for individuals to identify, transition to, and sustain their housing.

1905(a) State Plan Services

Targeted case management (TCM) services provided under the Medicaid State Plan and described at 42 CFR §440.169, may be beneficial for individuals transitioning from institutions and/or trying to obtain or maintain their community housing arrangement. TCM services are defined as services furnished to assist individuals in gaining access to needed medical, social, educational, and other services. TCM is a specific service under the state plan that is targeted to specific populations, as determined by the state. As part of identifying the total needs of an eligible individual, targeted case management can include linking the individual to needed housing resources, activities to help an individual find housing, and assisting with identifying resources to support the participant to maintain housing during a crisis.

Section 1115 Research and Demonstration Programs

Section 1115 of the Social Security Act gives the Secretary of HHS authority to approve experimental, pilot, or demonstration projects that further the objectives of Medicaid and the Children's Health Insurance Program (CHIP). These demonstrations give states additional flexibility to design and improve their programs, to demonstrate and evaluate policy approaches, such as using innovative service delivery systems that improve care, increase efficiency, and reduce costs. Some section 1115 demonstrations include housing-related services consistent with the statutory authorities described in this bulletin. For example, states can provide services to individuals already in the community, by helping the individual problem solve, advocate with landlords, access community resources to assist with back rent, and assist individuals to complete forms for subsidized housing. For people leaving institutions, states assist with locating housing, completing forms for subsidies, moving, and household set ups. In general, section 1115 demonstrations are approved for a five-year period and can be renewed, typically for an additional three years. Demonstrations must be "budget neutral" to the federal government, which means that during the course of the project federal Medicaid expenditures will not be more than federal spending without the demonstration.

Money Follows the Person Rebalancing Demonstration

For states participating in the MFP Rebalancing Demonstration Grant, the grant provides an opportunity for states to offer housing-related services to individuals transitioning from qualifying institutions to qualifying home and community based settings. Most MFP programs have hired and/or contracted with housing specialists, housing coordinators, transition

coordinators, and case/care managers to provide an array of housing-related services and activities. These include state-level housing related collaborative activities to create, identify and secure affordable, accessible, rental housing resources that meet MFP qualified residence requirements. In collaboration with housing agencies, landlords, and developers, MFP programs have also funded housing-related transition services to assist individuals in locating, applying for and moving into housing, as well as housing stabilization, tenancy supports and services related to assisting individuals remain in their housing.

State Examples

States that have used the various opportunities noted above to fund housing-related services and activities include:

- MFP program:
 - Washington State's Roads to Community Living program uses MFP administrative and demonstration services funds to support housing-related transition and sustaining services, as well as collaborative efforts across human service agencies and with state and local housing agencies to develop housing resources.
 - Texas has used MFP administrative funding in collaboration activities with state housing and local agencies.
- Some states have used 1915(b) waivers to cover housing-related services for housing transition and to sustain housing for individuals:
 - Iowa's Behavioral Health Waiver
 - Michigan's Specialty Inpatient Health Plans, Children with Serious Emotional Disturbances, and Children's Waiver Program Waivers
 - North Carolina's Cardinal Innovations Waiver
 - Wisconsin's Family Care Waiver
 - Nebraska's Health Connection Waiver
 - Ohio's Integrated Care Delivery System Waiver
- Transition to Housing, Crisis Intervention and Housing Stabilization provided under 1915(c) waiver authority in Louisiana enables individuals who are transitioning into a unit, including those transitioning from institutions, to secure their own housing. It also provides assistance at any time the individual's housing is placed at risk (e.g., eviction, loss of roommate or income). The service includes the following components:
 - Conduct a housing assessment identifying individual's preferences related to housing and needs for support to maintain housing, budgeting for housing/living expenses, accessing sources of income necessary for rent, home management, establishing credit and understanding and meeting obligations of tenancy.
 - Assist individual to view and acquire housing, secure supporting documents, completing/submitting applications, securing deposits, locate furnishings.
 - Develop an individualized housing support plan based upon the housing assessment.

- Participate in the development of the plan of care, incorporating elements of the housing support plan.
- Communicate with the landlord or property manager regarding the individual's disability, accommodations needed, and components of emergency procedures involving the property manager.

For More Information

CMS is committed to assisting states in providing housing-related services and activities and to expand home and community-based living opportunities. Please contact Martha Egan at martha.egan@cms.hhs.gov for questions about this Bulletin.