

CHAPTER III

RECENT DEVELOPMENTS

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Over the eighteen month period of July 1989 to December 1990, there were a number of significant developments in utilization of the HCB waiver program on behalf of persons with developmental disabilities. In this chapter, many of these developments are summarized in order to update the information contained in NASMRPD's 1989 report on the HCB waiver program.

The following developments are discussed in this chapter:

- The growth in the number of states offering HCB waiver services to persons with developmental disabilities;

- The advent of special waiver programs which target services to misplaced nursing facility residents with developmental disabilities in accordance with the "nursing home reform" provisions of the Omnibus Budget Reconciliation Act of 1987;

- The States' experiences in obtaining the renewal of their existing waiver programs as well as securing HCFA's approval of significant amendments to such programs;

- Arizona's unique Section 1115 waiver demonstration program; and,

- The near-term plans of states to make other changes in their HCB waiver programs.

As will be evident, over the past eighteen months the states have moved to expand their use of the HCB waiver services on behalf of persons with developmental disabilities.

A. States Operating Waiver Programs

By June, 1989, some 39 states had obtained HCFA's approval to operate broad-scale HCB waiver programs on behalf of persons with developmental disabilities under Section 1915(c) of the Social Security Act. These general purpose HCB waiver programs are distinct from the more limited "model waiver" program option. Under broad-scale HCB waiver programs, services are offered to individuals who meet ICF/MR level of care criteria rather than the more limited target populations typically served through model waiver programs. In addition, while not categorized as an HCB waiver program, Arizona's Section 1115 waiver demonstration program (approved in November, 1988) is sufficiently similar in terms of the scope of covered services as well as eligibility criteria to warrant being treated as a HCB waiver service (a discussion of this unique program is found below).

Between July 1989 and December 1990, three additional states (Louisiana, Ohio and Virginia) gained HCFA's approval to initiate broad-scale HCB waiver programs on behalf of persons with mental retardation and/or developmental disabilities. Ohio obtained HCFA's approval to offer HCB

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waiver services to nursing facility residents with developmental disabilities; in September 1990, the State submitted a request to implement an "Individual Options" waiver program to serve individuals with developmental disabilities who are not nursing facility residents but meet ICF/MR level of care criteria. This program is expected to be in operation by early 1991.

Louisiana's request to initiate a full-scale HCB waiver program was approved by HCFA in early 1990. During November 1990, Virginia received HCFA's approval to initiate both a regular, full-scale HCB waiver program on behalf of persons with mental retardation as well as a special targeted waiver program for inappropriately placed nursing facility residents with developmental disabilities.

Hence, as of December 1990, some 43 states had secured HCFA's approval to furnish HCB waiver services to persons with mental retardation and other developmental disabilities. Moreover, several states which do not presently operate full-scale developmental disabilities waiver programs or have limited their involvement to "model waiver" programs in the past were in various stages of the HCB waiver application process during December, 1990. In particular:

During May, 1990, Wyoming submitted its request to initiate an HCB waiver program on behalf of persons with developmental disabilities. Wyoming's request followed closely upon the State's decision to enter the ICF/MR program during November 1989. Up until that point, Wyoming had been the only state which did not offer ICF/MR services. Once ICF/MR services were established in Wyoming, State officials moved quickly to prepare an HCB waiver request. Wyoming's request calls for serving roughly 450 participants by 1993.

Also, in December 1990, New York State was nearing the submission of its application to HCFA to initiate an HCB waiver program on behalf of persons with developmental disabilities in the counties served by three of its District Developmental Service Offices (DDSOs). While New York's proposal would restrict the availability of HCB waiver services to less than a statewide basis, it still would place the State in the position of operating the largest developmental disabilities waiver program nationwide by 1993. [New York officials anticipate that some 4917 individuals would participate in the HCB waiver program by its third-year; moreover, state-federal Medicaid spending for HCB waiver services would total \$223 million.]

New York's likely entry into the HCB waiver program is particularly significant. While State officials have long recognized many of the shortcomings of the ICF/MR program, New York had opted not to participate in the HCB waiver program due to reservations about the program's caps on the number of program participants and federal Medicaid payments. The rapidly rising costs of ICF/MR services -

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coupled with growing sentiment in the State to shift toward more individualized service delivery models -- have tipped the scales in favor of entering the waiver program. State officials regard the HCB waiver program as the best federal financing alternative currently available to: (a) improve the cost-effectiveness of community services; (b) respond to consumer demand; and, (c) shift the focus of service delivery to more individualized service options.

During December 1990, HCB waiver development projects also were underway in Indiana, Iowa, and South Carolina. The likelihood is that these states will be submitting full-scale HCB waiver requests to HCFA during 1991.

Should the requests by these five states ultimately be approved by HCFA, the number of states operating full-scale HCB waiver programs would reach 48 during 1991. Only three jurisdictions (Alaska, Mississippi, and the District of Columbia) would not have HCB waiver programs in operation that serve persons with developmental disabilities.

The addition of five more states offering HCB waiver services during 1991 would finally bring the HCB waiver program into roughly co-equal status with the ICF/MR program as a means of financing long term care services for persons with developmental disabilities. Indeed, the HCB waiver program already has become the most typical means that states use to support community developmental disabilities services. The other principal Medicaid financing option used by the states involves the certification of small (fifteen bed or less) community residences as ICF/MRs. During 1988, small ICF/MRs were in operation in 43 jurisdictions (Braddock et al, 1990). In many of these states, the number of persons participating in the HCB waiver program was far larger than the number served in small ICF/MRs.

The continued expansion in the number of states participating in the HCB waiver program also means that, nationwide, the number of persons participating in the HCB waiver program as well as state-federal spending on waiver services will likely continue to grow at a brisk pace.

Thus, ten years after Congress initially authorized states to establish HCB waiver programs, utilization of the program on behalf of persons with developmental disabilities will have become nearly nationwide in scope. The steady growth in participation in the HCB waiver program in many ways paralleled the states' expanded use of the ICF/MR authority during the decade of the 1970s.

B. OBRA Waivers

In the Omnibus Budget Reconciliation Act of 1987 (OBRA-87), Congress amended federal statutes governing the HCB waiver program to create a special waiver authority (in Section 1915(c)(7)(B) of the Social Security Act) to assist states in developing appropriate community living arrangements for misplaced nursing facility residents with developmental disabilities. The Section 1915(c)(7)(B) waiver authority gives states a tool to obtain Medicaid financing to pay for community-

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based services for nursing home residents with developmental disabilities who have been determined to be inappropriately placed in such facilities. A separate provision of the Act added by OBRA-87 (Section 1919(e) of the Social Security Act) requires states to review all nursing facility residents with mental retardation and related conditions annually, identify those who could benefit from a transfer to a specialized facility or program and take steps to effectuate such placements on behalf of all misplaced residents who elect to be transferred.

While the underlying statutory provisions are complex and have given rise to particularly difficult implementation problems at both the state and federal levels (Gettings, Smith, and Katz, 1988; Gettings, 1990), they were intended to assure that individuals with developmental disabilities do not continue to reside in nursing facilities where their needs for specialized habilitation and other services would not be adequately addressed. Congress expected that, whenever the continued residence of a person with developmental disabilities was determined to be inappropriate, states would take action to transfer the affected individual to a more appropriate setting (either an ICF/MR or some type of community-based alternative). The enactment of the Section 1915(c)(7)(B) waiver authority placed the financing of more appropriate services via the HCB waiver program on an equal footing with paying for such services via an ICF/MR placement. Indeed, Congress stipulated that the cost-effectiveness of such waiver services would be measured against the average cost of ICF/MR services.

These special waivers (a.k.a., "OBRA Waivers") are noteworthy in two respects:

First, eligibility for services under these waivers is restricted solely to current nursing facility residents with developmental disabilities. In other words, OBRA waivers may not be used to deflect potential admissions to nursing homes.

Second, the number of individuals who may be served through such waiver programs is not limited by a state's capability to establish additional ICF/MR beds. A state offering services under this type of waiver can serve as many nursing home residents with developmental disabilities as wish to participate without facing a limitation on the overall number of waiver participants.

The latter provision is particularly important since it recognized that the cap on the number of individuals who participate in a general purpose HCB waiver program would make it difficult for a state to offer HCB waiver services to nursing facility residents without cutting back on the number of individuals already slated to receive HCB waiver services.

While HCFA has never issued formal instructions to the states regarding this type of waiver program, in practice the Agency has adopted the stance that requests to employ the Section 1915(c)(7)(B) authority must

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take the form of a separate waiver application, rather than simply expanding the number of individuals served through the state's existing developmental disabilities HCB waiver program. The requirements for "OBRA waivers" are no different than they are for general purpose waiver programs, except in terms of: (a) the nature of the target population; and, (b) the fact that states are not required to justify the number of individuals to be served under the so-called "cold bed" rule that governs general purpose HCB waiver programs.

Following the adoption of the "nursing home reform" provisions of OBRA-87, states were confronted with the task of meeting the law's daunting PASARR requirements. In addition, nearly all states decided to submit an Alternative Disposition Plan (ADP) to HCFA in order to phase-in the services to nursing facility residents with developmental disabilities who were found to be inappropriately placed in such facilities. By March 1990, HCFA had approved these ADPs (Gettings, 1990). In their ADPs, a dozen states indicated that they would rely principally on the HCB waiver program to help pay for community services needed by nursing facility residents with developmental disabilities (Gettings, 1990). NASMRPD's 1989 HCB waiver survey found that 25 states were considering the submission of Section 1915(c)(7)(B) HCB waiver requests, although many states were uncertain when such submissions might be made (Smith, Katz, and Gettings, 1989).

Beginning in mid-1989, states began to utilize the special OBRA waiver authority. In July 1989, Colorado's request to institute an OBRA waiver program was approved by HCFA. Since then, several other states have submitted such requests and secured HCFA's approval to institute OBRA waiver programs. Table III-A on the following page provides information on the states which had approved OBRA waiver programs as of December, 1990 or had requests pending before HCFA:

As can be seen from the table, ten states had received approval from HCFA to initiate an OBRA waiver program by the end of 1990 and three additional states had such requests in the pipeline. In total, these thirteen states authority to furnish HCB waiver services to a total of nearly 6,000 current nursing facility residents with developmental disabilities by the third year of their waiver programs.

Generally speaking, states which have submitted OBRA waiver requests have received prompt responses from HCFA. In some instances, however, HCFA has used the submission of an OBRA waiver request as an opportunity to take a second look at a state's currently approved HCB waiver program. In several cases, HCFA has asked states to make changes and modifications in their OBRA waiver requests, even though the state may have submitted a proposal that was similar in most respects to its existing HCB waiver program. The result has been a more drawn out process of negotiations before HCFA's approval could be secured.

Although several states have obtained HCFA's approval to offer HCB waiver services to nursing facility residents with developmental disabilities, most of these states are uncertain about how many individuals ultimately may be served under such waiver programs. Under

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Table III-A

OBRA Waiver Programs

Approved Section 1915(c)(7)(B) Waiver Programs		
State	Effective Date	Number of Participants: Third Year
Colorado	July 1989	205
Connecticut	January 1991	498
Maryland	June 1990	225
Minnesota	May 1990	300
Ohio	July 1990	1,000
Pennsylvania	July 1990	300
Utah	July 1990	270
Virginia	January 1991	200
Washington	January 1990	270
Wisconsin	January 1991	650
Pending Section 1915(c)(7)(B) Waiver Requests (December 1990)		
State	Submittal Date	Number of Participants: Third Year
Illinois	October 1989	1,905
Montana	November 1990	99
Vermont	March 1990	60

the "nursing home reform" provisions of OBRA-87, not all persons with developmental disabilities who are inappropriately placed in nursing facilities must be placed into community programs. Many individuals (i.e., those who have resided in a nursing facility for 30 continuous months or more) are allowed to choose between remaining in a nursing facility or being transferred to a more appropriate community setting. In addition, other individuals may opt for placement in an ICF/MR. Generally, states which have secured HCFA's approval to offer HCB waiver services to nursing facility residents expect that utilization will prove to be lower than the estimates that are incorporated in their waiver requests. States which submitted OBRA waiver requests before mid-1990 did not have complete results from the initial round of annual resident reviews in many cases; and, even if the results of the initial round of individualized nursing facility assessments was available, the state may have elected to delay offering inappropriately placed

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residents with the choice of placement until proper placements resources were available.

The uncertainty regarding the ultimate level of utilization of HCB waiver services by nursing facility residents with developmental disabilities also reflects the very unsettled state of the implementation of the OBRA-87 PASARR provisions. Continuing revisions in federal resident review criteria (as of December 1990, HCFA still had not issued final regulatory criteria) have created uncertainty regarding the number of individuals that states might need to transfer out of nursing facilities. In addition, Congressional revisions in the statutory authority for the PASARR requirements were in the legislative "pipeline" for well over a year and were only enacted in October 1990, as part of OBRA-90. Finally, doubts about the ultimate ramifications of the PASARR requirements have left many states reluctant to appropriate matching dollars to implement OBRA waiver programs.

In general, most states which have submitted OBRA waiver requests have proposed offering the same array of services to nursing facility residents with developmental disabilities as are currently furnished under their existing waiver programs. Some states (Connecticut, Maryland, and Pennsylvania, for example), however, have added services not covered under their existing waiver programs, based on the expectation that former nursing facility residents with developmental disabilities will have differential needs. Pennsylvania, for example, added "retirement" services, while Maryland added architectural modifications as well as various "in-home services" under its OBRA waiver program.

According to respondents to NASMRPD's 1990 HCB waiver survey (40 states in total responded to this survey), nine additional states plan to submit OBRA waiver requests during 1991. These nine states anticipate that they will serve a total of roughly 3,200 individuals through such programs. Twenty other states, however, indicated that they did not plan to submit such requests prior to September 1990 or they were undecided on whether to do so.

While there is little doubt that the Section 1915(c)(7)(B) waiver authority will prove to be an important tool for many states in meeting the needs of inappropriately placed nursing facility residents with developmental disabilities, it appears unlikely that OBRA waiver programs will result in a significant increase in the overall number of individuals receiving HCB waiver services in the near future. Some states with approved programs have begun to place nursing facility residents into waiver-financed programs. Most, however, are proceeding cautiously until implementation of the PASARR requirements are placed on a somewhat surer footing.

In OBRA-90, Congress afforded states another window of opportunity to submit revised Alternative Disposition Plans to HCFA. Since states have conducted the initial round of reviews of current nursing facility residents with developmental disabilities and, thereby, have better information concerning their needs, the planning process leading up to the submission of revised ADPs is likely to permit most states to better gauge the number of individuals for whom community placement will be

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appropriate and the role the HCB waiver program might serve in facilitating such placements. In turn, this will aid states in making firmer estimates of the number of program participants and may prompt more states to submit OBRA waiver requests during late 1991 and into 1992.

C. Other Key Developments

The widening participation of states in the HCB waiver program and the advent of OBRA waiver programs were important developments during the July 1989 - December 1990 time frame. During the same period, however, a number of states made a variety of other requests to HCFA to modify their current developmental disabilities HCB waiver programs.

First, ten states (DE, HI, MT, NC, NM, PA, TN, UT, WI) submitted and/or received HCFA approval to renew or replace twelve existing HCB waiver programs. As of December 1990, nine other states (CA, CT, IL, KY, ME, MI, NE, NM, RI) had HCB waiver renewal requests pending before HCFA. In most instances, these renewal requests have included proposals to significantly expand the number of individuals and spending under these HCB waiver programs. In a few instances, states deferred requests for program expansion during the renewal process, electing instead to tackle the further program growth through the submittal of amendments at a later date. In nearly all cases, HCFA has approved the level of expansion proposed by each state.

At the same time, states have had mixed experiences during the waiver renewal process. Some states succeeded in securing federal approval of their renewal requests fairly promptly. In most cases, however, delays in reaching agreement with HCFA necessitated extensions of the state's existing HCB waiver program until all remaining problems could be worked out. In the case of two states (California and Kentucky), substantial state-federal policy differences have stretched the renewal process over a particularly extended period of time (more than two years in the case of California). In each instance, the essential issues have involved conflicts between federal Medicaid statutory provisions and specific features of state law governing the delivery of services to persons with developmental disabilities. These issues will be discussed in greater depth in Chapter VI of this report.

Additional HCB waiver requests also were submitted during the period of July, 1989 and December, 1990. In December 1989, HCFA approved Indiana's request to initiate a model waiver program to serve persons with autism. While many other states also serve persons with autism under their existing MR/DD HCB waiver programs, Indiana's model waiver is focused solely on this population. In December 1990, HCFA approved Texas' request to initiate an HCB waiver program targeted exclusively to persons with "related conditions" (i.e., individuals who are otherwise eligible for ICF/MR level of care but who do not meet the categorical criterion of being mentally retarded). While the individuals to be served by this program fall under the definition of "developmental disabilities" used by most states, this Texas program represents the first effort by a state to craft HCB waiver services exclusively for non-retarded developmentally disabled persons.

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In March 1990, Hawaii submitted a request to consolidate and substantially expand its two existing HCB waiver programs. In June 1990, Kansas officials submitted a request to separate out services to persons with developmental disabilities from the State's present umbrella HCB waiver program (which also serves individuals who are elderly and/or physically disabled) and establish a distinct MR/DD HCB waiver program. Kansas also proposed expanding the number of persons with developmental disabilities who are eligible to receive waiver-financed services. Once this request is approved, only Idaho will operate HCB waiver services for persons with developmental disabilities under a program that serves multiple target populations. Also, in September 1990, New York submitted a "Model-200" HCB waiver request targeting children with developmental disabilities who have substantial home care needs. New York's existing model waiver programs serve children with a wider array of severe medical conditions (including children who are not developmentally disabled).

In addition to the preceding types of submissions to HCFA, twenty-four states submitted and/or received HCFA's approval of 37 amendments to existing HCB waiver programs during the July 1989 - December 1990 time period. As of December 1, 1990, HCFA had approved 33 of these amendments. The scope of these amendments ranged from relatively minor technical amendments to substantial changes involving the addition of new HCB waiver services, increases in the number of program participants, and revisions in estimates of program spending. Indeed, some sixteen of these amendments affected the number of program participants and/or estimated state/federal spending for HCB waiver services. In several cases, these amendments were prompted by further initiatives to downsize large public institutions. In other instances, changes were prompted by the need to revise cost estimates for HCB waiver services.

Counting the submission of new waivers, OBRA waivers, renewal applications, amendments and other changes proposed by states, states submitted more than 60 MR/DD-related waiver requests to HCFA during the period of July, 1989 - December, 1990. As will be discussed below, this fairly rapid rate of change in the HCB waiver program is likely to continue on throughout 1991.

D. Arizona's Section 1115 Waiver Demonstration Program

Arizona's Medicaid waiver program is unique. Authorized under a special demonstration program approved by the Secretary of the Department of Health and Human Services, Arizona's program has attributes that are similar to "regular" HCB waiver programs but also several key differences. This demonstration program was approved in accordance with Section 1115 of the Social Security Act, which empowers the Secretary to waive provisions of the Act in order to permit a state to demonstrate more effective and efficient alternatives to delivering federally supported services (including Medicaid-funded services).

Until late 1988, Arizona's involvement in the Medicaid program was restricted to the provision of acute care services via the State's Health Care Cost Containment System (AHCCCS) program. This program had been approved by HCFA in 1982 on a demonstration basis and continued through

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subsequent HCFA approved extensions. The AHCCCS program did not cover long-term care services, including the provision of such services to persons with developmental disabilities. It is unique among state Medicaid programs since federal financial participation is limited to the payment of a fixed amount per program recipient (i.e., a "capitated" payment).

In 1987, the Arizona Legislature authorized State officials to seek federal approval to cover long-term care services under Medicaid on behalf of persons with developmental disabilities as well as elderly and physically disabled persons. As with the AHCCCS program, Arizona's entry into Medicaid coverage of long-term care services was to be based on a Section 1115 demonstration waiver request that would permit Arizona to test a unique model of delivering such services. In November 1988, HCFA approved the Arizona Long Term Care System (ALTCS) and the program went into operation on behalf of persons with developmental disabilities the next month.

The goal of Arizona's "Medicaid Waiver" program is "to develop and test alternative delivery and payment systems for long term care services that facilitate cost containment, improve patient access and encourage quality care and efficient treatment patterns" (Rucker, 1990). The program is managed by the Division of Developmental Disabilities (DDD), a unit of the Arizona Department of Economic Security.

The key features of the ALTCS program are as follows:

No limitation is placed on the number of individuals with developmental disabilities who may receive home and community-based services. Instead, any individual who is found to need ongoing services and supports after undergoing "preadmission screening" may be served. One of the areas being investigated in this demonstration program is the use of such an eligibility determination strategy in lieu of the so-called "need for institutionalization" test employed under Section 1915(c) HCB waiver programs. Program rules do provide that persons with incomes of up to 300% of the federal SSI payment standard will be financially eligible to participate in the program. This program also furnishes services to Native Americans with developmental disabilities.

Once an individual is determined to meet preadmission screening criteria, he or she becomes eligible to receive not only home and community-based services but also acute-care Medicaid services as well. Under the Arizona ALTCS program, DDD is responsible for assuring that all program participants are enrolled with a health care provider agency which is responsible for furnishing acute care services to program participants. Agencies are selected to provide such services via a competitive bidding process and must agree to furnish needed services in return for a fixed payment per program participant.

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Program participants also are eligible for ICF/MR services. In August 1988, Arizona qualified beds in its public institutions and a limited number of private facilities under the ICF/MR program. However, Arizona's aim has been to restrict the use of this option by establishing a wide array of home and community-based services.

The home and community-based services furnished under the ALTCS program include case management, home health, home health aide, homemaker, personal care, residential habilitation, day care, rehabilitation instructional services and day treatment, respite, and transportation.

In addition, Arizona's model stresses the use of competitive bidding procedures in the selection of provider agencies, multiple quality assurance strategies, and a strong role for DDD case managers in the design and implementation of services for program participants.

Once sufficient experience has accumulated with this program, federal payments for long-term care services to persons with developmental disabilities will be converted to a capitated basis (as under the AHCCCS program).

One of the key differences between Arizona's demonstration waiver program and standard Section 1915(c) HCB waiver programs is that preadmission screening criteria, rather than negotiated caps on the number of program participants, are used to regulate utilization levels. Arizona's demonstration objectives also include showing that the use of competitive bidding procedures will yield cost-effective services while still affording program participants adequate access to services.

The number of individuals participating in Arizona's program make it one of the largest waiver programs nationwide. The number of participants is expected to exceed 4,000 during 1991. Per capita expenditures (net of acute care and institutional costs), however, are below the nationwide average for MR/DD HCB waiver programs.

Both HCFA and Arizona will be conducting extensive studies of the ALTCS program and its merits as a basis for restructuring federal Medicaid payments to states to support services to persons with developmental disabilities.

E. State Near-Term Plans

As part of the 1990 HCB waiver survey, NASMRPD asked state HCB waiver program managers to indicate what types of changes they expect to be made in their states' HCB waiver programs over the next year. The aim of this element of the survey was to gauge the extent to which the states were planning to modify their programs in the near future.

Of a total of 36 state coordinators who responded to this question, 30 reported that they expected to submit one or more changes to their

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HCB waiver programs during the upcoming year. Table III-B below summarizes the types of changes (excluding the submission of OBRA waiver requests) that these states expect to make:

Table III-B

HCB Waiver Changes
Planned by States in 1991

<u>Type of Change</u>	<u>Number of States</u>
Submit a new waiver request (excluding OBRA waiver)	4
Submit a model waiver application	3
Add additional services to an existing program	15
Modify current service definitions	8
Expand the number of program participants	14
Revise eligibility criteria	3
Make technical modifications	10
Revise per capita cost estimates	10

In total, then, these 30 states plan to submit more than 65 changes to their HCB waiver programs during 1991. The most common types of planned changes are: (a) adding one or more services to an existing program; (b) expanding the number of program participants; and, (c) revising estimates of per capita HCB waiver expenditures. The pattern of these planned amendments more or less mirrors those which states submitted during the preceding 18 month period.

While it is impossible to predict the number of states that will follow through on these plans, the responses to this element of the NASMRPD's 1990 HCB Waiver survey indicates that 1991 is likely to witness continued revisions in state MR/DD waiver programs. The experience over the past eighteen months suggests that the predicted level of activity indeed could occur. In some instances, states plan to request very substantial expansions in their programs via the submission of HCB waiver amendments to HCFA. In other instances, amendments will be triggered by further downsizing of large, state-operated public institutions. In some instances, these changes will be incorporated in a state's HCB waiver renewal application; in other cases, the change will be sought via the submission of an amendment to an existing waiver program.

While respondents were not asked to detail the exact nature of these planned changes, it is evident that most would take the form of an expansion or diversification of services already being offered. These plans indicate that states do not regard their current HCB waiver programs as fixed. To one degree or another, the relatively high rate of change in state waiver programs reflects a large number of factors, including: (a) changing emphases in the delivery of community-based

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developmental disabilities services; (b) continued downsizing of large, state operated institutions; (c) the states' combining efforts to expand community-based services; (d) on-going attempts to solve operational problems by "fine-tuning" program requirements; and, (e) initiatives to further diversify the types of services being offered under the state's waiver program.

F. Conclusion

Recent and planned changes by states in their utilization of the HCB waiver program furnish compelling evidence that this Medicaid financing alternative is far from static. Additional states continue to enter the program; OBRA waiver programs are being created; and, states are continuing to expand and diversify their existing programs. During 1991, it seems likely that the rapid pace of change that has marked the past eighteen months will continue.