PUBLIC CONSULTING GROUP

Solutions that Matter

Expanding HCBS Coverage Under the Working Families Tax Cut Legislation

Under Section 71121 of the Working Families Tax Cut Legislation, CMS is set to begin approving state 1915(c)(11) waiver applications in July 2028 to expand access, reduce costly institutionalization, and provide earlier support to aging adults and people with disabilities.

Designing and submitting a 1915(c)(11) waiver is a high-stakes, multi-year process that requires stakeholder alignment, strong eligibility and cost models, and CMS compliance. To apply for this new waiver, states must:

- Define needs-based criteria for eligibility for the new waiver
- Specify what services individuals are eligible to receive
- Attest that the average per capita expenditures for this waiver will not exceed those of individuals receiving institutional care
- Maintain or improve average wait times for individuals with institutional level of care (LOC) in any other waiver
- Report annually on the cost of each service, length of each service, cost per individual versus those receiving institutional care, and number of individuals enrolled in the waiver

For the first time, states can offer Medicaid Home and Community Based Services (HCBS) through a standalone waiver for individuals who do not meet the institutional level of care criteria. CMS will make $100 million available to states in 2027, allocated by the relative size of their HCBS populations.

Eligible populations might include individuals who have Instrumental Activities of Daily Living (IADLs) impairments (e.g., managing medications or shopping) or individuals who were recently discharged from an emergency room or facility and are at risk of decline without supports. Based on the defined population, there are a variety of services states may decide to offer, from supportive services like medication reminders to home-delivered meals, adult day services, respite, remote supports, and other assistive technology. These complex decisions may depend on which services are offered under other waivers, the available budget, and the impact on service availability to individuals on those waivers.

How We Can Help

Public Consulting Group (PCG) can help your state effectively navigate this complex waiver planning and submission process.

Waivers that Meet CMS Requirements and State Goals

PCG has supported the development of 1915(c) waiver programs and applications that align with both federal requirements and states' strategic goals. We support states with:

- Defining waiver population and services, establishing provider qualifications
- Facilitating technical advisory groups, Town Hall forums, focus groups
- Providing expertise on CMS's waiver technical guide and review standards
- Exploring self-direction options as well as benefits and risks based on HCBS subject matter expertise
- Developing person-centered service plans and requirements, along with monitoring requirements
- Participant safeguards and participant rights
- Rate studies and rate methodologies, cost neutrality, and quality assurances

Eligibility Criteria and Assessment Redesign

PCG can help states design and operationalize dual eligibility tracks: one for institutional LOC and one for this new eligibility group. Our expertise includes:

- Analyzing assessment tools and screening tools
- Developing and piloting assessment and screening tools
- Developing individual budgets and/or tiers

Waitlist Impact Modeling

States must demonstrate that adding a new population will not increase wait times for others. Our data analysts will use historical waiver utilization, waitlist length, available providers, and population projections to help states simulate the impact of adding new waiver populations before submitting their applications.

Federal Reporting

States must annually report detailed data on service cost, length, enrollment, and comparative outcomes. PCG builds integrated data systems and dashboards that support both compliance and operational insight. Our analytics solutions support:

- Fee-for-service and managed care data integration
- Real-time visibility by service, provider, and individual
- Quality improvement and CMS readiness

July 2028 may feel far off, but successful waiver design and stakeholder engagement can take 18–36 months. PCG is ready to help your state seize this opportunity to expand access to HCBS, improving supports to aging adults and people with disabilities in their communities.

Contact us today to learn more about expanding HCBS coverage

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