



National Association of State Medicaid Directors

an affiliate of the American Public Human Services Association



Center for Workers with Disabilities

a technical assistance center of APHSA and NASMD

Section 6087: Self-Directed Personal Assistance Services (PAS) and “Cash and Counseling”

Characteristic	Section 6087 of the DRA (Self-Directed State Plan Option, Section 1915(j) of the Social Security Act.)	<i>Independence Plus</i> (IP) demonstrations and waivers	Existing State Plan Personal Care Services (PCS) Option
Comparability and state-wideness	Can waive comparability and state-wideness (targeting specific populations, limit participant numbers, and limit to specific geographical locations).	States can waive comparability and state-wideness under the IP Section 1115 demonstrations and Section 1915(c) waivers.	Must meet requirements for comparability and state-wideness.
Level of care eligibility requirements	The State Plan option does not change existing eligibility requirements of State Plan personal care services or 1915(c) HCBS waiver services.	Under the Section 1115 option, individuals do not have a level of care requirement for participation. Under the Section 1915(c) option, individuals must meet the need for an institutional level of care for participation. In addition, individuals must fit in to one of the following population categories or a subgroup: Aged/Disabled; Mentally Retarded/Developmentally Disabled; or Mentally Ill.	Personal care services (PCS) must be provided in the home but at State’s option may also be provided in other locations. (from 42 CFR 440.167) Allowable services may be in the form of hands-on assistance (actually performing a personal care task for a person) or cuing so that the person performs the task by him/her self. (These tasks include Activities of Daily Living (ADLs) such as eating, bathing, dressing, toileting, transferring, and maintaining continence, as well as Instrumental Activities of Daily Living

			(IADLs), which are more complex life activities including personal hygiene, light housework, laundry, meal preparation, transportation, grocery shopping, using the telephone, medication management, and money management.) (from Medicaid Manual Section 4480)
Residential requirements	Services provided under this state plan option cannot be provided to individuals residing in a setting owned, operated or controlled by a provider of services not related by blood or marriage.	Individuals must reside in their own homes, with their families or in a living arrangement where services are furnished to fewer than four persons unrelated to the proprietor.	PCS may be furnished to individuals who are not inpatients or residents of a hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental disease.
Health and welfare and financial safeguards	States must assure they have safeguards to protect health and welfare and ensure financial accountability.	For Section 1115 demonstrations and Section 1915 (c) waivers, states are required to have safeguards to protect health and welfare, including information and assistance in support of participant direction and financial management services. In addition, States must have a Quality Management System in place that includes an incident reporting and management system.	States maintain responsibility for ensuring that providers meet state provider qualifications and for monitoring service delivery. States must develop provider qualifications for providers of personal care services and establish mechanisms for monitoring the quality of the service.
Safeguard requirements	Quality assurance and risk management techniques must be in place to establish and implement the service plan and budget. (See also box above and box on support systems)	For Section 1115 demonstrations and Section 1915 (c) waivers, states are required to describe incident management systems, if they are present, provide for emergency backup as part of the individual's plan of care, and describe other participant safeguards.	States can opt to provide various safeguard measures including criminal record checks and training for PAS providers.

Financial accountability	States must ensure financial accountability measures are in place to obtain federal approval.	Under the Section 1115 demonstration and 1915(c) waiver options, states must assure financial accountability for 1115 demonstration or HCBS waiver expended funds. In addition, states must maintain and make available to the federal government financial records and audit reports.	States must expend, report and account for Medicaid funds according to Medicaid requirements governing State Plans.
Individualized evaluation	States will provide an assessment of the needs, strengths and preferences of the participants for PAS services, and develop and approve a service plan, along with supports for such services. The service plan is developed using a person-centered process.	Individualized plans must be developed through a person-centered approach.	States have the option to allow PCS to be otherwise authorized in accordance with a service plan approved by the state. (i.e., it is no longer required that PCS need be prescribed by a physician in accordance with a plan of treatment.) (from 42 CFR 440.167)
Option for self-direction	Individuals determined to meet needs-criteria must be informed of the option of self-directed PAS (as opposed to receiving services under the Medicaid plan or through a HCBS waiver).	Section 1115 demonstrations and Section 1915(c) IP waivers require that participation be voluntary and informed.	States may employ a consumer-directed service delivery model to provide PCS under the personal care optional benefit to individuals in need of personal assistance who have the ability and desire to manage their own care.
Support system	States must provide participating individuals with a support system that includes adequate assessment and counseling prior to enrollment, and throughout enrollment at the participant's request. The support system is to also ensure that participants are able to manage their budgets.	For Section 1115 demonstrations and Section 1915 (c) waivers that seek the IP designation, there must be a separate advocacy function available to participants who direct their services.	States may opt to employ several methods to ensure and monitor that individuals receive high quality PCS, e.g., use of criminal background checks for personal care providers, provide training to providers, etc. For individuals who cannot manage their own care, states may either provide PCS without consumer-direction or may permit family members or other individuals to direct the services on behalf

			of the individual.
Federal reporting requirements	States must provide the federal government with annual reports on the number of individuals served under this option and the total expenditures on their behalf in the aggregate.	Under the Section 1115 option, states report to CMS on quarterly and annual bases the following information: enrollment numbers, expenditure, quality assurance, and beneficiary survey findings. States must also submit a final report at the end of the demonstration period. Under the Section 1915(c) option, states follow the annual HCBS waiver protocol for reporting.	States must submit quarterly expenditure reports. The state plan must also provide that the Medicaid agency maintains or supervises the maintenance of records necessary for the proper and efficient operation of the plan, including records on each recipient and statistical, fiscal and other records necessary for reporting and accountability. States are also required to carry out a continuing quality control program, and to submit reports on reviews of claims on a monthly basis and a summary of findings on a 6-months basis and other reports as CMS requires.
Evaluation of impact	States must evaluate the overall impact of the program on the health and welfare of participants (as compared to non-participants) every three years.	N/A for 1915(c) waivers. 1115s include an evaluation requirement to determine the impact of the intervention.	N/A
Individualized budget plan	States must develop a written service plan and service budget for every participant.	The individualized budget decided by the planning process is controlled by the individual, and states must ensure that individuals understand how the budgets are calculated, how to adjust the budget, and the total dollar value of services.	N/A
Definition of self-direction	The participant exercises choice and control over the budget, planning, and purchase of self-directed PAS, including the	The opportunity for a participant to exercise choice and control in identifying, accessing and managing waive services and other	In states that choose to provide self directed PCS, the beneficiary may hire and train the provider, and supervise and direct the provision of the services and, if necessary,

	<p>amount, duration, scope, provider, and location of service provision.</p>	<p>supports in accordance with their needs and personal preferences. The CMS requirements for a comprehensive IP , include:</p> <ul style="list-style-type: none"> • All waiver participants have the opportunity to elect to direct some or all of their waiver services. • All participants live with their families, in their own private residence or in a living arrangement where services are furnished to fewer than four persons unrelated to the proprietor. • The service planning process is participant-led and person-centered. • Participant direction is available for most waiver services, including the services that are used most frequently by a significant number of waiver participants.. • Employer authority and budget authority are offered to all waiver participants who elect to direct waiver services. 	<p>fire the provider.</p>
--	--	---	---------------------------

		<ul style="list-style-type: none"> • An appropriate method is used to determine the person-centered budget. • There is a separate advocacy function available to participants who self-direct. 	
Individual participant responsibilities	States can choose to give participants the ability to hire any individual capable of providing the assigned tasks, including legally liable relatives. Participants hire, fire, supervise, and manage the individuals providing services, and purchase PAS included in the budget.	Individuals may hire legally liable individuals to provide services.	<p>States may employ a consumer-directed service delivery model to provide personal care services under the personal care optional benefit to individuals in need of personal assistance who have the ability and desire to manage their own care.</p> <p>Where an individual does not have the ability or desire to manage their own care, the state may either provide personal care services without consumer direction or may permit family members or other individuals to direct the provider on behalf of the individual receiving the services.</p> <p>Services must be provided by “qualified individuals”, and may not be provided by family members, defined as legally responsible relatives. Who is considered a “legally responsible relative” will vary according to state law. (from 42 CFR 440.167)</p>
Allowed use of individual budgets	States can choose to allow individuals to use their budgets for items that would increase independence or substitute for	Under the Section 1115 option, individuals can purchase personal care and related services and supports and also items that	

	human assistance.	<p>substitute for human assistance or increase independence.</p> <p>Under the Section 1915(c) option, individuals have the option to direct waiver services. They can also purchase goods and equipment.</p>	
Financial management	States may use a financial management entity to make provider payments, track program costs, and make financial reports on the program.	<p>Under the 1115 IP option, states can choose to allow individuals to receive cash to purchase services.</p> <p>Under the 1915(c) option, payment must be made through the Medicaid agency or another eligible entity. Individuals cannot receive cash.</p>	
Definition of personal care	Under Section 6087 of the DRA, “the term ‘self directed personal assistance services’ means personal care and related services, or home and community-based services otherwise available under the plan under this title or subsection (c), that are provided to an eligible participant under a self-directed personal assistance services program under this section, under which individuals, within an approved self-directed services plan and budget, purchase personal assistance and related services, and permits participants to hire, fire,	1115 waivers do not change the definition of services covered through the state plan or through a 1915(c) HCBS waiver.	<p><i>Personal care services</i> means services furnished to an individual who is not an inpatient or resident of a hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental disease that are:</p> <p>(1) Authorized for the individual by a physician in accordance with a plan of treatment or (at the option of the State) otherwise authorized for the individual in accordance with a service plan approved by the State;</p> <p>(2) Provided by an individual who is qualified to provide such services and who is not a member of the individual's family;</p>

	supervise, and manage the individuals providing the services.”		and (3) Furnished in a home, and at the State's option, in another location. (b) For purposes of this section, <i>family member</i> means a legally responsible relative. [42 FR 47902, Sept. 11, 1997]
Cost neutrality	Section 6087 does not include requirements for cost neutrality or budget neutrality as in Section 1915 (c) HCBS waivers or Section 1115 demonstrations, respectively.	For the Section 1115 IP waiver, the program can not cost more than the Federal government would have spent on the services without the waiver (i.e. budget-neutrality). For the 1915(c) waiver, average per capita expenditures under the waiver cannot exceed 100% of the average per capita expenditures that would have been made during the same year for the level of care provided in a hospital, nursing facility, or ICF/MR under the state plan, had the waiver not been granted (i.e., cost-neutrality).	Consumer-directed state plan PCS do not have to meet budget neutrality or cost-neutrality requirements.