

Expanding Access to the Medi-Cal HCBA Waiver: A Cost-Effective In-Home Care Solution for Medically Vulnerable Children, Adults & Seniors

The Home and Community Based Alternative (HCBA) Waiver is a Medi-Cal program providing home-based services for people who need skilled nursing care to live at home. Institutionalizing individuals with intensive medical needs who want to live at home reduces quality of life and costs the state millions in unnecessary spending each year. A robust HCBA system enhances lives, honors choice, promotes health equity, and realizes significant cost savings.

Proposal

- Ensure Californians with long term care needs can exercise their right to live at home by improving access to home-based services.
- Expand access to the Home and Community-Based Alternatives (HCBA) Waiver, a Medi-Cal program that allows people with complex chronic medical needs to receive care in their homes or community instead of hospitals or nursing facilities.
- Provide the home-based care required to avoid forcing individuals with individuals with complex care needs to remain in hospitals, nursing facilities, and other institutional settings when they could live safely and with dignity in their community.

The Urgent Crisis

- The HCBA waiver reached full capacity in 2023, *leading to a wait list of 6,000 people in 2025*. The wait list continues to grow rapidly, and *people are waiting more than 3 years to receive services*.
- 1800 slots are added yearly, but *this is inadequate to clear the waiting list* or reduce the waiting time for services.
- Unlike hospitals, pediatric sub-acute facilities, and nursing homes, HCBA enrollment is capped at a state level. *Rationing home-based care forces many people into costly, avoidable institutionalization*.
- Allowing thousands of Californians to remain on the waiting list indefinitely strips people with medically intensive needs of their right to full, independent lives, violating the Americans with Disabilities Act.

The Solution: AB 2081

- The HCBA Medi-Cal waiver program provides home-based services, including nursing, personal care, medical equipment, and case management for individuals with intensive medical needs.
- The HCBA waiver serves people across the lifespan such as ventilator-dependent children, adults with ALS, homeless individuals with complex health conditions, and seniors with dementia.
- Increasing access to HCBA services provides a critical pathway to enable people with significant disabilities to live at home, including medically fragile infants and children.
- Making HCBA services accessible for homeless individuals with grave illnesses allows them to exit homelessness, stabilizes them in housing, improves health, and reduces hospitalizations.

Cost Savings

- DHCS estimates **\$67.5 million annual savings** to the state for HCBA members who live in the community rather than institutions. The average annual cost of HCBA Waiver services is \$47,966 compared to \$124,188 annual cost of SNF care for the HCBA population, a difference of \$73,222 in cost of care.
- Cardea Health uses the HCBA waiver for homeless individuals with acute and chronic medical needs, resulting in over **\$3 million in annual savings at a single permanent supportive housing site**, by reducing ED, inpatient, and SNF admissions. Cardea Health demonstrated an average cost savings of \$88,477 annually for person enrolled by reducing ED, inpatient and SNF admissions.

Previous Statement of Congressional Support

"A program like the HCBA Waiver is critical for medically fragile children as their only pathway to receive services at home rather than in an institution. It also is the only option to keep older Americans with Alzheimer's or dementia in their own homes with 24-hour care. We believe there is still a critical need to increase HCBA waiver slots even more to ensure no Californian is forced to wait years to receive the services they need to live in the community. We continue to recommend more investment in this essential program to increase HCBA waiver slots sufficient to clear the waiting list immediately, with the ability to raise the cap as needed to meet the demand for this program."

December 2023 joint statement from **Congresswoman Nanette Barragán (CA-44) and Disability Rights California**

Pressing Community Need

"Families are having to make gut-wrenching decisions: Do their children stay in the hospital where they have access to medical care but not family life, or do they bring their children home without adequate support?"

"The state will pay for costly institutional care automatically-but it only pays for cost-effective home care as an optional service. That's the opposite of what we should be doing."

Jenny McLelland, Advocate, Little Lobbyists

"Cardea's Health's novel approach to using HCBA waiver services enables high-quality medical care for homeless residents with grave illnesses. Expanding waiver services and prioritizing a medically frail subset of the homeless population strengthens our system of care. Cardea Health has shown a 75% reduction in hospitalizations using HCBA services for homeless residents with significant health conditions."

Colleen Chawla, Director
Alameda County Health Care Services Agency (HCSA)

Success Stories

- **Sarah, a medically fragile toddler with a heart condition and feeding tube**, was unable to leave the hospital due to her need for nursing care. Her parents' income is slightly too high for Medi-Cal, and their insurance did not cover in-home nursing. Through institutional deeming from the HCBA waiver, she receives Medi-Cal and can receive the nursing care she needs to live with her family in her community.
- **Jerome, a formerly homeless senior who needs 24-hour personal care due to a stroke that left him bedbound**, has been stabilized in permanent supportive housing with HCBA services. He has not had a hospitalization in the last year, as compared with 12 hospitalizations and one SNF stay in the prior 2 years.

Improving Health Equity

People of color, facing disproportionate poverty and disability rates, are more likely to lack financial resources to pay for care or live years in community while waiting for home-based services. Restricted waiver enrollment forces reliance on long-term institutionalization, resulting in inadequate care and poor health outcomes. Insufficient waiver capacity also has been shown to disproportionately harm LGBTQ+ older individuals who are more likely to live alone and less likely to have family caregivers as they age, while facing increased isolation and discrimination in institutional settings.

HCBA expansion is essential to advance health equity, promote community integration, and improve overall quality of life. Robust home-based services promote self-determination, improved access to quality care, and independence. HCBA waiver services must be accessible in order for low-income Californians with disabilities to exercise their right to live at home if they choose.

Legislative Action Needed

Legislators are urged to immediately **support AB 2081**; expanding the HCBA Waiver program, recognizing its benefits in promoting choice, independence, and health equity, while achieving substantial healthcare cost savings.

Delayed access to service is denial of care. By getting people off the years-long HCBA waiting list, and meeting this vital community need, we can improve the lives of thousands of Californians and take a significant step towards a more humane healthcare system.

There is a solution so that no ventilator-dependent child or quadriplegic teen is stuck in a hospital rather than at home with their families. **AB2081** expansion of the HCBA waiver program will enable children, adults, and seniors with significant medical conditions the choice to live at home and in their communities.

Supporters



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