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HHS Inspector General Finds Weaknesses in Federal Monitoring of HCBS Quality

A report released by the HHS Inspector General has revealed that seven out of twenty-five states did not have adequate systems to ensure quality of care provided to home and community-based services (HCBS) waiver beneficiaries.¹ The Centers for Medicare & Medicaid Services (CMS) renewed the waiver programs in all seven of these states, yet three still had not adequately corrected the identified problems before renewal. The report unfortunately does not identify the names of the states reviewed.

CMS does not directly monitor the delivery of HCBS services to beneficiaries. Instead, states are required to operate their HCBS waiver programs according to certain federal guidelines, called assurances. Three assurances are related to quality of care: a strong monitoring system to ensure that the services provided actually meet beneficiaries' needs, qualified service providers, and a system to identify and address instances of abuse and neglect.

Ideally, in instances where CMS identifies serious problems with a waiver program—such as not meeting an assurance—the state should correct the problem before the agency approves the program for renewal. Out of the three states whose waiver programs were renewed despite failed assurances, two of them still had not addressed the problems almost three years after renewal, and the third had not adequately addressed the problems over a year after renewal.

In response, CMS explained that, although they have the authority to terminate programs when states do not meet assurances, they have not done so because the programs serve vulnerable beneficiaries who otherwise would not have critical services. However, the Inspector General found that CMS did not consistently use other available tools — namely, corrective action plans and onsite visits — to ensure that states complied with the assurances.

To increase CMS's monitoring and oversight of states, the Inspector General recommended that CMS:

1. Provide additional guidance to states to help ensure that they meet the assurances,
2. Require states that do not meet one or more assurances to develop a corrective action plan,

¹ Department of Health and Human Services, Office of Inspector General, *Oversight of Quality of Care in Medicaid Home and Community-Based Services Waiver Programs*, OEI-02-08-00170 (June 2012), available at <http://oig.hhs.gov/oei/reports/eoi-02-08-00170.pdf>

3. Require at least one onsite visit before a waiver program is renewed and develop detailed protocols for such visits,
4. Develop a broad array of approaches to ensure compliance with the assurances, and
5. Make information about state compliance with assurances made available to the public

CMS fully concurred with four of the recommendations and partially concurred with recommendation #3, concerning onsite visits. While CMS agreed to develop a standard protocol for site visits, it reserved the discretion to determine when a site visit is necessary.

Quality of care monitoring is becoming more important as HCBS care is replacing facility-based care—but without any set federal standards. Beneficiaries who rely on HCBS waiver programs are among Medicaid’s most vulnerable, and the nature of home-based programs puts them at particular risk of receiving inadequate care.

Although the Inspector General’s report is an important step in improving HCBS quality of care, many issues remain unexamined. For one, the Inspector General did not independently assess the accuracy of CMS’s determinations that states had met the assurances in the first place. Additionally, there currently is no mechanism to track the implementation and effectiveness of the recommendations.