

NORTHCARE NETWORK

POLICY TITLE: Home and Community Based Services (HCBS) Policy	CATEGORY: Clinical Practices	
EFFECTIVE DATE: 12/10/25	BOARD APPROVAL DATE: 12/10/25	
REVIEW DATE: N/A New Policy	REVISION(S) TO POLICY STATEMENT: <input type="checkbox"/> Yes <input type="checkbox"/> No	OTHER REVISION(S): <input type="checkbox"/> Yes <input type="checkbox"/> No
RESPONSIBLE PARTY: Waiver Coordinator	CEO APPROVAL DATE: 11/25/25 Megan Rooney, CEO	

APPLIES TO

Northcare Network
Network Providers

POLICY

The Home and Community Based Final Rule was designed to enhance individuals' quality of life by enabling them to live and receive services in the least restrictive environment, ensuring full community integration.

PURPOSE

To establish requirements and ensure consistent understanding and compliance with the Home and Community Based Final Rule.

DEFINITIONS

1. **Reverse Integration:** The change in historical process from providing community-based health services from various geographical locations to a primary location which serves an individual's needs. when a setting brings providers into the setting from the community to provide services instead of taking the individual into the community to receive the services.

REFERENCES

- CMS Home and Community Based Final Rule (CMS 2249-F/2296-F)
- Michigan Medicaid Provider Manual
- 42 CFR
- Northcare Network Person-Centered Planning Policy
- MDHHS Person-Center Planning Policy

HISTORY

NEW POLICY: 12/10/25

REVISION DATE: N/A

REVIEW DATE: N/A

CEO APPROVAL DATE: 11/25/25

BOARD APPROVAL DATE: 12/10/25

PROCEDURES

A. The HCBS Final Rule

- i. References requirements ensuring that the person-centered planning process includes the support persons identified by the individual are involved with planning of the individuals' services and supports to the maximum extent possible and that the individuals wishes are reflected in the person-centered service plan.
- ii. Applies to both residential (where individuals live) and non-residential (where individuals receive services) settings. The goal of these requirements is to promote community integration and ensure that individuals receiving Medicaid HCBS are provided with the same opportunities as those not receiving these services in similar settings.
- iii. Provides requirements for independent assessment. This is a face-to-face assessment, conducted by a conflict-free individual or agency.
- iv. Requires the use of the person-centered planning process.
- v. The individual must direct the planning process and lead it to the extent possible and desired by the individual, with participation of people chosen by the individual and to their desired extent.
- vi. Ensures that no restrictions or limitations are placed on an individual's HCBS rights unless there is a fully compliant IPOS that documents the modification in full compliance with the rule.
- vii. Please see Northcare's Person-Centered Planning policy for additional HCBS Final rule guidance regarding the Person-Centered Planning process.

B. Characteristics of a Home and Community Based Setting

- i. Integrated to promote full community access, including opportunities to seek employment and control over personal resources.
- ii. Allow individuals to choose from various settings based on their available resources. Specific provider names and options to choose from should be documented in the plan of service.
- iii. Ensure privacy, dignity, respect, and freedom from coercion/restraint.
- iv. Supports all individuals' autonomy and independence in making life choices regarding what they do and with whom
- v. Facilitate individual choice in response to services and providers.

C. Settings presumed to not meet the HCBS requirements

- i. Publicly- or privately-owned facilities providing inpatient treatment.
- ii. On the grounds of, or adjacent to, a public institution; or
- iii. Any settings that otherwise have the effects of isolating individuals from the broader community of individuals who are not receiving Medicaid HCBS.

D. HCBS Requirements for Residential Settings

The following requirements apply to provider-owned or controlled residential settings. An individual's private home is presumed to be compliant with the HCBS requirements.

- i. **Access to Meals:** Individuals must have barrier free access to food at all times; with options they enjoy and choose.
- ii. **Visitors:** Individuals can have visitors of their choice at any time.
- iii. **Lockable Doors:** Bedrooms and bathrooms should have doors that are uniquely keyed and lockable from the inside, with only staff holding keys. The

- doors should open easily from the inside in case of emergency. Also referred to as positive-latching, non-locking-against egress hardware.
- iv. **Freedom to Decorate:** Individuals can decorate and furnish their rooms as they prefer. In shared rooms, they can collaborate with their roommates on furnishings and decor.
 - v. **Roommate Choice:** Individuals must be provided the opportunity to choose their roommate, when possible. In some situations, a specific provider's bed availability may be limited. Thus, if an individual chooses a specific provider with limited bed availability, the individual is choosing that bed/provider without the potential opportunity to choose their roommate.
 - vi. **Control Over Schedule and Activities:** Individuals should have control over their daily schedules, activities, and resources. Assistance should be provided only as needed or desired by the individual. Individuals can also decline to participate in any activity without negative repercussions.
 - vii. **Privacy:** Individuals are entitled to privacy in their home. In addition to HIPPA, physical and personal privacy of the individual must be ensured.
 - viii. **Accessibility:** Residential settings must be physically accessible to individuals. Settings must ensure individuals are able to move about freely without physical barriers. Individuals should be given full and unfettered access to all common, licensed areas of the setting.
 - ix. **Evictions & Appeals:** Individuals must have a legally enforceable agreement that offers similar eviction protections as those provided by landlord/tenant laws, or a similar agreement for settings not governed by those laws. This will be accomplished by the use of the following
 - The Resident Care Agreement (RCA);
 - HCBS Summary of Resident Rights. Signed copy of this document will be kept in the client's record and available to the individual in their home and for HCBS audits upon request
 - x. **Free of House Rules:** House rules are not permitted.
 - xi. **Control of Personal Resources:** Individuals must be able to control their personal resources as required by the HCBS Final Rule.

E. HCBS Requirements for Non-Residential Settings or Services

These requirements apply to provider-owned or controlled residential settings.

- i. **Skill-Building Assistance:** This service provides individuals with opportunities for meaningful non-work activities in community settings, helping them develop skills for self-sufficiency and participation in activities like school, work, or volunteering.
- ii. **Community Living Supports (CLS):** CLS promotes community inclusion, independence, and productivity. It provides individuals with opportunities to engage in community activities similar to those available to people of the same age and interests who don't receive Medicaid HCBS.
- iii. **Adult Day Care:** Adult day care programs must offer activities for individuals that are comparable to those for similar individuals who aren't receiving Medicaid HCBS. There should be interaction between individuals who receive Medicaid HCBS and those who do not, with opportunities for integration into the larger community. If individuals need supervision to move around, that supervision must be provided.
- iv. Non-Residential providers must demonstrate that services are delivered within the community.

- F. Setting Not Compliant with the HCBS Final Rule
 - i. Nursing Facilities
 - ii. Institutions for Mental Disease
 - iii. Intermediate care facilities for individuals with intellectual disabilities.
 - iv. Hospitals
 - v. Other locations that have characteristics of an institution (e.g. – CCI)
- G. Reverse integration does not make a setting compliant with the HCBS final rule. While it is acceptable to have some providers come into the setting, this must not be the only contact with community providers allowed for individuals receiving services.
- H. Individuals must be provided the option to choose community-based providers outside of a reverse integrated setting. These options of providers must be documented in the IPOS.
- I. Northcare Network and network providers are responsible for conducting ongoing monitoring activities to ensure settings remain in compliance with the HCBS Final Rule. See the HCBS Monitoring Policy for more details on this process.
- J. Training Requirements

HCBS Case Manager and Provider Trainings have been developed by MDHHS in collaboration with MSU. These training courses are to be utilized to meet the following requirements:

 - i. The HCBS Case Manager Trainings (Modules 1, 2 and 3) are required to be completed by every Case Manager involved with those receiving HCBS services. Training is required to be completed at the time of hire and annually thereafter.
 - ii. HCBS Provider Trainings are required at the HCBS contracted provider level, this includes direct support staff, supervisor and/or shift leads. Training is required to be completed at the time of hire and annually thereafter. This is the responsibility of the CMHSP.