



**AB 315 (Bonta) Medi-Cal Home and Community-Based Services Alternatives Waiver**

**(Updated: 1/31/2025)**

**SUMMARY**

Assembly Bill 315 requires the Department of Health Care Services (DHCS) to expand capacity in the Medi-Cal Home and Community-Based Alternatives (HCBA) waiver and to submit to the Legislature a study of rates and rate-setting methodologies for HCBA waiver services.

**BACKGROUND AND PROBLEM**

Medicaid waivers are waivers of federal law that allow state Medicaid programs (Medi-Cal in California) the flexibility to provide additional services, limit services to specific geographic areas, or expand coverage. Under a waiver, states can change their Medicaid program in ways that are not allowable under traditional Medicaid rules. Home and Community-Based Services (HCBS) waivers are a subset of Medicaid waivers that help people live in their own homes or in home-like settings in the community, rather than in institutions to receive necessary care.

The HCBA Waiver is a Medi-Cal program that provides children, adults, and seniors with disabilities who qualify for an institutional level of care (such as a services at hospital or nursing facility) to instead receive these services in the community. For instance, a child with a congenital lung condition who depends on a ventilator to breathe can receive in-home nursing care and medical services that allow them to remain at home safely. The HCBA waiver is the service delivery model in Medi-Cal that allows these high-acuity services to be provided outside of an institution.

As of November 2024, the HCBA waiver currently serves about 9,200 people statewide. Although this is not a large number of people in the context of the Medi-Cal program, enrollment is life-changing for those with complex medical conditions who are provided the dignity and normalcy of a life at home in their communities and with their families. HCBA Waiver services also save money as compared to facility-based services; when DHCS proposed to increase waiver HCBA waiver slots in 2024-25, the department estimated \$12.9 million in savings.

The current wait list for the HCBA waiver is over 5,400 people. Despite its benefits, enrollment in the HCBA Waiver is capped at a level that is far short of the demand. The inability to serve new enrollment poses an existential threat to current HCBA waiver providers, as well as innovative new programs that are designed to serve medically complex, chronically homeless Medi-Cal enrollees.

As part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, DHCS has a goal to integrate certain HCBS programs into its managed care delivery system. However, consumer advocates and HCBA waiver services providers are concerned that current Medi-Cal fee-for-service rates are inadequate to financially sustain these high-acuity health care services. With potential inclusion of these services into managed care, stakeholders are concerned that inadequate fee-for-service rates will simply translate into inadequate funding within the managed care system, imperiling the financial sustainability of HCBA waiver programs and thus the availability of service providers.

**EXISTING LAW**

**Current Statute**

Authorizes DHCS to administer the Nursing Facility/Acute Hospital Transition and Diversion Waiver (since renamed the HCBA Waiver) and imposes related requirements. (Welfare and Institutions Code 14132.991)

**SOLUTION**

To ensure Medi-Cal can serve all eligible individuals who want to enroll in the HCBA waiver, AB 315 will require DHCS to seek federal approval to expand the number of enrollment slots in the HCBA waiver to accommodate the current waiting list as well as the projected demand. Also, this bill will require DHCS to assess the adequacy and methodology of reimbursement for HCBA services, which will provide a solid evidence basis to inform future decisions about reimbursement methods and rates that will ensure availability of community-based providers.

**SUPPORT**

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Cardea Health (sponsor)

Disability Rights California (sponsor)

East Bay Innovations (sponsor)

**FOR MORE INFORMATION**

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