



## **EMPOWERED AT HOME ACT (S. 3327) SUMMARY**

### **Background:**

Senators Kerry (D-MA) and Grassley (R-IA) introduced the Empowered at Home Act (S. 3327) on July 24, 2008. The bill has several long-term services and supports provisions. Perhaps most notable, it makes improvements to the Medicaid 1915(i) State Plan Home and Community Based Services (HCBS) Option. The HCBS Option became available through the Deficit Reduction Act of 2005. The HCBS Option provided states with the opportunity to expand community-based services without applying for a waiver. The HCBS Option also provided states the option to provide community services to individuals who do not meet an “institutional” level of care. However, for several reasons states have been reluctant to take up the HCBS Option.

### **Key Provisions:**

#### *Title I –Strengthening the Medicaid Home and Community-Based State Plan Amendment Option*

- Provides flexibility to states to expand eligibility for the HCBS Option from 150% of the federal poverty line to 300% of SSI.
- Provides flexibility to states to provide the full range of services that can currently be provided under the HCBS waiver (including “other services” approved by the Secretary).
- Eliminates the option for states to limit the number of eligible individuals served by the HCBS Option (through caps or limits on statewide). If states modify their eligibility criteria, protection is provided through grandfathering individuals in the HCBS Option.
- Provides states with a new option to provide home and community-based services to individuals who are likely to develop an institutional level of care.
  - States must first have an approved 1915 (i) HCBS Option in place.
  - States may then expand eligibility through a new 1915 (k) HCBS Option to individuals who meet needs-based criteria to prevent, delay, or decrease likelihood of an individual’s need for institutional care.
  - States are provided flexibility to limit the number of individuals in the 1915 (k) HCBS Option and to provide services that differ in type, amount, duration, and scope.
- Provides \$40 million over five years to assist states with implementation.

#### *Title II –State Grants to Facilitate Home and Community-Based Services and Health Promotion*

- Reauthorizes Medicaid transformation grants and expands permissible uses to include availability of services and integration of long-term care system.

- Provides competitive health promotion grants to states to conduct evidence- and community-based health promotion demonstration programs that achieve lifestyle changes and translation of research into practice.

*Title III –Long Term Care Insurance*

- Provides an above the line deduction on premiums for qualified long-term care insurance contracts.
- Provides a caregiver tax credit of up to \$3,000 per individual with long-term care needs.
- Expands tax-preferred cafeteria plans to include premiums on qualified long-term insurance contracts.
- Provides additional consumer protections for long-term care insurance.

*Title IV –Promoting and Protecting Community Living*

- Ensures that the same spousal impoverishment protections offered for new nursing home beneficiaries will be in place for those opting for home and community based services.
- Provides flexibility to states to allow low-income beneficiaries of HCBS services (both HCBS waiver and HCBS Option) to keep more of their assets when they become eligible for Medicaid, allowing them to stay in their community as long as possible.

*Title V –Miscellaneous*

- Improves CMS data collection to ensure uniform and consistent reporting by states.
- Directs a GAO study on consumer direction and Medicaid home health services.