



## 1915(c) Medicaid YES Waiver

### Background

The Health and Human Services Commission (HHSC) and Department of State Health Services (DSHS) received approval by the federal government to implement a 1915(c) Medicaid Waiver. The program, called Youth Empowerment Services (YES), allows more flexibility in the funding of intensive community-based services and supports for children with serious emotional disturbances (SED) and their families. HHSC and DSHS worked collaboratively to develop the waiver, and sought input throughout the process from a broad array of stakeholders.

### Issue

Texas strives to provide a continuum of appropriate services and supports for families with children who have severe mental illness. There are some instances in which parents have turned to state custody for care when they feel they have reached or exceeded their financial, emotional or health care support resources and are unable to cover the costs of their child's mental health treatment. The 78<sup>th</sup> and 79<sup>th</sup> Texas Legislatures directed HHSC to "develop and implement a plan to prevent custody relinquishment of youth with serious emotional disturbances," and authorized the request of any necessary waivers from the federal government.

### YES Waiver Proposal

The agencies developed a draft program model and analyzed data to determine that the proposed waiver program meets federal cost neutrality requirements and can be implemented and operated within the current state Medicaid budget. The waiver is designed to reduce Medicaid psychiatric hospital expenses for children with SED by providing community-based services. The goals of the YES waiver include:

- Provide a more complete continuum of community-based services and supports for children with SED
- Prevent or reduce inpatient psychiatric admissions for children with SED
- Prevent entry and recidivism into the foster care system
- Reduce out-of-home placements by all child-serving agencies
- Improve the clinical and functional outcomes of youth and their families.

The YES waiver will initially be piloted in a limited geographic area (Bexar and Travis counties) and will serve up to 300 youth ages 3-18. Children will be determined financially eligible for the waiver program using standards used to determine eligibility for Medicaid in institutions. Under these standards, parental income is not counted, which will eliminate the current incentive for parents to relinquish custody to obtain access to Medicaid coverage for mental health treatment.

In addition to regular Medicaid services, waiver participants will be eligible for other services as needed, including respite care; adaptive aids and supports; community living supports; family supports; minor home modifications; non-medical transportation; paraprofessional services; professional services; supportive family-based alternatives; and transitional services. Waiver providers will be enrolled and contracted by DSHS. Local Mental Health Authorities (LMHAs) will perform administrative functions at the local level.

### Next steps

DSHS and HHSC submitted the YES waiver proposal to the federal Centers for Medicare and Medicaid Services (CMS) in June 2008 and received waiver approval in February 2009. Travis and Bexar Counties will serve as the initial two pilot sites. DSHS is currently in the process of establishing a waiver provider network each of the pilot sites. The tentative waiver start date is dependent on the availability of waiver providers. Harris and Tarrant Counties will begin serving as pilot sites as early as 2011 if the waiver is determined to be cost effective in its first two years of operation.

*For more information, please contact the YES Waiver Program Staff, at [YESWaiver@dshs.state.tx.us](mailto:YESWaiver@dshs.state.tx.us).*

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