



October 21, 2021

Stephanie Azar  
Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Montgomery, Alabama 36103

Dear Commissioner Azar:

The Centers for Medicare & Medicaid Services (CMS) is approving Alabama's (the "state's") request for a new section 1115(a) demonstration titled, "Community Waiver Program" (Project Number 11-W-00365/4) (the "demonstration"), in accordance with section 1115(a) of the Social Security Act (the Act). Approval of this demonstration, concurrently with a new 1915(c) waiver, will enable the state to create a new home and community-based services (HCBS) program and expand coverage to beneficiaries who are currently on the waiting list for the Intellectual Disability (ID) and Living at Home (LAH) 1915(c) HCBS waivers. The demonstration will overlay specific waiver authorities over a new 1915(c) waiver and establish an expenditure authority population to allow the state flexibility to operate the new program and expand coverage.

This demonstration assists the state in redesigning the HCBS delivery system to address concerns such as long waiting lists, high use of residential services and out-of-home placements, and low integrated community employment rates among its beneficiaries. This demonstration is unique in that it will increase access to necessary HCBS including supported employment and community integration supports, and individuals who live independently or with family will have enhanced supports to help maintain those living arrangements. The demonstration also will target an initial population of 500 beneficiaries with ID who are currently on the waiting list for services. The demonstration establishes an enrollment group using expenditure authority for individuals who do not yet meet an institutional level of care (LOC) or no longer qualify for 1915(c) waiver services but need HCBS. In addition, because HCBS 1915(c) waivers are otherwise only accessible to individuals who meet the criteria for an institutional LOC, the section 1115 enrollment group will expand coverage and allow for individuals on the waiting list who do not yet require an institutional LOC, but have significant needs, to receive critical home and community-based supports that they would not be able to access otherwise.

This demonstration will expand coverage of HCBS by allowing Alabama to have multiple population groups within the program, which provides services tailored to each individual needing an institutional LOC within one 1915(c) waiver, so that individuals can readily move between groups as their needs and situations change, as well as operate multiple service packages within the 1915(c) waiver. To achieve the state's goal of improving the quality of care for beneficiaries by targeting the number of providers available to match the limited beneficiary

pool and train and develop providers for the skills needed to effectuate a service delivery system that is focused on more individualized, integration-focused services, the state will focus on enrolling a select number of preferred providers for services. The state will maintain sufficient provider capacity, for each service by measuring provider capacity against service referral acceptance rates and service initiation timeframes. This demonstration is effective upon approval through September 30, 2026, upon which date, unless extended or otherwise amended, all authorities granted to operate this demonstration will expire.

CMS's approval of this section 1115(a) demonstration is subject to the limitations specified in the attached waiver and expenditure authorities, Special Terms and Conditions (STCs), and any supplemental attachments defining the nature, character, and extent of federal involvement in this project. The state may deviate from the Medicaid state plan requirements only to the extent those requirements have been specifically listed as waived under the demonstration.

Consistent with CMS requirements for section 1115 demonstrations, and as outlined in the STCs, the state will undertake systematic monitoring to support tracking the state's progress towards its demonstration goals and a robust evaluation to assess whether the demonstration initiatives are effective in producing the desired outcomes for beneficiaries, providers, and the Medicaid program overall.

### **Consideration of Public Comments**

To increase the transparency of demonstration projects, sections 1115(d)(1) and (2) of the Act direct the Secretary of Health and Human Services (the Secretary) to issue regulations providing for two periods of public comment on a state's application for a section 1115 demonstration that would result in an impact on eligibility, enrollment, services, cost-sharing, or financing. The first comment period occurs at the state level before submission of the section 1115 application, and the second comment period occurs at the federal level after the application is received by the Secretary.

Sections 1115(d)(2)(A) and (C) of the Act further specify that comment periods should be "sufficient to ensure a meaningful level of public input," but the statute imposed no additional requirement on the states or the Secretary to address those comments, as might otherwise be required under a general rulemaking. Accordingly, the implementing regulations issued in 2012 provide that CMS will review and consider all comments received by the deadline, but will not necessarily provide written responses to all public comments (42 CFR 431.416(d)(2)).

The federal comment period opened on August 7, 2020, and closed on September 6, 2020. CMS did not receive any comments during the federal public comment period. CMS has concluded that the demonstration is likely to advance the objectives of Medicaid, by supporting the state in creating a new HCBS program and expanding coverage to beneficiaries who are currently on the waiting list for the ID and LAH 1915(c) HCBS waivers.

The award is subject to CMS receiving written acceptance of this award within 30 days of the date of this approval letter. Your project officer, Ms. Kelsey Smyth, is available to answer any

questions concerning implementation of the state's section 1115(a) demonstration, and her contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop: S2-25-26  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Email: [Kelsey.Smyth@cms.hhs.gov](mailto:Kelsey.Smyth@cms.hhs.gov)

I appreciate your state's commitment to improving the health of people in Alabama, and I look forward to our continued partnership on the Alabama Community Waiver Program section 1115(a) demonstration. If you have questions regarding this approval, please contact Ms. Judith Cash, Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (410) 786-9686.

Sincerely,

A handwritten signature in blue ink that reads "Chiquita Brooks-LaSure". The signature is written in a cursive, flowing style.

Chiquita Brooks-LaSure

Enclosures

cc: Rita Nimmons, State Monitoring Lead, Medicaid and CHIP Operations Group