

**Joint Statement from the Centers for Medicare & Medicaid Services (CMS) and the Administration for Community Living (ACL): Implementation of the Home and Community-Based Services Settings Regulation**

Today marks an important milestone in our national efforts to enable people with disabilities and older adults to live and fully participate in their communities: the end of the transition period for implementation of the Medicaid Home and Community-Based Services (HCBS) settings regulation. Effective today, all states must be fully compliant with the regulation's requirements to uphold specified basic rights and may, through time-limited corrective action plans, have additional time to fully comply with the remaining criteria impacted by the COVID-19 public health emergency.

The HCBS Settings Rule was created to ensure that every person receiving Medicaid-funded HCBS has full access to the benefits of community living. It protects individuals' autonomy to make choices and to control the decisions in their lives, a right most people take for granted. This includes controlling personal resources; being treated with privacy, dignity, respect, and freedom from coercion and restraint; deciding what and when to eat; having visitors; being able to lock doors; and having the protections of a lease or other legally enforceable agreement. The rule requires a person-centered process for planning HCBS, which means that the individuals receiving services direct the planning process and the plan reflects their own preferences and goals they have set for themselves. The rule is critical to CMS' broader efforts to expand availability and improve the quality of Medicaid-funded HCBS.

Today represents a key milestone in years of systems change by states, service providers, disability and aging advocates, and, importantly, people receiving HCBS and their families.

- States, with input from stakeholders, have been bringing their HCBS systems into compliance with the rule. Many are embedding the rule's requirements into their own regulations, licensing standards, and oversight systems. States also are providing technical assistance to HCBS providers as they work to meet the rule's requirements, improving their person-centered planning processes, and expanding opportunities for self-direction. A number of states are investing resources to address the direct care workforce crisis, which is critical to ensuring people have access to the services they need. For example, because low wages make it very hard to recruit and retain the professionals who provide critical services, many states have increased payment for services and targeted those increases to apply to wages for direct care workers.
- HCBS providers have been changing service models, expanding their capacity to support community engagement and employment. Like states, many have prioritized wage increases and training for direct care workers.

- People with disabilities, older adults, families, and advocates have been working with states and providers throughout the implementation process. They have provided input to Statewide Transition Plans that described how states would comply with the settings rule by March 17, 2023, waiver applications, and proposed regulations, participated in task forces and work groups, and more.

As a result of that hard work, states have made tremendous progress toward achieving the expectations established by the rule. However, the COVID-19 pandemic created significant challenges to implementing some provisions of the rule. In recognition of that reality, CMS is allowing states more time – with an approved corrective action plan that includes specific milestones and deadlines – to demonstrate full compliance with requirements that are directly affected by the pandemic and the workforce crisis.

At the same time, recognizing the long wait for the benefits promised by the rule, all states must now be fully compliant with the rule’s requirements regarding participant rights and self-determination, such as those described above. For all states, today marks the beginning of a new phase of implementation of the rule, requiring ongoing evaluation, monitoring, and public engagement.

“The HCBS Settings Rule is transformational and is critical to CMS’ goal to provide access to quality, person-centered services to HCBS participants,” said Daniel Tsai, Deputy Administrator and Director of the Center for Medicaid and CHIP Services. “CMS is committed to assisting states and providers to make the changes needed to fully implement the rule.”

“The rule creates a framework that will result in a shared understanding of quality community living,” said Alison Barkoff, Acting Administrator of the Administration for Community Living. “It will take attention, advocacy, and action by stakeholders to make the promise of the Rule a reality for all people receiving HCBS. ACL is committed to continuing our work to support the engagement of the people this rule most affects – people with disabilities, older adults, and their families – in partnership with the aging and disability networks across the country.”

More work is still to be done to fully realize the implementation of this important regulation. CMS and ACL remain committed to partnering with states and working with providers and stakeholders to ensure all states demonstrate full compliance with the regulation. Corrective action plans will continue to be approved as soon as possible and will be posted online at [Medicaid.gov](https://www.medicaid.gov). Please visit the website regularly for updates.