

Fact Sheet: Proposed Changes to the Community Habilitation and Integration (CIH) Waiver

August 2026

The Bureau of Disabilities Services (BDS) is proposing a series of changes to the CIH waiver that, if approved by the Centers for Medicare and Medicaid Services (CMS), would go into effect in August of 2026. Starting in mid-February, all interested members of the public will have 30 days to review these changes and provide feedback. This process is known as a public comment period.

This Fact Sheet provides an overview of some of the changes that are being proposed as part of this waiver amendment. This list, although not comprehensive, outlines the types of changes that are included in this proposal and, in some instances, the reasons for these changes.

The full proposed waiver draft is available for review on the DDARS Draft Policies for Public Comment webpage located at <https://www.in.gov/fssa/ddars/bds-policies/ddars-draft-policies-for-public-comment/>.

The changes being made in the August 2026 amendments will help to get ready for Waiver Reset, but they are not Waiver Reset itself. Waiver Reset will happen later. You can find more information about the plans for Waiver Reset on the FSSA website at <https://secure.in.gov/fssa/ddars/bds-waiver-redesign/>.

❖ Case Management

- Addition of Health and Wellness, Traumatic Brain Injury, and PathWays for Aging (Fee-For-Service only) waivers to contracted case management (as exists on Community Integratin and Habilitation (CIH) and Family Supports (FS) Waivers).
- Inclusion of value-based payment in contracted case management.
- Allowance for regional case management providers.
- Align the allowable activities and responsibilities of case managers and Case Management Organizations (CMOs) in service definition with upcoming changes to contracted case management.

❖ Waiver Access Changes

- Update reserved waiver capacity – CMS allows states to reserve some of the waiver slots for specific groups of people.
 - Add a new group for people moving from an institution to the community under the Money Follows the Person (MFP) program. Remove the group of people

choosing to leave an Intermediate Care Facility for Individuals with Intellectual\Developmental Disabilities (ICF\IDD).

- Remove the group for people transitioning from 100% state funded services.
- Update waiting list procedures to align with how the waiting list is currently managed.

❖ **Service Changes and Provider Qualification Changes**

- Benefits Counseling – This service will have a new maximum of 6 hours per year.
- Community Transition Services – Align the definition of “own home” in this service with the definition of “own home” in Residential Habilitation and Support (RHS).
- Home Modifications and Assessments – Clarify bid requirements and allowable activities. Add new requirement for provider to give people written explanation of any non-covered costs.
- Music Therapy and Recreational Therapy – Revise these service definitions to ensure therapeutic outcomes and clarify how related transportation can be provided.
- Residential Habilitation and Support (Hourly and Daily) – Revise these service definitions to ensure people receive appropriate service and clarify providers’ billing requirements. Implement live-in caregiver rate reduction.
- Specialized Medical Equipment and Supplies (SMES) – Clarify evaluation and bid requirements, including maximum cost markup of thirty percent (30%).
- Day Habilitation, Remote Supports and Wellness Coordination – Clarify purposes, reimbursable activities, service standards and limitations.
- Revise/update documentation standards in service definitions. Update quarterly reporting requirements for selected services.
- Remove unused “individual” provider types.

❖ **Paid Family Caregiver Payment Policy Changes**

- The state will only allow payment to be made to relatives/legal guardians for the following services: Residential Habilitation and Support (Hourly), Residential Habilitation and Support (Daily), Respite, Structured Family Caregiving, Transportation and Workplace Assistance. Payment will not be made to relatives/legal guardians for the provision of any other services.
- Revise reimbursement limitation for relatives/legal guardians – The maximum number of hours of RHS (Hourly), Respite, and Workplace Assistance services that may be reimbursed when provided by Relatives and Legal Guardians (who are NOT Legally Responsible Individuals (LRIs)) must not exceed an aggregate of forty (40) hours per week per paid Relative caregiver and/or paid Legal Guardian caregiver.

❖ **Short-Term Budget Requests (STBR) Changes**

- Update short-term budget requests (STBR) criteria to align with current practices.

❖ **Technical Changes to Improve Clarity**

- Update quality improvement performance measures throughout.
- Update statewide BDS ombudsman provisions to align with revised Indiana law.
- Update and align incident reporting requirements.
- Clarify human rights committee safeguards.
- Revise Division of Disability and Rehabilitative Services (DDRS) references to Division of Disability, Aging and Rehabilitative Services (DDARS).