

## Medicaid Waiver 2026 Updates

What Individuals, Families, and Guardians Need to Know

Medicaid Waivers (also called Home and Community-Based Services) provide Medicaid health coverage, as well as supports and services that help people with disabilities live at home and participate in their communities.

**The Centers for Medicare and Medicaid Services has approved several updates to Indiana's Medicaid Waiver programs that take effect December 31, 2025.**

These waivers include Family Supports Waiver (FSW), Community Integration & Habilitation (CIH), Health & Wellness (H&W), PathWays for Aging (PathWays), and Traumatic Brain Injury (TBI).

### Eligibility Determination

- July 1, 2025 – New eligibility tool for H&W, PathWays, and TBI
  - Maximus makes the level of care determination
- December 31, 2025 – New eligibility tool for FSW, CIH, and SGL (Group Homes)
  - Bureau of Disability Services makes the initial determination
  - Case Managers will conduct annual redeterminations

### LRIs & Paid Caregivers

- Legally Responsible Individuals (LRIs) ONLY refers to the spouse of a person with a disability or a parent of a minor with a disability
- **LRIs may be paid ONLY if it is in the best interest of the individual *and* extraordinary care criteria are met:**
  - **Extraordinary Care Definition:** Caregiving needs beyond typical, age-appropriate caregiving and one or more of the following:
    - Intensive Nursing Care Needs
    - Continuous ventilator
    - Tracheostomy care
    - Total Parent Nutrition (TPN)
    - Other comparable needs
      - Does NOT include behavioral needs

## LRIs & Paid Caregivers Continued

- Limited to 40 hours per week *total* for LRIs combined
- In addition, legal guardians of adults and relatives of children or adults can each be paid to provide up to 40 hours per week
- The definition of relatives who can be paid is now consistent across waivers:
  - *Sibling, Grandparent, Adult Child / Grandchild, Aunt / Uncle, Niece / Nephew, 1<sup>st</sup> Cousin (Natural, Step, Half, Adopted, or In-Law)*
- LRIs on H&W, PathWays, and TBI can be paid for:
  - Structured Family Caregiving
  - Attendant Care, if the extraordinary care definition is met
- LRIs on FSW can be paid for Participant Assistance and Care (PAC) if the extraordinary care definition is met
- LRIs cannot be paid on CIH

## New & Updated Services

- Benefits Counseling (FSW, CIH, H&W, TBI)
- Extended Services (H&W)
- Self-Directed Care (FSW & CIH)

LRIs and Legal Guardians CANNOT be the paid caregivers through self-directed care. POAs and Health Care Representatives can only be paid *if* they are not directing the care.

## Service Limits

- Music Therapy – 6 hours per month
- Recreational Therapy – 6 hours per month
- Behavior Support Services (FSW, CIH)
  - Up to 12 hours per month total and only one category of BSS per month
  - Functional Behavioral Assessment – up to 20 hours in 60 days
  - Comprehensive Behavior Supports – up to 12 hours per month  
*Can appeal for TEMPORARY additional hours*
  - Clinical Supervision – up to 1 hour per month

## Adjusted Services

- One category for Adult Day Services for TBI, H&W, PathWays
- TBI will allow shared staffing for Residential Habilitation
- Updated Supported Employment definition for TBI
- Combines Home Modifications and Home Modification Assessment

## Expiring Services

- Intensive Behavioral Intervention
- New enrollment in Facility-Based Pre-Vocational Services (Sheltered workshops paying subminimum wages)

## Additional Information

### Waiver Service Budgets

- FSW capped at \$26,482 per year in WAIVER services
  - CIH, H&W, and TBI budgets based on individual need
  - PathWays budgets based on individual need
- Medical care and waiver services are governed by the following managed care entities:  
Anthem, Humana, and UnitedHealthcare*

### Financial Eligibility

- Family income and assets are not counted for a child under the age of 18
- 2026 individual income limit – \$2,982 per month
- 2026 married couples (both on waivers) combined asset limit – \$4,000 per month

### Applying for a Waiver

Although there are currently waiting lists for all waivers, it is important to apply.

- **H&W, PathWays, TBI**
  - Call Maximus at 1-833-597-2777 to schedule a Level of Care assessment
- **FSW**
  - Apply online at [bddsgateway.fssa.in.gov](https://bddsgateway.fssa.in.gov)

## Looking Ahead

- Indiana is planning a complete overhaul of FSW, CIH, H&W, and TBI waivers, “Waiver Reset,” in 2027
- Families and stakeholders can submit input to [DDARSWaiverReset@fssa.in.gov](mailto:DDARSWaiverReset@fssa.in.gov)
- New case management company contracts in 2026

## Stay Informed

- Follow The Arc of Indiana on social media & sign up to receive The Arc’s legislative updates and action alerts. Find links at: [arcind.org/get-involved/connect-with-us](https://arcind.org/get-involved/connect-with-us)
- Check the Medicaid Benefits Portal monthly for notices and updates <https://fssabenefits.in.gov/bp>. Immediately respond to requests for information.