HOME & PERSONAL CARE AGENCIES

Industry Spotlight

What is a home care or personal care agency?

A **home care** or **personal care agency** is a business that provides non-medical assistance to individuals in their homes. These agencies typically help elderly individuals, people with disabilities, or those recovering from illness or surgery with daily living activities and household tasks.

These agencies can provide care in client homes or other options such as assisted living or residential care facilities.

What are the licensing requirements for personal care agencies?

As of August, 2024, Maine requires the licensing of personal care agencies via the state's Department of Health and Human Services (DHHS). There is currently an online application process only via the DHHS portal. Licensing requirements include that all direct care providers be Certified Nursing Assistants (CNA) or have completed training as Personal Support Specialist (PSS) except when the duties are limited to shopping, transportation, cleaning, etc. There are also supervision requirements for new employees.

What are the licensing requirements for assisted living or residential care facilities?

These facilities must also be licensed in Maine via the state's Department of Health and Human Services. DHHS has an application that can be downloaded and completed, but must be mailed in. The physical facilities must also pass inspections related to fire safety and are required to have sprinkler systems throughout the building. There must also be a bond covering the owners and any employees who are responsible for any of the consumer funds.

Residential care facilities may have slightly different requirements based on how many residents are living in the facility.

How do clients of personal care and home care agencies pay for services?

Services can be paid for by private pay, private health insurance, or, if the client is eligible, by MaineCare (Medicaid).

Private pay means that a client would pay for services with their own money.

In order to accept a client's **private health insurance**, the home or personal care agency would have to be credentialed by individual insurance companies. Each insurer has a separate application process and may take 60-90 days to approve a provider. Once approved, the insurance company will outline reimbursement rates for services. The agency will have to submit individual customer claims to the agency for reimbursement.

In order to be reimbursed for services for clients who are covered by **MaineCare (Medicaid)**, an agency must have a Home and Community Based Service Waiver (HCBS).

What are Home and Community Based Waiver Services (HCBS)?

Many agencies are interested in providing services for Medicaid (MaineCare in Maine) recipients. States can develop home and community-based services waivers to meet the needs of people who qualify for MaineCare who prefer to get long-term care services and support in their home or community, rather than in an institutional setting.

In Maine, OADS (Office Of Aging & Disability Services) under DHHS (Department of Health and Human Services) has oversight regarding all HCBS waivers programs. People who want to establish a business to become a licensed service provider with OADS must follow the required steps to become a registered provider for the many HCBS waiver services programs.

HCBS waiver services include providing services to the elderly and people with disabilities; adults with other related conditions that need a certain level of care; adults with brain injuries; and adults with intellectual disabilities and autism, transporting clients to medical or social appointments and more.

What are 'sections'?

Applicants apply to be a service provider under 'sections' of the MaineCare Benefits Manual, which are related to these Medicaid waivers.

Section 18
Home and community services for adults with brain injuries that requires nursing home level of care

Section 19
Home and Community services for the elderly and adults with disabilities who requires in home support by the quarter hour

Section 20
Home and community services for adults with "other related conditions", such as a brain injury

Section 21 & Section 29
Sections 21 and 29 are both related to home and community based benefits for adults with intellectual disabilities or autistic spectrum disorders.

How does a personal or home care agency get licensed to provide waiver services?

If a privately owned agency wants to provide services for MaineCare clients under these waiver programs, the agency must go through a separate application and licensing process in addition to the regular licensing requirements.

Applicants go through a complicated and lengthy application process that includes developing an in-depth policy and procedures manual to show the State they understand how to meet the regulations and requirements of this industry. Additional licenses and certifications are often required if they are providing personal care services, assisted housing, and other services.

How do these agencies providing waiver services get paid?

If an applicant is successful in applying and getting clients, they will be paid on a **reimbursement** basis through MaineCare. (This means the agency gets paid back AFTER providing services.) Reporting the number of hours provided can be complicated, often resulting in rejections and long delays before being reimbursed from the state. Having an adequate amount of working capital to cover expenses while waiting for reimbursement is a critical part of setting up a successful business to cover this gap.

What are some key questions to ask yourself before starting an agency that provides services under the waiver programs?

- Do you have the financial resources to start this business and enough working capital to cover expenses before being reimbursed by the state?
- If you are interested in starting a group home, have you discussed with the building owner and the town zoning and code enforcement?
- Are you prepared to wait 12-18 months for your application review?
- Do you have management and supervisory experience in this industry?
- What section are you applying for and why?
- Are you familiar with the legal and reporting requirements for this section?
- Are you aware of, and do you have, all of the required licenses and certifications needed for the OADS application?
- Do you have any experience in Quality Assurance, developing and implementing a corrective action plan?