

Medicaid Intellectual and Developmental Disability (I/DD) Waivers

June 2025

Summary

The Wyoming Medicaid Comprehensive and Supports waivers are a way for the State and federal government to share the cost of the long-term care provided to people with intellectual and developmental disabilities (I/DD) in home and community-based alternatives to an institution.

State funding for these services typically navigates trade-offs between three competing priorities:

- Funding new people off the waitlist, particularly those who have waited a long time;
- Setting provider rates that cover reasonable costs; and,
- Serving clients with particularly complex needs in the least restrictive setting.

What are “waivers”?

Until the 1970s and 80s, most Americans with I/DD were housed in institutions like the Wyoming Life Resource Center (formerly the State Training School). When the harsh conditions within these settings began to be exposed in the early 1970s,¹ the resulting public outrage led to a wave of de-institutionalization. This culminated in the 1999 Supreme Court *Olmstead v. L.C.* decision, which affirmed that states must provide community-based services to people with disabilities in the most appropriate and least restrictive setting.²

As part of this wave, Medicaid was authorized to pay for home- and community-based services in 1981.³ Today, the vast majority of Wyomingites with I/DD are served in the community, and those services are almost entirely paid for by the two “DD waivers”: The Comprehensive Waiver and the Supports Waiver.

The primary difference between the two waivers is scale: where the Comprehensive Waiver is designed to cover a wide array of services under an individually-determined budget,⁴ the Supports Waiver has a maximum budget of ~\$23,000 per person. On both waivers, services include (but are not limited to) adult day services, supported employment, residential services, and case management. Both waivers also give members access to the full range of regular Medicaid medical services (e.g. physician, pharmacy, hospital, therapies, behavioral health).

¹ E.g. Geraldo Rivera’s Willowbrook documentary (1972).

² In Wyoming, the 1990 Weston Settlement Agreement was the watershed obligation to increase community living options for individuals with disabilities who would otherwise be served at the WLRC.

³ §1915(c) of the Social Security Act, as first authorized by the Omnibus Budget Reconciliation Act (OBRA) of 1981.

⁴ Comprehensive waiver IBAs average ~\$82,000 and range from ~\$14,000 to \$291,000.

Current enrollment, costs and waitlist

Tables 1 and 2 show costs and enrollment by SFY for the Comprehensive and Supports waivers, respectively. Table 3 shows the number of people who have been waiting for a Support waiver slot, as well as those who have been waiting for longer than 18 months.

Table 1: Comprehensive waiver costs and enrollment

SFY	Waiver costs	Medical costs	Total costs	People served	Cost per person
2022	\$106,795,215	\$11,206,862	\$118,002,077	1,867	\$62,534
2023	\$116,992,552	\$10,675,740	\$127,668,292	1,840	\$68,235
2024	\$123,239,253	\$10,017,134	\$133,256,386	1,804	\$71,759

Table 2: Supports waiver costs and enrollment

SFY	Waiver costs	Medical costs	Total costs	People served	Cost per person
2022	\$8,440,356	\$4,204,096	\$12,644,452	725	\$17,110
2023	\$10,457,616	\$4,861,012	\$15,318,627	809	\$18,302
2024	\$14,102,599	\$7,345,347	\$21,447,947	1,148	\$17,918

Table 3: Waitlist statistics

SFY	Number of people on the waitlist	Average time (months)	Number of people waiting for more than 18 months
2022	526	19	285
2023	362	12	122
2024	282	6	1

Generally speaking, costs increases in both waivers have been funded by Legislative appropriations, largely earmarked for two different purposes:

- Annual Comprehensive waiver costs have increased by ~\$15M due to rate increases⁵; and,
- An additional annual ~\$8M in Supports waiver costs came from waitlist reductions.⁶

⁵ Note the ~\$10K cost per person increase on the Comprehensive waiver.

⁶ I.e., from 526 to 282 people over the last three SFYs.

Major policy issue: competing priorities

These two objectives — ensuring rates cover increasing provider costs, while ensuring that new arrivals I/DD don't wait too long before receiving services — are often in tension. And recently, a third issue — people with I/DD who manifest exceptionally difficult behaviors spending too much time in institutional settings — has also arisen. We outline all three competing priorities below:

1. Funding the waitlist.

- Due to the nature of I/DD, people on the waivers generally stay on them for their entire lives, unless they move out-of-state. Waiver slots therefore turn over slowly, and there is consistently greater demand for waiver services than available funding.
- Of particular concern is the number of people waiting longer than 18 months. As Table 3 indicates, the 2023 waitlist appropriation made a big difference in this regard.

2. Provider rate rebasing.

- There are approximately 573 providers of I/DD services in Wyoming. Half of these organizations serve 3 or fewer people.
- As with most industries, costs to provide care (i.e., paying the direct support professionals who help this community) continue to increase.
- Wyoming Medicaid is, by far, the single largest payer for I/DD waiver services. Rate rebasing studies are performed on behalf of the Department every two to four years (most recently in 2024) to determine if the rates paid are commensurate with the costs of providing services.

3. Highest-need clients and institutionalization

- People with I/DD may have co-occurring mental illness; this is known as “dual diagnosis,” and, in some, it translates into behaviors which can be difficult for service providers to manage.
- This means that people with the highest needs often end up in Emergency Rooms, jails, and in some cases the State Hospital (through the courts). While these services are necessary in the short-term, institutional placements are rarely the most appropriate long-term.
- In order to get high-needs people back to the community, the Comprehensive Waiver has “reserve capacity” that can provide funding for them more immediately, outside the waiting list.
- Due to their significant service needs, each reserve capacity slot takes up multiple slots that could otherwise serve others on the waitlist.⁷

⁷ In SFY 2025, for example, 6 people were transitioned at an annual cost of \$564K; this could have funded 21 Supports Waiver slots.