NEBRASKA

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DEPT. OF HEALTH AND HUMAN SERVICES

Jim Pillen, Governor

August 1, 2026

The Honorable Myron Dorn
Legislative Oversight Committee
Nebraska Legislature
P.O. Box 94604
Lincoln, NE 68508

The Honorable Brian Hardin
Members of the Health and Human Services Committee
Nebraska Legislature
P.O. Box 94604
Lincoln, NE 68509

Ms. Julie Rogers
Office of Public Counsel
Nebraska Legislature
1225 L Street
Lincoln, NE 68508

Subject: Implementation and Use of Assessment Tools for Developmental Disability Waiver Participants Report

Dear Chairman Dorn, Chairman Hardin, and Ms. Rogers:

In accordance with the Nebraska Revised Statute § 68-9,112(6), please find the attached report on the implementation and use of assessment tools for waiver participants with developmental Disability as well as the Department of Health and Human Services (DHHS) compliance with the Ensuring Access to Medicaid Services Final Rule.

Sincerely,

Tony Green
Director, Division of Disability and Aging

Attachment

Department of Health and Human Services
Report

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Division of Disability and Aging

Implementation and Use of Assessment Tools for Developmental Disability Waiver Participants Report

August 2026

Neb. Rev. Stat. § 68-9,112

Background

Nebraska first implemented the interRAI assessment system in 2021 for participants enrolled in the Medicaid Home and Community-Based Services (HCBS) Aged and Disabled (AD) Waiver and Traumatic Brain Injury (TBI) Waiver. For these programs, interRAI was adopted as the state's standardized level of care assessment tool to support consistent evaluation of participant needs and eligibility for waiver services. The implementation aligned Nebraska with a nationally and internationally recognized assessment system that uses standardized measures to evaluate functional abilities, health conditions, and support needs.

Building on the success of the AD and TBI implementation, DHHS expanded the use of interRAI to the Comprehensive Developmental Disability Services Waiver and the Developmental Disability Day Services Waiver for Adults, the developmental Disability (DD) waivers, effective July 1, 2025. The Division of Disability and Aging (DDA) implementation represented a broader transformation of the assessment process, replacing prior assessment methodologies with the interRAI Intellectual Disability (ID) assessment for adults and the interRAI Child and Youth Mental Health and Developmental Disability (ChYMH-DD) assessment for children. These tools provide a comprehensive, person-centered assessment of an individual's strengths, support needs, health status, functional abilities, and behavioral needs using standardized metrics and evidence-based assessment practices.

The July 2025 implementation also established the foundation for Nebraska's objective assessment process and budget methodology for DD waiver services. Assessment results are used to generate standardized case-mix classifications and Case-Mix Indices (CMIs), which inform participant budget tier assignments. The adoption of interRAI for DD waivers was intended to improve consistency and transparency in the assessment process, support person-centered service planning, and ensure resources are aligned with assessed needs. By utilizing a system developed and maintained through international research and validation, Nebraska strengthened its ability to evaluate participant needs using a standardized and data-driven approach.

Assessment Tool Metrics

The interRAI assessment system uses a comprehensive set of standardized metrics to measure an individual's functional abilities, health status, behavioral support needs, social circumstances, and overall level of support required. Rather than relying on a single score, interRAI generates multiple validated scales and indicators from assessment data. These metrics are designed to provide objective, consistent measures of need across individuals and over time, allowing changes in functioning, independence, and support requirements to be tracked using a common methodology.

A primary category of interRAI metrics is its status and outcome scales, which measure performance and acuity across key domains. These domains include physical functioning, cognitive functioning, social functioning, mood and behavior, health status, and child- and youth-specific developmental measures. The scales combine information from multiple assessment items into standardized indicators that reflect the severity or intensity of an individual's needs. Examples include measures of cognitive performance, independence in activities of daily living, emotional and behavioral regulation, communication abilities, and health-related risks. These metrics provide a consistent framework for evaluating participant needs and monitoring changes over time.

The accuracy and reliability of interRAI metrics depend on the use of multiple sources of information. Assessors review available supporting documentation before conducting interviews and use that information to validate and contextualize responses. Documentation may include psychological evaluations, multidisciplinary assessments, Individualized Education Programs (IEPs), medication records, Person-Centered Plans (PCPs), safety plans, annual physicals, residential reviews, incident reports, behavior tracking data, and other relevant records. Information obtained through interviews with the participant, family members, caregivers, and service providers is considered alongside documented evidence to ensure that assessment metrics accurately reflect the participant's current needs, abilities, and support requirements.

The interRAI metrics also rely on standardized observation periods, known as look-back time frames, to ensure data is collected consistently and reflects the participant's typical experiences. Different assessment items use different time frames based on the type of information being measured. Three-day look-back periods are used for activities that occur frequently and can be recalled accurately, while seven-day look-back periods capture activities or events that may not occur every day. Thirty-day look-back periods provide a broader perspective on behavioral, functional, or health-related patterns and trends. Certain high-impact stress, trauma, or behavioral risk factors may use longer look-back periods when historical events continue to influence a participant's current support needs. By applying standardized time frames across all assessments, interRAI improves consistency, comparability, and reliability of its metrics.

Explanation of Case Mix Indexes

The interRAI assessment system uses case-mix methodologies to translate assessment results into a standardized measure of support needs and expected resource utilization. Case-mix models group individuals with similar characteristics, functional abilities, health conditions, and support requirements into categories that reflect the relative intensity of services typically needed. These classifications are based on information collected through the interRAI assessment and are designed to provide an objective and consistent method for comparing support needs across participants.

Each case-mix classification is assigned a CMI, a numerical value that represents the relative level of resources expected to be required to support an individual compared to the average participant. A CMI value of 1.0 represents average resource utilization, while values above or

below 1.0 indicate greater or lesser support needs. The CMI methodologies are developed and maintained by interRAI, an international collaborative network of researchers, clinicians, academics, and practitioners representing more than 35 countries that is dedicated to improving care for individuals with Disability, chronic conditions, and medically complex needs. Case-mix indices are derived from extensive analyses of assessment data collected through interRAI instruments administered by participating states, provinces, countries, and partner organizations. For adults receiving developmental disability services, interRAI uses Case-Mix Groups for Developmental Disability methodology. For children and youth, interRAI uses the Child and Youth Resource Index. These methodologies analyze assessment data across multiple domains, including functional abilities, behavioral needs, health conditions, and supervision requirements, to assign participants to a case-mix group and corresponding CMI.

The reliability of the CMI is supported by interRAI's rigorous research and quality assurance processes. InterRAI instruments are developed and continuously refined through extensive testing to establish the reliability and validity of assessment items, outcome measures, clinical action plans, case-mix algorithms, and quality indicators. Development and maintenance of these tools are supported by interRAI fellows and subject matter experts, including clinicians, researchers, academics, and advanced practitioners who contribute expertise from a wide range of disciplines and service settings. This international research foundation helps ensure that case-mix methodologies remain evidence-based, statistically sound, and responsive to emerging practices and populations.

Nebraska uses the resulting CMI as a component of its objective assessment process to establish budget tiers for participants receiving services through Developmental Disability HCBS waivers. Budget tiers group individuals with similar assessed levels of need and provide a framework for determining an individualized annual budget amount. The use of case-mix methodologies helps promote consistency and transparency in resource allocation by ensuring that budget tier assignments are based on standardized assessment data rather than subjective determinations. While budget tiers provide a funding framework, individual service plans remain person-centered and are developed based on each participant's assessed needs, goals, preferences, and health and welfare requirements.

Assessment Results

As part of the July 1, 2025, implementation of the interRAI assessment process for the DD waivers, all participants receiving waiver services completed a renewal assessment that generated a waiver, continuous residential recommendation and funding tier recommendation based on their assessed needs. Through May 2026, 4,570 renewal interRAI assessments had been approved.

Of the 4,570 participants, 87% had no change of waiver recommended with the interRAI finding they were on the correct waiver given their level of need, while 6% were recommended to be

Approved interRAI Renewals		
Total Renewal InteRAIs	4570	
Waiver Recommendations		
No Change	3984	87%
Increased to CDD	288	6%
Decreased to Lower Waiver	226	5%
Manual Review	44	1%
Increase to FSW	11	0%
Increased to DDAD	17	0%
Totals	4570	100%
Need for Continuous Residential		
Threshold Met	2690	59%
Threshold Not Met	1557	34%
Manual Review Needed	47	1%
N/A (for FSW or DDAD Waiver)	276	6%
Totals	4570	100%

Figure 1- interRAI Results July 2025 to May 2026

moved up to the Comprehensive Developmental Disability (CDD) waiver, with the highest level of services and supports. Others received recommendations to move from the CDD waiver to either the Developmental Disability Adult Day Waiver (DDAD) or Family Support Waiver (FSW), based on their needs, particularly those who did not meet the threshold for continuous residential services (1,557).

In addition to a waiver recommendation, the interRAI also made a budget tier recommendation. Of the 4,570 interRAI renewals, 2,433 (53%) remained in their existing funding tier, while 1,105 (24%) received an increase of one or more funding tiers and 785 (17%) received a decrease of one or more funding tiers. An additional 100 participants (2%) moved from the FSW to a funding tier on the CDD Waiver, 13 participants transitioned from a funding tier to FSW, and 134 participants (3%) did not have a previous funding level available for comparison.

Changes in funding tiers were driven by the participant's assessed needs as measured through the interRAI assessment process. The interRAI evaluates multiple domains, including functional abilities, health conditions, behavioral support needs, supervision requirements, communication skills, and activities of daily living. Assessment responses are used to calculate a CMI, which reflects the relative level of support and resources typically required to meet a participant's needs. Participants are then assigned to budget tiers based on their resulting CMI and established tier thresholds.

Tier increases generally occurred when the assessment identified support needs that

Funding Recommendations		
Decreased 3 Tiers	5	0%
Decreased 2 Tiers	99	2%
Decreased 1 Tier	681	15%
No Change	2433	53%
Increased 1 Tier	986	22%
Increased 2 Tiers	114	2%
Increased 3 Tiers	5	0%
FSW to Funding Tier	100	2%
No Previous Funding Level	134	3%
Funding Tier to FSW	13	0%
Totals	4570	100%

Figure 2- interRAI Funding Recommendations July 2025 to May 2026

exceeded those reflected in the participant's previous funding level, while tier decreases occurred when assessed needs aligned with a lower funding tier. Because the interRAI implementation represented the first statewide application of a standardized, objective assessment methodology for DD waiver budget determination, some movement between tiers was anticipated as participants were evaluated using a consistent assessment framework. The fact that a majority of participants (53%) remained in their existing tier and that most changes were limited to a single tier increase (22%) or decrease (15%) suggests that the assessment process generally aligned participants with funding levels comparable to their prior service authorization while providing adjustments where assessed needs indicated a different level of support was appropriate.

Assessment Comparison

A direct comparison between assessment outcomes under the interRAI assessment system and the former Inventory for Client and Agency Planning (ICAP) system must be approached with caution due to significant differences in assessment administration and reassessment practices.

Prior to July 1, 2025, the ICAP served as the Objective Assessment Process for Nebraska's developmental Disability waivers. While participant needs were reviewed annually through the Person-Centered Planning (PCP) process, a new ICAP was not completed each year unless the PCP team—which included the participant, guardian when applicable, service coordinator, and provider—determined that a reassessment was necessary. As a result, many participants retained the same ICAP score and resulting budget determination for multiple years when the PCP team felt the budget was still sufficient to support the participant. There was not an incentive for the participant, their guardian, or provider to request an updated ICAP when there was a reduction in need. This approach allowed participants whose needs may have gradually decreased over time to remain at the same funding level, while also creating opportunities for PCP teams to request reassessment when support needs increased. Consequently, the ICAP reassessment process was inherently more likely to capture increases in need than decreases.

This practice resulted in substantial variation in the number of renewal assessments completed each year. Between 2018 and 2024, an average of 2,534 ICAP renewal assessments were completed each year. By comparison, implementation of the interRAI system requires annual reassessment of all waiver participants. Between July 2025 and May 2026 alone, 4,570 renewal interRAI assessments were completed, representing approximately 80% more renewal assessments than were completed annually under the prior ICAP process. The substantially larger number of reassessments conducted under interRAI provides a more comprehensive and current picture of participant needs across the waiver population.

When examining movement between funding tiers, historical ICAP data demonstrate a high degree of stability. Between 2018 and 2024, 77.3% (13,722 of 17,741) of renewal ICAP

assessments resulted in no change in funding tier, while 12.5% (2,213) resulted in a tier increase and 10.2% (1,806) resulted in a tier decrease.

ICAP Renewal Tier Outcomes (2018-2024)	Renewals	Percent
Tier Increase	2,213	12.5%
Tier Decrease	1,806	10.2%
No Change	13,722	77.3%
Total Renewals	17,741	100.0%

Figure 3- ICAP Renewal Tier Outcomes (2018-2024)

Periods of instability, including high rates of tier reductions, are evident in the historical data and coincide with periods when DDA encouraged PCP teams to conduct new ICAP assessments. For example, between 2019 and 2021, the percentage of participants experiencing a reduction in their waiver tier climbed from 14.1% in 2019 to 17.0% in 2021.

By comparison, the first 4,570 interRAI renewal assessments resulted in 2,433 participants (53.2%) remaining in the same funding tier, 1,105 participants (24.2%) increasing one or more tiers, and 785 participants (17.2%) decreasing one or more tiers. While interRAI produced somewhat greater movement between tiers than historically observed under ICAP, the overall pattern remains similar: the majority of participants remained in their existing tier and increases and decreases occurred for a minority of participants. Importantly, most interRAI tier changes involved movement of only a single tier, suggesting that assessment outcomes generally remained within a comparable range of support needs rather than resulting in significant shifts in participant budgets.

Overall, the available data does not indicate that interRAI produces materially different outcomes than the prior ICAP assessment process. While interRAI has resulted in somewhat more movement between funding tiers during its initial implementation, this outcome is expected given the transition from a discretionary reassessment process to a standardized annual reassessment process for all participants. The data suggest that interRAI is identifying participant needs in a manner generally consistent with historical ICAP outcomes while providing a more comprehensive, objective, and regularly updated assessment of support needs. As additional years of interRAI data become available, trends will become increasingly comparable and will provide a stronger basis for evaluating long-term changes in participant support needs and budget allocations.

Trends and Challenges

DDA continues to monitor implementation of the interRAI assessment process to identify trends, potential disparities, and opportunities for improvement. Initial assessment results indicate that most participants experienced no change or only modest changes in funding tier assignments following implementation of the interRAI assessment system. However, as with any significant

system transformation, implementation has highlighted the importance of maintaining consistency in assessment administration, documentation practices, and interpretation of assessment items across staff and geographic regions. DDA continues to evaluate assessment outcomes and participant experiences to identify any patterns that may indicate disparities or unintended impacts on specific populations.

To support consistency and accuracy, and in compliance with LB958 (2026), DDA has completed assessment manuals for all assessments used by the division, including the four interRAI assessments used across the HCBS waivers. These comprehensive assessment manuals provide step-by-step guidance to eligibility and assessment staff regarding interview techniques, documentation standards, supporting evidence requirements, and scoring methodologies. These manuals are intended to promote consistent application of assessment standards across the state and reduce variation in assessment outcomes that may result from differing interpretations of assessment items.

Additionally, all staff responsible for conducting assessments receive training in clinical interviewing strategies before completing assessments independently in the field. This training is designed to strengthen information gathering, improve participant engagement, ensure accurate interpretation of responses, and support consistent application of assessment protocols. DDA has also implemented enhanced quality assurance processes, including supervisory review of all assessments that result in a reduction in a participant's funding tier recommendation or available services. These reviews verify that assessment responses are supported by documentation, accurately reflect the participant's circumstances, and have been completed in accordance with established assessment procedures.

DDA recognizes that ongoing evaluation is essential to ensuring the effectiveness, accuracy, and fairness of the interRAI assessment process. To further evaluate Nebraska's successful implementation, DDA intends to contract with an external evaluator to conduct a review of the interRAI's use as a level of care and objective assessment process. The project will include a review of the current assessments and the objective assessment process, identification of existing implementation challenges, and evaluation of opportunities for improvement.

The review will also include an analysis of existing assessment and budget data to evaluate the reliability and validity of Nebraska's assessment model and resulting budget tier methodology. In addition, the evaluator will examine practices utilized by peer states that employ objective assessment systems and budget methodologies to identify potential enhancements that could strengthen Nebraska's approach. The project will conclude with recommendations to improve the integrity of the assessment process, enhance consistency in assessment administration, and further align budget tier assignments with assessed participant needs. The division expects the findings from this review to provide valuable information regarding the continued effectiveness, accuracy, and fairness of the interRAI assessment system and to inform future improvements to Nebraska's developmental disability service delivery system.

Ensuring Access to Medicaid Final Rule Compliance

DDA and the Division of Medicaid and Long-Term Care (MLTC) continue to make progress toward implementation of the federal Medicaid HCBS Access Rule. To improve transparency and stakeholder awareness, DHHS launched a dedicated Access Rule website that is accessible through both the DDA and MLTC websites. The website provides information regarding the Access Rule's requirements, implementation timelines, compliance deadlines, and activities completed by DHHS to date. The site serves as a centralized resource for participants, providers, advocates, and other interested parties to track Nebraska's progress toward compliance with federal requirements.

Nebraska Access Rule Website
https://dhhs.ne.gov/Pages/HCBS-Access-Rule-Compliance.aspx

As of July 1, 2026, DDA and MLTC have developed and implemented new grievance resources for Medicaid HCBS participants and updated internal procedures to support compliance with the Access Rule's grievance requirements. Consistent with federal requirements and existing Medicaid managed care processes, waiver participants may utilize the same grievance and appeal procedures available to the broader Nebraska Medicaid population. Members may file grievances verbally or in writing at any time, either directly or through an authorized representative. Managed Care Organizations (MCOs) are required to investigate and resolve grievances as expeditiously as a member's health condition requires and no later than 90 calendar days after receipt, with written notification provided upon resolution. Similarly, members may appeal adverse benefit determinations within 60 calendar days of notice, with MCOs required to resolve standard appeals within 30 calendar days and expedited appeals within 72 hours when delay could jeopardize a member's health or functioning.

In addition to the Medicaid grievance and appeal processes administered through MCOs, DDA has established a dedicated HCBS grievance process that allows participants and their representatives to raise concerns directly with the division regarding any aspect of waiver services, settings, planning, or participant rights. Examples of grievances include concerns related to participant health and welfare, suspected Medicaid fraud, provider compliance with applicable laws and policies, service coordination, provider performance, HCBS Settings Rule compliance, privacy and confidentiality concerns, and other issues affecting the participant's receipt of services. Grievances may be submitted online, by mail, by telephone, in person at a DHHS office, or through other accessible methods. DDA investigates grievances and provides written notification of the outcome to the participant and, when applicable, their legal guardian. Potential resolutions may include direct follow-up, on-site reviews, referrals to licensing or certification authorities, referrals to Medicaid Program Integrity, the Division of Children and Family Services, or other appropriate entities. DDA maintains records of all grievances received and their resolution and has established accessibility and language access procedures to ensure grievance materials and processes are available to individuals with Disability and individuals with limited English proficiency.

DDA has also strengthened oversight and monitoring processes related to critical incidents. The division updated its HCBS waiver applications to align with the Access Rule's standardized definitions for critical incidents and reportable events, establishing the framework necessary for federally required reporting. In addition to these waiver changes, critical incident information submitted by MCOs is reviewed through an established oversight process in which incident reports are provided to DHHS on a bi-weekly basis and reviewed by Program Integrity staff. These activities support identification of trends, monitoring of participant health and welfare, and compliance with federal reporting requirements. Nebraska will begin reporting critical incident data using the Access Rule methodology prior to the federal compliance deadline of July 9, 2027.

Collectively, these efforts demonstrate Nebraska's ongoing commitment to implementing the Access Rule in a manner that strengthens participant protections, increases transparency, and enhances accountability across Medicaid HCBS programs. Through the development of participant grievance resources, standardized appeal procedures, enhanced critical incident reporting requirements, public-facing implementation updates, and direct avenues for participants to raise concerns regarding services and settings, DDA and MLTC continue to advance compliance while supporting the health, welfare, rights, and community integration of waiver participants.

Conclusion

The implementation of the interRAI assessment system represents a significant milestone in Nebraska's ongoing efforts to ensure that Medicaid Home and Community-Based Services are delivered in a manner that is objective, person-centered, and aligned with participant needs. While the transition from the ICAP assessment process to interRAI introduced substantial changes in assessment methodology and reassessment frequency, the initial data indicate that assessment outcomes remain generally consistent with historical patterns. Most participants have remained in their existing funding tier; observed increases and decreases in support levels reflect the expected effects of moving from a discretionary reassessment process to a standardized annual assessment framework.

DDA remains committed to continuous quality improvement and transparency throughout implementation. Through the development of assessment manuals, enhanced staff training, supervisory review processes, independent evaluation of assessment methodologies, and ongoing compliance efforts related to the federal Access Rule, the division continues to strengthen the integrity of its assessment and service delivery systems. As additional years of interRAI data become available and implementation efforts mature, Nebraska will be better positioned to evaluate long-term trends and ensure that waiver resources continue to be allocated fairly, consistently, and in a manner that supports the health, welfare, and independence of Nebraskans with Disability.