

Developmental Disability Waivers

Overview

Virginia had historically relied on institutional care for DD services. In 1991, Virginia initiated Medicaid waiver services to “waive” the requirement that an individual with developmental disabilities reside in an institutional to receive certain services. Those services could instead be received in the community. As of November 25, 2025, (not including the 251 FIS and 65 CL waiver slots that were allocated for 7/1/25 and 10/1/25, which will be assigned 1/15/26) there were 19,924 individuals assigned a waiver slot (11,704 Community Living, 7,412 Family and Individual Supports, and 268 Building Independence). The total wait list was 14,258 of which 2,727 were priority one.

Background

- The Medicaid Home and Community-Based Services (HCBS) waivers describe the types of services Virginia may offer based on Virginia’s approved applications to the U.S. Centers for Medicare & Medicaid Services (CMS). HCBS waivers provide the funding for most adults and some children receiving services through a combination of state and federal funding.
- DMAS as the Medicaid agency is administrative authority and responsible for ensuring compliance with CMS requirements through the development and implementation of state regulations. DMAS delegates waiver operational authority to DBHDS through an interagency agreement and DMAS through CMS reimbursement funds of approximately 50% of DBHDS staff salaries to administer the waivers. DMAS obtains approximately 50% of all DD waiver expenses from the federal government.

Issues

- Reducing the DD waiver waiting list and expanding access to quality providers to serve the DD population across the continuum of care are top priorities for DBHDS. There are typically less individuals, except those who present in emergencies, who report needing 24/7 residential services (only provided in the CL waiver), so funding fewer CL slots and more of the less expensive FIS waiver slots in the future may be warranted.
- Ensuring that individuals with the most complex needs receive the right supports and services and more providers of the most integrated services are available across the state. Provider network shortages are especially apparent across nursing, day, in-home, and personal care services.
- Recruiting and retaining support coordinators: 36 percent of individuals receiving support coordination services have had their support coordinator for under a year indicating high turnover rates.
- Evaluating administrative burden on providers and families and identifying strategies to mitigate where possible.
- Developing information to help families better navigate the waivers and the services available to them.

Initiatives

- The HCBS Settings Rule from 2014 prescribes specific characteristics that must be present in settings where waiver services are provided to demonstrate a home and community-based experience versus an institutional one. HCBS settings nationwide are required to demonstrate compliance with the rule to

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continue participating or prior to entering the Medicaid waivers program. The Commonwealth submitted and CMS approved a plan allowing the state to continue validating settings on a staggered timeline, concluding by 12/31/25, at which time providers must be fully compliant or they will be removed as an enrolled provider of HCBS services. There are a total of 4,283 settings serving children and adults in Virginia. DBHDS and DMAS have completed 100% of reviews finding 99% in compliance with less than 1% in remediation working toward compliance at the time of this report.

Successes

- 1,720 new waiver slots were funded in FY 2025 and 1,720 waiver slots in FY 2026. These increases will bring the total number of waiver slots to 21,479 at the end of FY 2026 (FIS=7,011, CL=12,348, BI=400).
- The Individual and Family Support Program (IFSP) is designed to assist individuals on the DD Waivers WL and their families access short-term, person/family-centered resources, supports, and services to establish and maintain an independent life in the community. The program helps make local connections to resources and supports that maintain community living. The IFSP also operates an annual funding program which provides limited financial assistance to families on the WL to cover eligible costs that support continued living in an independent setting.
 - In FY 2025, the IFSP received 5,198 applications and awarded funds to 3,807 applicants. The total amount of funding awarded was \$2,499,959.00.

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