



American Rescue Plan Act: Enhanced Funding for Home and Community-Based Services



Government of the District of Columbia

Department of Health Care Finance

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ARPA Provides a One Time Opportunity to Enhance HCBS Services



- **The American Rescue Plan (ARPA) of 2021 was signed into law on March 11, 2021**
- **ARPA Section 9817 Enhances Medicaid Funding for Medicaid Home and Community Based Services**
 - 10% FMAP bump for services provided between April 1, 2021, and March 31, 2022;
 - New funds must supplement not supplant level of state funds for programs in effect as of April 1, 2021
 - Eligibility for enhanced requires states to enhance, expand, and strengthen home and community-based services under the state's Medicaid program
- **CMS guidance interpreting Section 9817 provisions released on 5/13**
 - On-going guidance through All State calls and other technical assistance
- **DHCF, DDS, DBH in ongoing conversations on utilization of funds to enhance Medicaid HCBS**



DHCF's Guiding Principles in Developing Potential ARPA Activities



- **Level the playing field**: Coordinating across provider types and building out equally for any one-time infrastructure initiatives; especially in areas where HCBS providers uptake has trailed other provider types (e.g. past federal electronic health record initiatives excluded certain provider types)
- **Build on existing efforts**: Interested in areas where the District can build on existing work/existing efforts to be inclusive of HCBS providers (e.g. practice transformation efforts; support HCBS providers/building capacity to meet current/future quality initiatives)
- **Strengthen system capacity**: Interested in areas where the District can potentially minimize or eliminate existing gaps in the Medicaid service array (e.g. increasing HCBS provider capacity to serve members with behavioral health diagnoses/other complex care needs)



There is an Array of Eligible Enhancement Activities



- **States may spend funds attributable to increased FMAP on both HCBS services and HCBS-related administrative activities (non-exhaustive list):**
 - Increase amount, duration, scope of HCBS services
 - New/Special Provider Payments and Rate Enhancements
 - Provider Workforce Training/Recruitment/Support Initiatives
 - Quality Improvement/measurement/oversight initiatives
 - Information Technology Implementation
 - Strengthening Assessments practices
 - Changes to streamline Eligibility Systems
 - Expanding use of technology/telehealth
 - Conducting Care Surveys
 - Addressing Social Determinants of Health
 - Enhancing Care Coordination Infrastructure



Eligible HCBS Services are More Broadly Defined Under ARPA



- States will be permitted to use the state funds equivalent to the amount of federal funds attributable to the increased FMAP through **March 31, 2024** on enhancement activities
- **The increased FMAP is only attributable to Medicaid expenditures for certain HCBS services. HCBS defined to include:**
 - Home health care services;
 - Personal care services;
 - Case management and targeted case management;
 - All rehabilitative services defined at 42 CFR § 440.130(d)
 - In Home Private Duty Nursing
 - All 1915(c) services, including CMS-approved “other” services;
 - All 1915(i) services, including CMS-approved “other” services;
 - PACE Services; and
 - HCBS delivered through managed care or approved under 1115 Demonstration
- **Increase additive to increased FMAP for FFCRA; Childless Adults, 1915(k) Community First Choice, etc.**
- **Increase not attributable to certain Medicaid administrative expenditures, Health Home expenditures, CHIP expenditures, etc.**



States Must “Supplement, Not Supplant” HCBS Funding



- **ARPA legislation required increased FMAP be used to Supplement not supplant level of state funds for programs/services in effect as of April 1, 2021**

- **To meet these requirements States must:**
 - Use funds attributable to the increased FMAP to expand, strengthen, enhance HCBS
 - Not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
 - Preserve covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
 - Maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

- States are expected to retain temporary changes made under Appendix K; E-SPA for as long as allowable under those authorities, but will not be penalized/deemed non-compliant when/if those changes expire



CMS Must Approve an Initial Plan and then States Commit to Ongoing Reporting



- CMS will require states to submit both an initial and quarterly HCBS spending plan and narrative that describe activities that the state has intends to implement; CMS will share a summary publicly
 - Initial Spending Plan should estimate total amount of funds attributable to FMAP increase and anticipated expenditures on enhancement activities
 - Initial Narrative must detail how planned activities will enhance HCBS and explain how activities will be **sustained past 2024**
 - Quarterly Spending Plan should include estimate by quarter and total the amount of enhanced funds the state will claim through March 31, 2022; actual/anticipated expenditures on enhancement activities
 - Quarterly Narrative should include progress reports on enhancement activities
- Initial and ongoing plans must include state attestations/assurances that State is not supplanting existing state funding



DHCF is Collaborating with Sister Agencies to Develop Plan for Submittal to CMS



- Ongoing cross-agency collaboration to finalize enhancement activities scope, narrative, and corresponding spending plans
 - Must consider impact on local budget / cost neutrality
 - Must consider long term sustainability of initiatives funded via time-limited enhanced FMAP
 - Must consider parity/equity of enhancement activities across HCBS programs/providers
- Ongoing discussion with CMS on programmatic requirements
- District has requested additional time to finalize submissions
 - Initial submissions originally required by 6/12; Extension to 7/12 approved by CMS
- CMS expects review and approval within thirty (30) days of initial submissions