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