August 24, 2021

Stephen Groff, Director
Division of Medicaid and Medical Assistance
Delaware Health and Social Services
1901 N. Dupont Highway
New Castle, DE 19720

Dear Director Groff:

Please find below the Centers for Medicare & Medicaid Services’ (CMS) request for additional information regarding Delaware’s American Rescue Plan Act of 2021 (ARP) section 9817 initial spending plan and spending narrative submitted on July 12, 2021.

We have identified missing information which we will need to review before the initial spending plan and spending narrative can be approved. The State Medicaid Director Letter (SMDL) #21-003, section D, titled Required Reporting on Activities to Enhance, Expand, or Strengthen HCBS under the Medicaid Program provides a description of the information states should include in their initial spending plans and spending plan narratives. In addition, we have identified one activity in your initial spending plan and narrative that is not approvable under ARP section 9817.

Additional Information Requested

Please provide the following additional information related to each of these areas to facilitate our review and approval process:

- **Estimate the anticipated expenditures for the activities the state intends to implement to enhance, expand, or strengthen HCBS under the state Medicaid program between April 1, 2021, and March 31, 2024.**

In the submission, your state included information on the activities that it intends to implement and the estimated total cost for the activities. However, the amount attributable to the increased FMAP for each activity or category for activity was not included. Please update your spending plan to clearly indicate this information. It is also unclear whether some of the activities would enhance, expand, or strengthen HCBS under the Medicaid program. CMS is requesting the following changes or clarifications to your state’s spending plan and narrative:

- **Clearly indicate if any of the workforce development and training activities are focused on providers that are not delivering services that are listed in Appendix B of the SMDL or could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit).** If any
activities are not directly related to the services that are listed Appendix B or that could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid.

- Provide additional information on the training that will be provided and the ways in which HCBS capacity will be expanded (e.g., additional Medicaid-enrolled providers, increased number of Medicaid beneficiaries served per provider, increased expertise of providers) through the activity to provide “funding for specialized training to build capacity in the areas of mental health, SUD, dementia, complex medical conditions, cultural, and disability competency.”

- Clearly indicate if the private duty nursing pay rate increases will apply to services delivered in a hospital or another institutional setting.

- Provide more information on the population that would be eligible for the “Implement tenancy supports for qualified tenants, including support for housing search, move-in expenses, and other wraparound services” activity, including the proportion of individuals targeted who are expected to be Medicaid beneficiaries and the anticipated percentage of Medicaid-eligible participants targeted who are receiving the services listed in Appendix B or services that could be listed in Appendix B. In addition, clearly indicate whether the move-in expenses include room and board (which CMS would not find to be a permissible use of funds);

- Clearly indicate what supports will be provided under the following activities:
  - Fund supports for families during periods where a family member is “at risk,” either pre-Medicaid eligible or while Medicaid eligibility is being determined, to decrease waiting time for service initiation;
  - Provide enhanced assistance to families tasked with transitioning young adults to adult services at age 21; and
  - Increase supports to families and other individuals for completing Medicaid long-term care applications.

  In addition, provide more information on the population that would be eligible for the “Provide enhanced assistance to families tasked with transitioning young adults to adult services at age 21” activity, including the proportion of individuals targeted who are expected to be Medicaid beneficiaries and the anticipated percentage of Medicaid-eligible participants targeted who are receiving the services listed in Appendix B or services that could be listed in Appendix B.

- Provide information on how the state intends to expand the PACE program (e.g., increase the number of PACE enrollees, increase the number of PACE sites or providers, increase PACE capitation rates).

- Provide more information on the population that would be eligible, including the proportion of individuals targeted who are expected to be Medicaid beneficiaries and the anticipated percentage of Medicaid-eligible participants targeted who are receiving the services listed in Appendix B or services that could be listed in Appendix B, for each of the following activities:
  - Increase investments in adaptive and assistive equipment and devices for use in the home and home modifications;
  - Increase the availability of both medical and non-medical transportation;
  - Implement expansions in the use of assistive technology; and
• Increase supports for individuals impacted by brain injury.

• Clearly indicate what supports will be provided under the activity to “Increase supports for individuals impacted by brain injury.”

• Clearly indicate whether your state plans to pay for ongoing internet connectivity costs as part of the activities to “Implement expansions in the use of assistive technology.” Ongoing internet connectivity costs are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how ongoing internet connectivity costs would expand, enhance, or strengthen HCBS. Further, approval of ongoing internet connectivity costs in ARP section 9817 spending plans and narratives does not authorize such activities for FFP.

• Clearly indicate if any of the following activities are focused on providers that are not delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit).
  - Review and update reimbursement strategies to support community-based settings;
  - Improve medication administration training and make it consistent throughout the state;
  - Enhance behavioral health provider capacity for special populations; and
  - Develop a Mobile Response Incentive Program.

If any activities are not directly related to the services that are listed Appendix B or could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid. In addition, provide more information on the ways in which capacity will be expanded (e.g., additional Medicaid-enrolled providers, increased number of Medicaid beneficiaries served per provider, increased expertise of providers) through the activity to “Enhance behavioral health provider capacity for special populations.”

• Provide more information on the population that would be targeted by the “Invest in data matching and cross-sector data sharing to improve health outcomes for participants” activity, including the proportion of individuals targeted who are receiving the services listed in Appendix B or services that could be listed in Appendix B, for each of the following activities.

**CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817. Please update your spending plan to include this additional information.**

**Non-Approvable Activities or Uses of Funds**

The following activities or uses of funds in your state’s initial spending plan and narrative are not approvable under ARP section 9817:

• Payment of room and board under the activity to “Partner with Delaware State Housing Authority and other housing agencies to provide rental assistance.”
**General Considerations**

As part of this request for additional information, CMS is noting the following:
- CMS expects your state to notify CMS as soon as possible if your state’s activities to expand, enhance, or strengthen HCBS under ARP section 9817:
  - Are focused on services other than those listed in Appendix B or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If any activities are not directly related to the services listed in Appendix B or services that could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid;
  - Include room and board (which CMS would not find to be a permissible use of funds); and/or
  - Include activities other than those listed in Appendices C and D. *CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817.*

As of today, CMS’s review is suspended until we receive your complete response. So that we may continue with the review process, please provide the requested information within 15 business days. If Delaware needs additional time to complete its stakeholder engagement process prior to re-submission of the initial spending plan and narrative, please notify CMS of your anticipated submission date. We look forward to continuing to work with you to advance HCBS in Delaware. Please submit questions or concerns regarding this request for information to HCBSincreasedFMAP@cms.hhs.gov.

Sincerely,

Jennifer Bowdoin  
Director, Division of Community Systems Transformation