August 11, 2021

Tom Wallace
Deputy Secretary for Medicaid
Florida Agency for Health Care Administration
2727 Mahan Drive, Mail Stop #20
Tallahassee, FL 32308

Dear Deputy Secretary Wallace:

Please find below the Centers for Medicare & Medicaid Services’ (CMS) request for additional information regarding Florida’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.

**Additional Information Requested**

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

- **Estimate of the total amount of funds attributable to the increased FMAP that the state anticipates claiming between April 1, 2021, and March 31, 2022.**

  Based on the information in the spending plan, it is not clear what amount the state estimates claiming in funds attributable to the increased FMAP. Please update your spending plan to clearly indicate this information. CMS is available to provide technical assistance about how to calculate the estimate of the total amount of funds attributable to the increased FMAP and how to present this information in your spending plan.

- **Estimate the anticipated expenditures for the activities the state intends to implement to enhance, expand, or strengthen HCBS under the state’s 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 cost for the activities. However, it is unclear whether some of these 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 providers receiving one-time provider stipends or one-time provider retention payments 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). If any of the providers are not providing 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 more information to demonstrate that the activity to fund delayed egress systems is fully compliant with the home and community-based settings criteria;

Indicate whether the “one-time subsidy for aging in place” is in addition to the services already available through the Florida Department of Elder Affairs (DOEA) public assistance program, the proportion of individuals targeted with the subsidy who are expected to be Medicaid beneficiaries, and the anticipated percentage of Medicaid-eligible participants targeted with the subsidy who are receiving the services listed in Appendix B or services that could be listed in Appendix B. If the participants are not Medicaid eligible and/or are not receiving services listed in Appendix B or that could be listed in Appendix B, explain how this activity expands, enhances, or strengthens HCBS under Medicaid.

Clearly indicate if your state plans to pay for ongoing internet connectivity costs as part of the “Providing Additional Equipment or Devices” activity. Please note that 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 federal financial participation (FFP);

Under the “PPEC rate increase” activity, please confirm that “PPEC” means Florida Medicaid “Prescribed Pediatric Extended Care” services. Also confirm if the PPEC providers receiving the rate increase are delivering services listed in Appendix B or that could be listed in Appendix B and indicate if the services are being delivered in an HCBS or institutional setting. If this activity is not directly related to the services listed in Appendix B or services that could be listed in Appendix B, please explain how the activity expands, enhances, and strengthens HCBS under Medicaid;

Clarify whether use of the ARP section 9817 funding for the Expand iBudget Waiver activity is limited to the services listed in Appendix B or that could be listed in Appendix B for individuals removed from the iBudget Waiver wait list. If the state intends to use the funds to pay for any services other than those listed in Appendix B or that could be listed in Appendix B, explain how the use of funds for those services expands, enhances, or strengthens HCBS under Medicaid.

For the Mental Health and Substance Use Disorder Services activity, clearly indicate if any of the activities are focused on behavioral health services and providers that are
not delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B; or individuals with mental or substance use disorders who are not receiving any of the services that are listed in Appendix B or that could be listed in Appendix B. If any activities are not directly related to the services that are listed in Appendix B or could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid.

**CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817.**

**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. We look forward to continuing to work with you to advance HCBS in Florida. Please submit questions or concerns regarding this request for information to HCBSincreasedFMAP@cms.hhs.gov.

Sincerely,

Jennifer Bowdoin
Director, Division of Community Systems Transformation

cc: Lisa Smith
Ann Dalton