Spending Plan for Implementation of American Rescue Plan Act of 2021, Section 9817

Additional Support for Medicaid Home and Community-Based Services during the COVID-19 Emergency

JULY 2021
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Letter from the Hawaii State Medicaid Director

July 8, 2021

Mr. Daniel Tsai
Deputy Administrator and Director
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Mr. Tsai:

Re: Spending plan to implement the American Rescue Plan Act of 2021

On May 13, 2021, the Centers for Medicare & Medicaid Services (CMS) provided guidance to the state on implementation of section 9817 of the American Rescue Plan Act (ARPA) of 2021. Specifically, it outlined the eligible services and the program requirements that state Medicaid programs must comply with to receive the enhanced Federal Medical Assistance Percentage (FMAP) provided in section 9817 and directed the state to submit a spending plan that outlines how it will invest in home and community-based services (HCBS) programs. We requested and received an extension to provide the spending plan to CMS on July 12, 2021.

Hawaii’s initial spending plan outlines targeted investments that will enhance and expand its HCBS services and programs for the state’s most vulnerable residents, while ensuring compliance with the following requirements:

- The federal funds attributable to the increased FMAP will be used to supplement and not supplant existing state funds invested in Medicaid HCBS programs in effect as of April 1, 2021.
- The state is using the funds attributable to the increased FMAP to both supplement current HCBS activities and to implement activities designed to substantially enhance its Medicaid HCBS programs.

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- The state has not made changes to HCBS eligibility standards, methodologies or procedures that are stricter than the policies that were in place on April 1, 2021.
- The investments that the state is making to HCBS programs preserve the programs and services, including the amount, duration and scope of the services that were in place as of April 1, 2021.
- The state continues to pay HCBS providers at a rate equal to, or more than, the rates that were in place as of April 1, 2021.

Hawaii will continue to update CMS on its implementation of section 9817 via quarterly spending plan submissions. Ms. Edie Mayeshiro, will coordinate our quarterly submissions. Please direct any questions to me at jmohrpetersen@dhs.hawaii.gov or to Ms. Mayeshiro at emayeshiro@dhs.hawaii.gov. We appreciate this opportunity and your partnership in this effort.

Sincerely,

Judy Mohr Peterson, PhD  
Med-QUEST Division Administrator
Executive Summary

Hawaii’s Plan for the American Rescue Plan Act of 2021

President Biden signed the American Rescue Plan Act of 2021 (ARPA) on March 11, 2021. Section 9817 of the ARPA provides states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS). These services are person-centered care delivered in the home or community to support people who need assistance with everyday activities.

States are required to use the federal funds attributed to the increase FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021. States must use funds equivalent to the amount of federal funds attributed to the increased FMAP to enhance, expand, or strengthen HCBS under the Medicaid program.

The Hawaii Med-QUEST Division (MQD) is committed to laying the foundation for innovative programs that support and create healthy families and healthy communities through the QUEST program. To accomplish this goal, MQD has implemented the Hawai’i ‘Ohana Nui Project Expansion (HOPE) program, a five-year initiative to develop and implement a roadmap to achieve this vision of healthy families and healthy communities.

MQD’s vision is that the people of Hawai’i embrace health and wellness. MQD’s mission is to empower Hawai’i’s residents to improve and sustain wellbeing by developing, promoting and administering innovative and high-quality healthcare programs with aloha. The vision and mission will serve as the “North Star” and guide the work developed through HOPE.

The following guiding principles describe the overarching framework that will be used to develop a transformative healthcare system that focuses on healthy families and healthy communities.

- Assuring continued access to health insurance and health care.
- Emphasis on whole person and whole family care over their life course with a particular emphasis on the integration of behavioral health.
- Address the social determinants of health, including those related to health disparities.
- Emphasis on health promotion, prevention and primary care.
- Emphasis on investing in system-wide changes.
- Leverage and support community initiatives.

In order to accomplish the vision and goals, HOPE activities are focused on four strategic areas.

- Invest in primary care, prevention, and health promotion.
- Improve outcomes for high-need, high-cost individuals.
- Payment reform and alignment.
• Support community driven initiatives to improve population health.

In addition, HOPE activities are supported by initiatives that enhance three foundational building blocks.

• Health information technology that drives transformation.
• Increase workforce capacity and flexibility.
• Performance measurement and evaluation.

Home and Community Based Services are an integral part of our Long-Term Services and Supports (LTSS) programs and we continue to look for innovative ways to improve upon these services in line with our HOPE goals and to provide the best care and support for our members. The Hawaii Department of Health, Developmental Disabilities Division (DDD) is the operating agency for the 1915c HCBS waiver. The DDD has made significant gains in supporting people to have the full life they choose in their community through implementation of initiatives and building of infrastructure, collectively called “Possibilities Now!” This effort has helped to ensure each person served through this HCBS waiver lives an inclusive, quality life and has access to effective services. Cross-sector collaboration and innovation have been used across the service system toward achieving these goals. The DDD goals strongly align with the QUEST Integration goals for HCBS services as outlined below.

The additional FMAP opportunity under the ARPA will allow MQD to invest and expand by focusing on the following goals to enhance, expand, or strengthen our current HCBS programs and services:

Goal One: Address Critical Workforce Issues
Goal Two: Improving member transitions from acute to community settings
Goal Three: Expand, Enhance, and Increase HCBS Capacity and Quality
Goal Four: Improve Infrastructure and Support for HCSB
Goal Five: Supports for Participants and Families
Goal Six: Improve Protections for Health, Safety, and Well-being
Goal Seven: Strengthen System Evaluation and Accountability
Spending Plan Narrative

Hawaii delivers HCBS to our Medicaid members through two different programs. The first is our QUEST Integration managed care program which includes managed Long-Term Services and Supports and HCBS, delivered through both 1115 waiver and State Plan authorities. The second is our developmental disabilities HCBS program, which relies on 1915c waiver authority. MQD has delegated the operation of this second program to the State of Hawaii, Department of Health, Developmental Disabilities Division.

Given the different target populations and goals for these two HCBS programs, we have separated the spending plan narratives for each waiver into its own section. The spending plan narrative will begin with the QUEST Integration goals and narratives for each initiative. Following this will be the 1915c waiver goals and initiative narratives.

QUEST Integration Goals

Goal One: Address critical workforce issues
   a. Increase access to training, especially to address the complex behavioral health needs of members
   b. Increase in payment rates
   c. Close administrative staffing gaps

Goal Two: Increasing and improving member transitions from acute to community settings
   a. Specific training for complex behavioral and physical needs
   b. Incentivize provider participation for complex members

Goal Three: Expand, Enhance, Increase HCBS Capacity and Quality
   a. Strengthen Provider Capacity and Practices
   b. Enhance quality of services delivered

Goal Four: Improve Infrastructure and Support for HCBS
   a. Analytics to Improve Critical Incident Response
   b. Reduce Provider Abrasion by Accelerating Provider Enrollment
   c. Reduce fraud/waste/abuse
QUEST Integration Initiatives

Reimbursing Children's Case Managers at a Competitive Wage

Children 3 to 18 years old who require support for emotional or behavioral development (SEBD) have case management services delivered by a sister agency at the Department of Health (DOH). They have identified a shortage of case managers qualified to deliver SEBD in Hawaii and have identified that low payments for these services are at the root of this shortage. By paying more for these specialized services we can ensure our children have the support they need during this critical time in their lives. Fee schedule increases are based on a market study conducted by DOH and form the basis for these increases. This initiative will include a rate study to identify baseline rates and establish competitive rate methodologies.

Cost: $200,000 (Year 1), $400,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase in payment rates.

Reimbursing Self-Directed Workers at a Competitive Wage

The increases in the cost-of-living in Hawaii over the past decade has far outpaced the daily rate MQD pays self-directed workers. During COVID the number of self-directed workers increased because more family members who became unemployed stayed at home to provide care for family members. This initiative seeks to raise the reimbursement for all self-directed workers in the QUEST Integration HCBS setting with the additional goal to retain these new workers in our HCBS system. MQD also believes that increasing the self-direction reimbursement rates will lead to an expansion in self-directed worker availability, and enable MQD to compete more effectively in the marketplace, in particular with the tourism industry that employs the same population of direct service workers. This initiative will include a rate study to identify baseline rates and establish competitive rate methodologies.

Cost: $900,000 (Year 1), $2,300,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase in payment rates.

Reimbursing Community Case Management Agencies (CCMAs) at a Competitive Wage

The payment rate for HCBS residential community case managers has remained the same over the past decade; however, the cost of living, costs of doing business in the state (rent, utilities, gas prices and staff wages) have been continually increasing. At the same time, the acuity and complexity of the members being served has increased, particularly relative to behavioral
health. Additionally, the administrative requirements from MQD and the Medicaid managed care organizations have also increased. This initiative seeks to raise the reimbursement for HCBS alternative residential care case managers, incorporate additional training and issue incentive payments for case managers who agree to serve behaviorally complex members. This initiative will include a rate study to identify baseline rates and establish competitive rate methodologies.

Cost: $400,000 (Year 1), $1,000,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase in payment rates.

Reimbursing Residential Alternatives (Adult Foster Homes/Expanded Care Homes/Assisted Living) at a Competitive Wage

This initiative seeks to raise the daily reimbursement rate and add a new payment level for members with complex behavior and/or complex medical problems. Residential alternatives are an essential HCBS option for members who can no longer live at home but do not want to move to a nursing facility. Residential rates are no longer competitive enough to entice caregivers to accept complex behavior/medical members, to attract new caregivers entering this profession, to retain existing caregivers due to rising caregiver costs such as additional payments for substitute caregivers, food, gas, recreational activities, or to slow the exodus of the aging caregiver population, who have been the backbone of this HCBS service and who have begun to retire. This initiative will include a rate study to identify baseline rates and establish competitive rate methodologies.

Cost: $1,000,000 (Year 1), $2,700,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase in payment rates. Provider recruitment

Building Capacity in Residential Alternatives to Serve Challenging Members

Hawaii has a lack of provider capacity and willingness to accept the growing number of members with complex behavioral, and medical needs such as morbidly obese individuals into HCBS residential settings. This caregiver reluctance coupled with the need for additional trained caregivers results in longer inpatient or nursing facility stays at an increased cost burden to MQD instead of discharging members to an appropriate community setting and fulfilling the person-centered goals of the member. Detailed in a goal later in the narrative, we describe the Medicaid Training and Technical Assistance Center (MTTAC). The MTTAC will be leveraged to train and equip HCBS residential providers so that they can have the skills and confidence to accept members with complex behavioral and physical needs. Trained and qualified HCBS residential providers will then be eligible for an additional, higher level of daily
reimbursement based on member severity. As an additional caregiver incentive to serve members with exceptional behaviors, there will be a separate kick payment for member retention in the home at specific time intervals over the first couple of years in the residence.

Cost: $140,000 (Year 1), $2,700,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase in payment rates, Improving transitions to community settings, Building/retaining the residential alternative workforce; Enhance quality of services delivered, Incentivize provider participation for complex members.

Building Case Management Capacity Related to Challenging Members

In addition to increasing capacity of the HCBS residential providers to be able to accept and accommodate members with complex behavioral and physical needs, there needs to be a parallel effort to ensure that case management agencies that visit and care for these complex members have the added capacity to handle these complex members. As with the residential caregivers, MTTAC will be leveraged to train and equip case managers so that they can have the confidence and additional skill set to accept and support members with complex behavioral and physical needs. And like the higher level of reimbursement for complex members in the alternative residential settings, MQD will create an additional level of monthly reimbursement for case managers.

Cost: $20,000 (Year 1), $270,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase in payment rates, Improving transitions to community settings, Building/retaining the residential alternative workforce, Enhance quality of services delivered, Incentivize provider participation for complex members.

Expansion of Integrated Behavioral Health – The Collaborative Care Model

The Collaborative Care Model (CoCM) is a specific type of integrated care that treats common mental health conditions such as depression and anxiety that require systematic follow-up. Trained primary care providers and behavioral health professional provide evidence-based medication or psychosocial treatments. The PCP and behavioral health professionals are supported by access to regular psychiatric case consultation for members who are not improving as expected. Research on CoCM suggests that it leads to better member outcomes, better member and provider satisfaction, improved functioning, and reductions in health care costs.¹

¹ https://aims.uw.edu/collaborative-care
MQD intends to increase access to the CoCM for LTSS and HCBS individuals. Increasing greater access for LTSS and HCBS individuals may result in improved outcomes for individuals experiencing behavioral health conditions and better address whole person needs. Additionally, increasing access to CoCM for LTSS individuals could better support community integration when appropriate.

Funding will be used to hire additional behavioral health care managers, support staff, and psychiatrists. Funding will also be used to train the new staff, and bolster training for all staff that emphasizes screening, early identification and management, and better meeting behavioral health needs in the community and facilities. The training may be provided by the health system and/or the MTTAC. Additionally, funding will support enhanced telehealth capabilities and provide tools and devices for staff and members to increase access to CoCM in rural areas.

Cost: $750,000 (Year 1), $1,000,000 (Year 2 & 3)  
Agency: MQD

Goal Alignment: Address critical workforce issues, Increase access to training, Specific training for complex behavioral and physical needs, Improving member transitions from acute to community settings, Expand, enhance and increase HCBS, Strengthening provider capacity and practices, and Enhance quality of services delivered.

Palliative Care Benefit in Community-Based Settings

Palliative care is specialized care for people living with a serious illness. This type of care is focused on providing relief from the symptoms and stress of the illness. It is provided by specialty-trained team of doctors, nurses, and other specialists who work together with the member’s other doctors to provide an extra layer of support. It is appropriate at any age and at any stage in a serious illness, and it can be provided along with curative treatment. The goal is to improve quality of life for both the member and the family.

MQD assessed the needs of individuals with serious illnesses and determined that palliative care in inpatient settings is covered, but not covered in community-based settings. Research on palliative care teams working in home-based/community-based programs suggest a reduction in emergency department visits, hospital admissions, and hospital length of stay.² MQD intends to develop a community-based palliative care benefit to better support individuals with serious illnesses.

In order to increase access to HCBS individuals who disproportionality have higher rates of serious illnesses, MQD needs to invest in developing the benefit, support workforce

² https://www.capc.org/the-case-for-palliative-care/
development activities, and invest in digital enhancements and devices to increase capacity to quality services. ARP funding will be used to support the following activities.

- **Developing the benefit**: The benefit is projected to be budget neutral. However, MQD and the MCOs will incur costs before the projected savings are accumulated. MQD will use the funding to offset the costs until budget neutrality is achieved. Funds will also be used to support the administrative and infrastructure costs associated with developing a benefit.

- **Support Workforce Development**: Funding will be used to increase providers with palliative care certifications, support practicing clinicians who wish to enroll in university-based programs which do not necessarily lead to board certification, and enable community agencies and hospices to provide, enhance, or expand their capacity to provide services to HCBS individuals. Funding will also support training and collaboratives for palliative care teams, caregivers, and others. Specialized training on how to support individuals with complex behavioral and physical conditions will also be provided. The trainings and collaboratives will be provided in the community and through the MTTAC.

- **Digital Enhancements and Devices**: Funding will be used to enhance telehealth and telemonitoring capabilities and provide tools and devices to providers and members that increase access to care. Funds will also be used to purchase and make available clinical tools for enhanced communication, and informed, shared decision making which may include video decision aids for advanced care planning in languages commonly spoken in Hawaii).

**Cost**: $900,000 (Year 1), $600,000 (Year 2), $600,000 (Year 3)

**Agency**: MQD

**Goal Alignment**: Address critical workforce issues, increase access to training, Specific training for complex behavioral and physical needs, Improving member transitions from acute to community settings, Expand, enhance and increase HCBS, Strengthening provider capacity and practices, and Enhance quality of services delivered.

**Mobile COVID Vaccine Unit**

This service will sustain the successful COVID HCBS program to bring vaccines directly to the community statewide. This effort is primarily staffed by pharmacists who participated in our community based Covid vaccination program. Pharmacists will continue to be mobilized to provide vaccines to members living in residential alternatives and at members’ own homes for home bound individuals. In addition, this project will pay to send qualified individuals to vaccinate individuals in hot spots and to ensure that members transitioning to and from facilities are vaccinated prior to moving to a HCBS alternative residence. These payments are in addition to regular COVID vaccination administration payments.
Expand 1115 HCBS Service Array

Strengthen the 1115 HCBS array by adding and revising HCBS services listed below:

- Add Representative Payee services for members who do not require guardianship but need assistance to pay bills on time in order to maintain housing, services and independent living.
- Add Behavioral Health crisis response services for members with escalating symptoms that cannot be managed in the member’s home or residential alternatives:
  - Provide access to behavioral mobile and telehealth crisis response to caregivers and members in lieu of emergency room use or hospitalization. This service provides immediate assistance and will also enable residential alternative providers to retain challenging members at home for a longer length of stay. This service includes needed telehealth devices and wifi access for identified members with ongoing behavioral challenges.
  - Add temporary crisis beds on each island for HCBS members
- Add one-time transitional supports for members leaving institutions to move to housing that includes, housing deposits; utility hook-ups & deposits; essential furniture, appliances, household items and clothing; initial food stocking when no other resource is available.
- Provide a temporary targeted payment and/or change the rate structure to incentivize residential alternative providers and additional respite providers to serve HCBS members with a focus on home-based services and medical respite. Medical respite is temporary care provided outside the home when the care needs are stable but beyond the ability of the family caregiver or the residential alternative provider or when the member is homeless.
- Leverage HCBS funds to provide Medical Respite (see description above) for non HCBS members in order to safely recuperate with medical supports, reduce hospital stays, readmissions, additional deterioration and emergency room utilization.
- Leverage HCBS funds to create an emergency fund for non-HCBS members applying for housing that helps pay for documents, housing application fees, and payment of outstanding bills that are preventing the member form being housed or causing an eviction. This fund for non-HCBS members may also be used for housing transitional
costs above including limited home modifications, pest control/home maintenance and moving assistance when no other resource is available.

- Add Assistive Technology (AT) to the At Risk HCBS package that includes equipment or devices used to maintain independence or promote function for physically and cognitively impacted members in order to remain at home safely.
- Expand access to respite services for families, care givers and care providers who are most in need.

**Cost:** 100,000 (Year 1), $200,000 (Year 2 & 3)

**Agency:** MQD,

**Goal Alignment:** Improve Infrastructure and Support for HCBS, enhance and increase utilization of HCBS, Strengthening provider capacity, and Enhance quality of services delivered.

### Establishment of the Hawaii Medicaid Training and Technical Assistance Center (MTTAC)

The Med-QUEST Division intends to establish a Medicaid Training and Technical Assistance Center (MTTAC). The MTTAC will operate as a cross-system educational resources to support Managed Care Organizations, providers, and partners to better support the medical, behavioral, and social needs of QUEST Integration members. The goals of the MTTAC include improving the experience of care, improving the health of QUEST Integration members, and addressing the financial sustainability of health care costs.

The MTTAC will reside within the Med-QUEST Division (MQD). The MTTAC will collaborate with public and private partners throughout the state to identify, establish, maintain best practices necessary to achieve the goals. More specifically, the MTTAC will:

i. Administer ongoing training and technical assistance for health care providers, MCOs, and partners;

ii. Establish and maintain an easy to navigate, up-to-date webpage on the MQD website that includes, but is not limited to recording training archives, resources and tools, and a training calendar;

iii. Support and convene regional learning collaboratives that will supplement the MTTAC training curriculum to bring together groups of stakeholders to share issues, best practices, and escalate issues.

**Priority Area – Home and Community-Based Services (HCBS)**
The priority area for the MTTAC will be to address the whole-person needs of children and adults receiving HCBS. The objectives include providing training and technical assistance that results in increased:

- Health equity in members’ access to HCBS services;
- Capacity and ability for providers, MCOs and partners to provide culturally appropriate care;
- Community integration;
- Supportive housing services;
- Ability of providers to implement person-centered care practices;
- Capacity of state agencies to operate as person-centered entities;
- Ability of providers to address the needs of members with chronic or complex conditions;
- Ability of providers to address behavioral health and social determinants of health of HCBS members;
- Access to HCBS services for members with complex behavioral health conditions;
- Workforce development and quality improvements activities that enhance the member experience, decrease avoidable utilization and/or cost, and improve health outcomes.

MTTAC Approach and Staffing

MQD’s approach to the MTTAC will be to procure training materials, resources and tools. MQD will also procure experts in the field services to develop training and technical assistance programs, resources, and tools for providers, MCOs, and partners. Additionally, the experts will also train, mentor, and coach MQD staff so staff can provide ongoing technical assistance after the experts are no longer contracted. MQD may also establish regional training hubs so the unique needs of each island can be assessed and addressed.

MQD intends to implement this project in a phased approach. The first year will be the planning phase, and during this phase MQD will assess and prioritize the technical assistance needs as well as develop an implementation plan. The implementation phase will be the second and third years. MQD will also monitor and evaluate the effectiveness of the MTTAC to determine if the program is achieving the goals.

Financing and Sustainability

MQD intends utilize American Rescue Plan Act of 2021 (ARP) HCBS funding to support the MTAC by:
HI State Spending Plan for Implementation of American Rescue Plan Act of 2021, Section 9817

- Hiring three (3) full time positions to develop and operate the MTTAC;
- Procuring training and technical assistance; and
- Providing administrative support such as the establishment of an online presence to establish and support the MTTAC.

Cost: $400,000 (Year 1), $800,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Increase access to training, Specific training for complex behavioral and physical needs, Close administrative staffing gaps, Reduce fraud/waste/abuse, Strengthen Provider Capacity and Practices, Enhance quality of services delivered.

Electronic Visit Verification (EVV) Monitoring of Case Management & Health Coordination

MQD agrees with the premise that member service quality can increase, and that fraud, waste, and abuse (FWA) activities can decrease with the application of EVV. We are beginning to see and realize this potential through our EVV implementation of Personal Care and Home Health Agency services in alignment with the 21st Century Cures Act. MQD is proposing to take one step further with EVV and extend the benefits of EVV to other HCBS member touch points. Two specific new applications are for the case management services provided to members residing in alternative residential settings, and health coordination services provided to members residing in their own homes. Additional monitoring of case management delivered in the alternative residential settings as we add capacity for alternative residential settings to accept more challenging members is vital to assessing the success of our overall goal of improving transitions from an institutional setting to the foster home. Improving the quality of health coordination services begins with understanding the activities that occur in the HCBS settings, and EVV will be able to collect this vital information and consolidate into aggregated reporting to reveal existing quality gaps and opportunities for improvement. There would also be the added benefit to drilling down on each aggregated report to see what case management tasks are occurring at the member-specific or coordinator-specific level. MQD would leverage the existing EVV vendor and simply add on services to be covered by the EVV software.

Cost: $100,000 (Year 1), $100,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Improving transitions to community settings, Reduce fraud/waste/abuse, Enhance quality of services delivered.
Accelerating Enrollment of HCBS Providers

COVID-19 related budgetary and position approval factors have caused MQD to struggle with hiring internal staff for the provider enrollment section responsible for processing provider enrollments and renewals. This has created a backlog of provider applications that have not been processed. There are many HCBS agency providers in Hawaii that are smaller or individual operations that are critical to the healthy functioning of Hawaii’s Medicaid program and have been impacted by this backlog; in raw numbers HCBS providers represent 12% of all our Medicaid providers. A vendor to assist MQD with conducting these provider enrollment screenings for new and returning HCBS providers will add needed bandwidth and capacity to the Medicaid provider enrollment section, with the goal of reducing and eliminating the application backlog and quickly expanding HCBS agency provider capacity.

Cost: $750,000 (Year 1), $2,000,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Close administrative staffing gaps, Reduce provider abrasion.

HCBS CAHPS Satisfaction Survey

The State would like to improve the delivery of HCBS services with the feedback received from the CAHPS Home and Community-Based Services Survey (HCBS CAHPS). The survey will be implemented across HCBS programs for adults with disabilities, e.g., including frail elderly, individuals with physical disabilities, persons with developmental or intellectual disabilities, and persons with severe mental illness. The HCBS CAHPS Survey will be included as part of quality assurance and improvement activities and public reporting, and the CAHPS HCBS satisfaction survey is included in our 1115 Quality Strategy.

Funds will be used to contract for survey administrators and dissemination of the survey results. The state will use ARPA funds to contract with an experienced vendor for the collection and analysis of the survey data applying methods that are consistent with recommended CAHPS protocols for survey administration, analysis, and reporting. The state intends to post results on our MQD website, use them to improve quality of care and member experience, and submit the results to the AHRQ data base.

The state plans to conduct approximately 5400 surveys annually (one quarter of the HCBS population). In addition, a pilot population that includes our supportive housing and institutional members will be surveyed primarily face to face on an annual basis 12 months apart.
Solution to Improve Critical Incident, Grievance and Complaint Response

The State plans to implement a web-based HCBS Incident Reporting System that will be used statewide by providers serving Medicaid Members enrolled in the QUEST Integration 1115 HCBS program and the Intellectual and Developmentally Disabled 1915c waiver program. The new online system will take the place of current paper-based methods for critical incidents and grievance and complaints. This system will centralize the critical incident data base across all the HCBS services provided by health plans and waivers. Incident reporting is a CMS requirement to ensure the health and safety of HCBS participants. An effective critical incident management system assures necessary safeguards are in place to protect the health and welfare of participants receiving services. The new web-based system will facilitate the identification of system gaps, patterns and incident types that may cross health plans, providers and programs and allow the State to aggregate the data for timely remediation.

Cost: $350,000 (Year 1), $950,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: (Systems Improvement) Improve Infrastructure and Support for HCBS; Participant Health and Welfare

Improve Provider Credentialing Process to Reduce Provider Abrasion

The State plans to implement a Provider Credentialing Management System (PCMS) that assures a centralized platform for qualified providers by promoting provider accountability and timeliness of annual Medicaid provider credentialing renewals. All contracted MCOs will have access to the system to review and validate provider credentials before service delivery. Instead of needing to credential with multiple MCOs, HCBS providers will only need to credential once and then the multiple MCOs will then utilize the PCMS to verify credentialing.

Cost: $350,000 (Year 1), $950,000 (Year 2 & 3)
Agency: MQD
Goal Alignment: Reduce provider abrasion. [systems improvement]

Strengthen Provider Capacity and Person-Centered Practices
The State plans to implement person-centered planning and practices in the QUEST Integration (QI) 1115 demonstration waiver, Intellectual and Developmental Disabilities (I/DD) 1915c waiver, and across collaborating State Agencies. This initiative will enhance programs towards positive outcomes such as development of stronger policies and quality improvement strategies, implementation of best practices, exploration of payment enhancements, and overall improve service delivery to meet individualized goals. To support this initiative the state will purchase a centralized Learning Management System (LMS) to provide a core competencies curriculum for staff and train-the-trainer sessions to facilitate the establishment of “Person Centered” subject matter experts within collaborating organizations. LMS Core Competency modules will be required for all new hires, all staff initially and annually thereafter.

Cost: $70,000 (Year 1), $200,000 (Year 2 & 3)
Agency: MQD, DDD, and Other State Agencies
Goal Alignment: Strengthen Provider Capacity and Practices; Enhance Quality of services delivered

Create a Fund to Pay for Guardianships

There are an increasing number of low-income HCBS members who do not have guardianship/conservatorship or and identified power of attorney (POA) who are either applying or who have begun already receiving HCBS services. An increasing trend is that more members lack their own decisional capacity to give POA or their identified decision-maker is no longer available due to their own passing.

Funds will be used to support obtaining guardianship from the state Office of the Public Guardian for Medicaid HCBS members in need of guardianship.

Cost: $100,000 (Year 1), $200,000 (Year 2 & 3)
Agency: MQD,
Goal Alignment: Improving member transition for acute care to community settings

Home Locator Tool

Implement a “Home Finder Tool” which will be a centralized interactive database to match members with suitable housing based on need and choice for HCBS community-based residential alternatives. This tool could also be used for locating affordable housing (for members with or without housing vouchers). An HCBS housing locator service may later be added to the HCBS service array. Year one costs will involve development and configuration, year two will involve implementation, and year three will involve maintenance and operation.
**Cost:** $350,000 (Year 1), $950,000 (Year 2 & 3)  
**Agency:** MQD  
**Goal Alignment:** Improving member transition for acute care to community settings; Improve Infrastructure and Support for HCBS.

### Building Capacity for Successful Transitions from Prison to Community

Funds to link and coordinate transitions from the Hawaii Department of Public Safety (DPS), Corrections Division to the community that leverage HCBS programs, housing, and behavioral supports. Service coordination for individuals meeting HCBS level of care is initiated prior to release and is monitored for 6 months to one year post release in order to improve immediate access to medical care, 2-week supply of prescriptions upon release, housing, employment and treatment services and to reduce recidivism and mortality due to suicide and drug overdose.

**Cost:** $120,000 (Year 1), $240,000 (Year 2 & 3)  
**Agency:** MQD, DPS  
**Goal Alignment:** Improving member transition for acute care to community settings

### Strengthen the Direct Service Workforce

The HCBS Home Care direct service workforce (DSW) was severely impacted by COVID. There is a need to increase and strengthen the DSW populations of chore workers, personal assistants and LPNs. In particular, the state is looking for service expansion in hard to serve rural areas including the neighbor islands. These HCBS services are in direct competition for workers with more glamorous and higher paying jobs in the tourist industry. The State is looking to identify workers at an earlier age by expanding the Honolulu high school nurse aide training programs to Oahu high schools in rural areas and all the neighbor islands. The state will also develop an incentive, reward or bonus system to maintain employment for the increasing number of workers needed to serve the state’s aging population. To do this, the State will continue to partner with the community colleges to build career paths with training to augment nurse aide skill performance with specialized feeding and medication certifications, and nursing career paths for licensed practical nurses (LPN) and registered nurse (RN) education programs. As additional support, for this health career campaign, the State will include tuition assistance to ensure recertification training and to introduce and recruit the potential new workforce into the health care industry. Funds will also be used to create a public awareness campaign about the value and importance of the direct workforce to garner workforce pride, and respect/appreciation for these positions.

**Cost:** $150,000 (Year 1), $400,000 (Year 2 & 3)  
**Agency:** MQD, DPS  
**Goal Alignment:** Address Critical Workforce Issues
Investment in Tools and Technology for Residential Alternatives Providers

Distribute one time funding to HCBS residential alternatives providers to upgrade electronic health record systems to ensure interoperability and better coordinate care tools and supports. This will also include tablets and wifi connectivity for members, technical assistance and provider education on adopting virtual solutions and ensuring general tech/digital literacy.

Cost: 200,000 (Year 1), $300,000 (Year 2 & 3)

Agency: MQD,

Goal Alignment: Improve Infrastructure and Support for HCBS, enhance and increase utilization of HCBS, Strengthening provider capacity, and Enhance quality of services delivered.

Fortifying MQD Administrative Capacity and Network Development for HCBS Initiatives

Many of the listed HCBS initiatives on this plan will be new work for MQD. Our division staff does not have excess capacity to take on additional initiatives and doing so would compromise important existing work. Having a dedicated project management team – one Project Manager, one Project Coordinator, and one Technical Writer -- to recruit providers and administer the 23 new HCBS initiatives will ensure that the proposed dates and dollars and goals will be met.

Cost: $200,000 (Year 1), $650,000 (Year 2 & 3)

Agency: MQD

Goal Alignment: Close administrative staffing gaps.

1915c I/DD Waiver Approach & Goals

Possibilities Now! – 1915c I/DD Waiver System Achievements

DDD has strengthened community integration practices and service quality through measured strategies including improving the skills of the workforce, enhancing the service array, developing quality management practices, and increasing partnerships with participants and families.

The 2016 waiver reauthorization and subsequent amendments represented made significant changes to historic practices to modernize the service system. Notable achievements included:

- Comprehensive rewrites of service requirements to support compliance with CMS’ 2014 final rule on community integration and to better document service expectations.
• The adoption of a standardized assessment instrument and establishment of assessment-informed individual supports budgets to ensure the fair and consistent allocation of resources.

• The completion of a comprehensive rate study that recommended significant increases in provider payment rates, the funding for which was approved by the Hawaii State Legislature.

• The design, development, and implementation of a new Information Technology Case Management solution named INSPIRE, which supports service delivery through an integrated case management platform with secure data sharing that manages many of DDD’s business processes including critical incidents.

• The adoption of Charting the LifeCourse person-centered planning, which is fully integrated into the INSPIRE solution.

The most recent reauthorization of the I/DD Waiver became effective July 1, 2021. Through this waiver, Hawaii is implementing a number of new services, service modalities, and approaches to service delivery. While many of the waiver improvements were designed based on community feedback gathered over the last several years, equally as important were the voices of participants and families during the COVID-19 pandemic. Many are relooking at their priorities and discovering new strengths and interests. This is impacting how they choose to spend their days, how they think about services, and how they envision their futures. As one parent who participated in a focus group for this spending plan expressed, “There’s no going back.” The ARPA funds provide an opportunity to build upon the successes realized over the past five years while looking towards the future of the service delivery system in Hawaii.

**Approach to Spending Plan**

Hawaii will use its ARPA funds to build upon the progress achieved in recent years and to strengthen, enhance, and expand the system of supports for individuals with I/DD. This plan emphasizes strategies that will produce real, lasting, and sustainable change.

The State has in recent years engaged stakeholders in open dialogue about community priorities, especially in the context of the rapid and complex system changes resulting from CMS’ 2014 final rule on community integration and the 2016 waiver reauthorization. This spending plan was similarly informed by input from stakeholders including participants and their families, providers, and advocates.

**Public Input Process**

Hawaii has relied on substantial public input to inform the I/DD waiver portion of the spending plan, including the administration of a community survey and targeted group discussions.
Shortly after CMS released its ARPA guidance, Hawaii I/DD program developed and administered a survey soliciting input regarding stakeholders’ investment priorities. Respondents were asked to select their top two priorities from a list of six categories derived from the allowable uses of ARPA funds defined in CMS’ guidance:

- Adding services to the program
- Supporting individuals to find work in integrated settings
- New or increased supports for families caring for individuals with disabilities
- Strengthening the direct support professional (DSP) workforce
- Improving the quality of services
- Increasing provider payments

Each category was accompanied by several examples of the types of initiatives that might be considered.

The online survey was published on May 20, 2021 and was open through the end of the month. Responses were received from 98 individuals, including 44 service providers, 30 service recipients or family members, and 24 others such as system advocates and state agency staff.

Table 1 presents the percentage of respondents who selected each category as one of their top two priorities.

<table>
<thead>
<tr>
<th>Category</th>
<th>Individuals/Families</th>
<th>Providers</th>
<th>Agency Staff</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adding Supports</td>
<td>27%</td>
<td>9%</td>
<td>50%</td>
<td>29%</td>
</tr>
<tr>
<td>Employment Supports</td>
<td>17%</td>
<td>20%</td>
<td>30%</td>
<td>43%</td>
</tr>
<tr>
<td>Family Supports</td>
<td>57%</td>
<td>25%</td>
<td>20%</td>
<td>50%</td>
</tr>
<tr>
<td>DSP Workforce</td>
<td>40%</td>
<td>59%</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Improving Quality</td>
<td>13%</td>
<td>32%</td>
<td>40%</td>
<td>14%</td>
</tr>
<tr>
<td>Provider Payments</td>
<td>40%</td>
<td>50%</td>
<td>20%</td>
<td>14%</td>
</tr>
</tbody>
</table>

As expected, priorities varied across groups, but strengthening the DSP workforce ranked highly across all groups. The survey also included open-ended questions asking respondents to offer suggestions about specific ideas, which were considered as the spending plan was developed.

In addition to the survey, DDD held a number of discussions with stakeholders as it developed this spending plan. Shortly after CMS released its guidance, DDD hosted a webinar attended by
113 individuals to explain and answer questions regarding the HCBS provisions of ARPA. Additionally, DDD facilitated a number of focused meetings to discuss specific topics. For example, DDD met with a group of parents of individuals with disabilities to discuss potential supports that could benefit families, several groups of providers and clinicians to discuss strategies to better support individuals with challenging behaviors, and with national experts to discuss opportunities to strengthen the DSP workforce.

The input received from stakeholders across the system has substantially informed this plan. Hawaii will continue to work with stakeholders as the details of the initiatives outlined in this plan are finalized and implemented.

Continuing to Strengthen the I/DD Waiver HCBS Service System

DDD has anchored its spending plan to the community priorities that serve as the foundation of Possibilities Now!, including:

- Person-Centered Planning, Supports and Services,
- Commitment to Continuous Quality Improvement, and
- Community Integration

The plan emphasizes activities and strategies that will have sustainable effects, continue to promote innovation and change, and have the greatest impact on both current and emerging issues confronting the system. This approach allows Hawaii to invest in services, infrastructure, and practices that contribute to the building of a modernized, responsive, and results-based HCBS system with an effective workforce providing quality person-centered services.

Hawaii has established five priority areas for investment in the I/DD waiver:

Goal 1: Supports for Participants and Families

Building on the skills, strengths, and life experiences of every individual and family is a key tenet of the I/DD Waiver. This can be more difficult for people with complex support needs, and families that have challenges in navigating service systems. Because all people have the right to choose, direct, and control their lives, DDD will use ARPA funds to expand home and community-based services, build on evidence-informed practices, and better support participants and families in achieving their goals.

- Create New Option for Individuals with Serious Behavioral Challenges
- Create Family-to-Family Peer Mentoring Service
- Host Participant and Family Forums
Goal 2: Strengthen Provider Capacities and System Infrastructure

Providers are the most forward-facing element of the system of supports for individuals with I/DD, often working with participants on a daily basis. A robust and high-quality provider network is therefore integral to the success of individuals and the overall system.

Providers have faced a number of challenges in recent years, from the changing expectations for community integration articulated in CMS’ 2014 final rule and the changes incorporated in Hawaii’s 2016 waiver reauthorization, to the devastating impacts of the COVID-19 pandemic. Recognizing the critical role of the provider network, this spending plan earmarks the largest share of ARPA funds to initiatives to support providers. These strategies intend to ensure that providers have the financial and programmatic supports needed to emerge from the pandemic and fulfill the promise of Possibilities Now!

- Increase Provider Payment Rates
- Invest in Quality Management
- Support Community Integration
- Advance Competitive Integrated Employment
- Support Community Navigator Practice Development

Goal 3: Workforce Development

Direct support professionals (DSPs) represent the single most important determinant of the quality of services and participant satisfaction. In addition to assisting individuals with activities of daily living, DSPs require specialized skills and competencies including crisis management, medication administration, positive behavior supports and non-verbal communication.

Like their peers across the country, providers in Hawaii struggle to recruit and retain DSPs due to challenges including low wages and limited training opportunities. Direct support has become even more challenging during the pandemic as DSPs must cope with new health precautions and adapt to new approaches to service delivery. More than 43 percent of DSPs left their positions in 2019 with one-third leaving in the first six months of employment while vacancy rates were 8.5 percent for full-time and 11 percent for part-time positions (National Core Indicators, 2020). The consequence of the instability in the DSP workforce include increased turnover and burnout for those that remain, individuals’ inability to access authorized services, and stress and frustration for families who do not receive needed supports to care for their loved ones.

Goal 4: Improve Protections for Health, Safety, and Well-being

Ensuring the health, welfare, and well-being of waiver participants is a prerequisite for strategies to maximize individuals’ quality of life and functional independence. Hawaii is proposing the use of ARPA funds for several initiatives that will 1) support programs to become more trauma-informed and improve their ability to provide physical and emotional safety for
participants, and 2) provide advanced data and analytics to strengthen the monitoring of critical incidents.

- Develop Positive Approaches for Individuals with Challenging Behaviors
- Improve Critical Incident Response through Analytics

**Goal 5: Strengthen System Evaluation and Accountability**

As described in the introduction to the I/DD Waiver spending plan, the program has undergone substantial transformation over the past five years. It is critical that these changes be evaluated to identify areas for improvement, and that the infrastructure is in place to support ongoing improvement.

- Conduct System Evaluation
- Strengthen Provider Monitoring
- Implement the Spending Plan
Initial Spending Plan Revenue and Spending Projections for I/DD Waiver

Table 2 reports the estimated funding that will be available due to the temporary ten percentage point FMAP increase for the I/DD HCBS.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Apr-Jun 2021</th>
<th>Jul-Sep 2021</th>
<th>Oct-Dec 2021</th>
<th>Jan-Mar 2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Waiver Spending</td>
<td>$35.5</td>
<td>$36.2</td>
<td>$37.1</td>
<td>$37.0</td>
<td>$145.8</td>
</tr>
<tr>
<td>Additional ARPA Services</td>
<td></td>
<td>$3.2</td>
<td>$3.4</td>
<td></td>
<td>$6.6</td>
</tr>
<tr>
<td>Total Eligible Spending</td>
<td>$35.5</td>
<td>$36.2</td>
<td>$40.3</td>
<td>$40.4</td>
<td>$152.4</td>
</tr>
<tr>
<td>10% Reinvestment Funds</td>
<td>$3.55</td>
<td>$3.62</td>
<td>$4.03</td>
<td>$4.04</td>
<td>$15.24</td>
</tr>
</tbody>
</table>

As shown in Table 2, Hawaii expects to spend $146 million on I/DD Waiver services between April 2021 and March 2022. Additionally, initiatives described in this spending plan will add $6.6 million in service spending during the period of the increased FMAP. In total, Hawaii projects that it will have approximately $15.2 million in funds to strengthen, enhance and expand the I/DD Waiver. Table 3 summarizes the projected use of these funds including any additional applicable funding to support each initiative.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>ARPA Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 1: Supports for Participants and Families</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option for Individuals with Behavioral Challenges</td>
<td>$1,225,000</td>
<td>$2,550,000</td>
</tr>
<tr>
<td>Create Family-to-Family Peer Mentoring Service</td>
<td>$90,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Host Participant and Family Forums</td>
<td>$0</td>
<td>$125,000</td>
</tr>
<tr>
<td><strong>Goal 2: Strengthen Provider Capacities and System Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase Provider Payment Rates</td>
<td>$10,050,000</td>
<td>$23,150,000</td>
</tr>
<tr>
<td>Invest in Quality Management</td>
<td>$75,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Support Community Integration</td>
<td>$100,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Advance Competitive Integrated Employment</td>
<td>$175,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Support Community Navigator Practice Development</td>
<td>$60,000</td>
<td>$120,000</td>
</tr>
</tbody>
</table>
### Goal 3: Workforce Development

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop the Direct Support Professional Workforce</td>
<td>$2,125,000</td>
<td>$2,250,000</td>
</tr>
</tbody>
</table>

### Goal 4: Improve Protections for Health, Safety, and Well-being

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive Approaches for Challenging Behaviors</td>
<td>$200,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Improve Critical Incident Response through Analytics</td>
<td>$375,000</td>
<td>$750,000</td>
</tr>
</tbody>
</table>

### Goal 5: Strengthen System Infrastructure and Accountability

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct System Evaluation</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Strengthen Provider Monitoring</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Implement the Spending Plan</td>
<td>$550,000</td>
<td>$550,000</td>
</tr>
</tbody>
</table>

As Table 3 demonstrates, the I/DD Waiver spending plan invests more than $30 million into the service delivery system through March 31, 2024 although several initiatives are scheduled to conclude prior to the end of the ARPA period. The initiatives aim to produce sustainable improvements in the service delivery system for individuals with I/DD. As such, many of the strategies have been designed as one-time initiatives that seek to transform stakeholders’ mindsets and practices, changes that will continue after the funding is exhausted. The changes to the service array will become a permanent part of the I/DD Waiver baseline budget with much of the cost expected to be offset by related savings. The ability to maintain the provider rate increases to be initially funded with ARPA dollars will require additional legislative appropriations. As described below, it is expected that consideration of this funding will be part of a broader discussion of the future of the DSP workforce in Hawaii.

### I/DD Waiver Initiatives

Brief descriptions of each ARPA-funded initiative follow. For many, there remain significant decisions related to the specific implementation details, which will require further stakeholder input.

**Create New Option for Individuals with Serious Behavioral Challenges**

While people with a range of behavioral challenges are served throughout the state, there is a subset of individuals with complex and long-term behavioral challenges who have been exceptionally difficult to support in their family homes or other settings using traditional supports available through the I/DD Waiver and the Medicaid State Plan. Their issues are severe and can be life-threatening in nature. They often are prescribed high doses of multiple psychiatric medications that have more of a sedating than therapeutic effect, and their behavior support plans are commonly skewed toward restrictive interventions. Private
intermediate care facilities may not be equipped or willing to serve these individuals, particularly those with co-occurring mental illness. Further, effective approaches and full understanding of the person’s issues from a whole-person perspective may not have been achieved. These individuals often experience overly restrictive interventions, poor health and well-being outcomes, and overall lack of understanding and coordination/integration of their bio-psycho-social-contextual needs. Family relationships for this group are frequently stressed and individuals likely have few opportunities for integration within their community. Direct support professionals and others often lack the skillset and knowledge needed to provide holistic, evidence-based, and trauma-informed supports to help these individuals to achieve a better life.

Hawaii will add a new waiver residential service for individuals with co-occurring mental illness and complex challenging behaviors. The service will require staff with advanced skills and the use of programmatic approaches that are both trauma-informed and evidence-based or evidence-informed. Intensive services and supports will be highly individualized with enhanced therapeutic emphasis that integrate behavioral and physical health and coordinate closely with primary and specialty care. There will be a multi-disciplinary team approach and staff will be competent in managing crises through the use of positive approaches. Work with family and focus on community transition and integration will be core components of the service.

In addition to the waiver service, Hawaii will use ARPA funds to offer limited start-up funding to providers willing to develop these homes and to support the initial costs of service delivery.

Projected Spending: $1,225,000 ARPA funds ($2,550,000 total funds)

Timeframe: October 1, 2021 – March 31, 2024

Goal alignment: Supports for Participants and Families

Sustainability: ARPA funds will be used to support the establishment and initial implementation of this service. Over time the costs will be incorporated in the I/DD Waiver base budget, funded in part through this group’s reduced usage of other services.

Create Family-to-Family Peer Mentoring Service

The majority of people in the I/DD Waiver live at home with their families. Caring for a loved one with a disability can be challenging as families advocate for the individual, navigate eligibility for a number of public programs, and identify unpaid community supports. Given these varied roles and responsibilities, many families could benefit from assistance from other family members who have lived experience in navigating service systems and supporting their children with disabilities. DDD will use ARPA funds to establish a new waiver service for
participants when they and their family members would benefit from mentoring and peer-to-peer support from an experienced parent or other family member of an individual with I/DD.

Peer support is an evidence-based practice for people with mental health challenges and it has been shown to improve quality of life, increase and improve engagement with services, and increase whole health and self-management. There are several studies that show peer-to-peer support and coaching have improved outcomes for people with I/DD.

Through Peer Mentoring services, families would receive supports that better equip them to meet the needs of their loved one by learning about community services, developing strategies to achieve the waiver participant's goals, and making connections to enhance individual and family resilience. The service will provide information, resources, guidance, and support from an experienced and trained mentor to help parents navigate the service system, the person-centered planning process, and a broader range of community resources.

**Projected Spending:** $90,000 ARPA funds ($200,000 total funds)

**Timeframe:** January 1, 2022 – March 31, 2024

**Goal alignment:** Supports for Participants and Families

**Sustainability:** ARPA funds will be used to support the establishment and initial implementation of this service. Over time the costs will be incorporated in the I/DD Waiver base budget.

### Host Participant and Family Forums

Engagement with participants and families is a central value of the I/DD Waiver. Partnerships support connections and participation at all levels and DDD is committed to collaborative and culturally competent family and participant engagement.

Hawaii will hold a series of participant and family forums to discuss their experiences, gather insights for improving the service system, build sustainable mechanisms for stakeholder participation, and provide a forum for networking and learning.

**Projected Spending:** $0 ARPA funds ($125,000 total funds)

**Timeframe:** January 1, 2022 – March 31, 2024

**Goal alignment:** Supports for Participants and Families

**Sustainability:** If stakeholders deem successful, internal resources will be used to continue the forums in future years.
Increase Provider Payment Rates

The fee schedule for I/DD Waiver services was established based on a 2016 rate study. In anticipation of the waiver renewal, Hawaii conducted another rate study in 2020. That study called for rate increases as summarized in Table 4.

Table 4: Proposed Rate Increases from 2020 Rate Study for I/DD Waiver

<table>
<thead>
<tr>
<th>Service Group</th>
<th>Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Habilitation</td>
<td>10.3%</td>
</tr>
<tr>
<td>Personal Assist./Habilitation</td>
<td>20.0%</td>
</tr>
<tr>
<td>Community Learning, Individual</td>
<td>19.5%</td>
</tr>
<tr>
<td>Adult Day Health</td>
<td>28.7%</td>
</tr>
<tr>
<td>Community Learning, Group</td>
<td>24.0%</td>
</tr>
<tr>
<td>Nursing</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Group</th>
<th>Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respite</td>
<td>20.5%</td>
</tr>
<tr>
<td>Discovery Career Planning</td>
<td>15.5%</td>
</tr>
<tr>
<td>Ind. Employment Supp.</td>
<td>15.8%</td>
</tr>
<tr>
<td>Consumer Directed Svc.s.</td>
<td>10.8%</td>
</tr>
<tr>
<td>All Other Services</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

Due to the historic decline in state revenue resulting from the COVID-19 pandemic, Hawaii was unable to fund these rate increases. To address the reduced revenues and increased costs that providers faced due to the pandemic, Hawaii used Appendix K authority to deliver targeted supports. Retainer payments were instituted for Adult Day Health (ADH), Community Learning Service-Group (CLS-G), Individual Employment Support (IES)-Job Coaching, and Residential Habilitation services. Since many providers exhausted the maximum of three 30-day periods of retainer payments by Fall 2020, Hawaii also instituted temporary rate increases for ADH, CLS-G, IES, Personal Assistance/Habilitation (PAB), and Community Learning Service-Individual services delivered between October 1, 2020 and June 30, 2021. With the public health emergency waning, Hawaii has opted to decline a second round of retainer payments for I/DD Waiver services and to allow the temporary rate increases to expire as scheduled.

Instead, Hawaii will use ARPA funds to partially implement the rate increases called for by the rate study. In particular, Hawaii will implement one-half of the proposed rate increases. For example, if a current rate is $30 per hour and the rate study proposed to increase that rate to $36, the rate will be increased by $3 to $33 (one-half of the proposed $6 increase). ARPA funds would support these increases between October 1, 2021 and June 30, 2023.

This approach benefits all providers rather than the more targeted retainer payments and temporary rate increases. It also encourages providers to begin to restore service cuts whereas additional retainer payments would offer the largest benefits to providers that have not restored service reductions.
The rate increases proposed in the 2020 rate study primarily relate to higher costs associated with direct support professional wages and benefits. Consequently, DDD intends to explore options to ensure that the majority of any funded rate increase is used to increase DSP compensation.

**Projected Spending:** $10,050,000 ARPA funds ($23,150,000 total funds)

**Timeframe:** ARPA funds will support the increase for 21 months, from October 1, 2021 to June 30, 2023.

**Goal alignment:** Strengthen Provider Capacities and System Infrastructure

**Sustainability:** Maintaining these rate increases beyond June 30, 2023 will require additional legislative appropriations. While the rate increases are in effect, DDD intends to collect data to study the impacts in terms of the number of providers, the availability of services across the state, and DSP wages and turnover. This analysis will inform decisions regarding the continuation of the rate increases and/or full implementation of the rate study. It is also assumed that this issue will be considered in concert with the findings and recommendations from the workforce development plan discussed below.

**Invest in Quality Management**

Quality management (QM) is a core tenet of the I/DD Waiver. The July 1, 2021 version of the Waiver Standards Manual requires providers to build their own internal QM programs. This requirement seeks to help each provider achieve continuous quality improvement (CQI) through the maintenance of a QM structure that is accountable for implementing and tracking improvements using CQI tools and available data to identify opportunities for improvement. The Waiver Standards Manual recognizes that this will be a gradual process and establishes the activities and results expected in each of the next three years.

Hawaii will use ARPA funds to offer technical assistance and training for providers as they build their QM systems. Quality improvement subject matter experts will train and coach cohorts of provider agencies to build QM practices and cultures of quality.

**Projected Spending:** $75,000 ARPA funds ($150,000 total funds)

**Timeframe:** January 1, 2022 – March 31, 2024

**Goal alignment:** Strengthen Provider Capacities and System Infrastructure
Support Community Integration

DDD has done considerable work to ensure that people receiving services through the I/DD Waiver have full access to community life. While providers have conducted self-assessments and are implementing improvement plans, they would benefit from focused technical assistance and training to strengthen their policies, procedures, and practices in the delivery of home and community-based services to maximize community participation.

Hawaii proposes to provide needed technical assistance in these areas by establishing resources to support provider capacity to deliver quality integrated community services. This work will improve provider compliance with federal and state community integration requirements. Hawaii will additionally develop targeted resources to train and support participants and families to better understand the benefits of community participation and integration, and how integrated supports and services can improve quality of life outcomes. Finally, Hawaii will develop, test, and implement tools and processes for DDD case managers to collect and report participant perspectives related to community integration experiences in order to inform system improvements.

Projected Spending: $100,000 ARPA Funds ($200,000 Total Funds)
Timeframe: October 1, 2021 – September 30, 2023
Goal alignment: Strengthen Provider Capacities and System Infrastructure
Sustainability: These are one-time strategies designed to change community perceptions and practices to achieve lasting improvements in community integration.

Advance Competitive Integrated Employment

While increasing competitive integrated employment (CIE) for people with I/DD has been an aspirational goal in Hawaii for many years, progress has been slow. Provider competencies are underdeveloped and Hawaii lags other states in achieving CIE outcomes. While sheltered workshops and subminimum wages have been phased out, demonstrating Hawaii is taking steps in the direction of CIE, much work remains to be done.

Challenges exist for both individuals relatively new to the I/DD Waiver and those who have been enrolled for many years. Consistent transitions from school to work in CIE have not been achieved for a variety of reasons including parental, provider, case manager, and employer
hesitancy as well as the variable quality of transition supports in the schools. There has been a preference to transition students to day programs versus teams doing the involved and time-consuming work needed to develop a robust pathway to CIE for anyone who wants a job. For people who have been in day programs for years, there is a general complacency that stymies supporting exploration and achievement of job-related goals.

DDD will use ARPA funds to support several initiatives to advance CIE in Hawaii. Strategies will target each of the key constituencies involved in CIE. In particular, DDD will:

- Provide training and technical assistance to increase providers’ capacity to deliver waiver employment services including benefits counseling, job development, and job coaching;
- Develop a community of practice to support current day services providers to expand CIE through organizational culture change, person-centered job placement, reallocation of resources, professional development of staff, and engagement of participants, families, and employers;
- Conduct strategic planning with stakeholders, the Department of Education, and the Division of Vocational Rehabilitation to develop integrated strategies and an outcome-based approach;
- Develop materials and host informational sessions to educate participants and families about the benefits of CIE; and
- Seek to engage the business community – which is struggling to fill many open positions – to educate employers about this underutilized workforce.

**Projected Spending:** $175,000 ARPA funds ($350,000 total funds)

**Timeframe:** January 1, 2022 – March 31, 2024

**Goal alignment:** Strengthen Provider Capacities and System Infrastructure

**Sustainability:** This initiative is designed to be one-time with the strategies, tools, and partnerships designed to deliver ongoing benefits.

### Support Community Navigator Practice Development

The July 1, 2021 reauthorization of the I/DD Waiver added a new Community Navigator service, which intends to promote and coordinate the use of community resources and natural supports to address participants needs in addition to paid services. Community Navigator services are designed to strengthen participants’ valued social roles in their community and assist them to identify, connect, participate, and fully engage in integrated community activities and resources of interest in accordance with their goals. Navigators must be knowledgeable about available resources and have demonstrated connections to the informal structures of the local community.
Because this is a new service requiring a unique skill set and approach, providers must develop a training curriculum to equip Community Navigators to provide effective services. Hawaii will use ARPA funds to collaborate with providers to develop curricula, and to establish a statewide community of practice to disseminate best practices in the emerging service.

Projected Spending: $60,000 ARPA funds ($120,000 total funds)

Timeframe: January 1, 2022 – June 30, 2023

Goal alignment: Strengthen Provider Capacities and System Infrastructure

Sustainability: This initiative is designed to be one-time to assist providers to develop the infrastructure to deliver Community Navigator services.

**Develop the Direct Support Professional Workforce**

Building on the stakeholder survey in which strengthening the DSP workforce was identified as a top priority and respondents offered a number of specific suggestions to accomplish this goal, Hawaii will use ARPA funds to evaluate opportunities to strengthen the DSP workforce by establishing enhanced training, credentialing, and/or certification qualifications. The goals of this initiative include improving service quality, providing a career ladder for the DSP workforce, and supporting providers to improve recruitment and retention.

To accelerate this initiative, Hawaii will pursue both a short-term and long-term strategy.

In the short-term, DDD will establish two grant programs to support DSPs pursuing eligible training or certification. The first grant program will reimburse providers for the costs they incur when DSPs pursue additional training, including staff payroll costs and any training fees. The second grant program will provide financial incentives to both employers and DSPs who complete eligible training or certification. Specifically, both the provider and the DSP will receive a $1,000 payment upon successful completion. Both programs will support the costs for about 500 DSPs. Hawaii will work with providers and other stakeholders to identify the qualifying training and certification programs.

To support permanent and ongoing investment in the DSP workforce, Hawaii will use ARPA funds to facilitate a stakeholder-informed process resulting in the adoption or development of a certification or credentialing framework for DSPs in the state. DDD will pay enhanced rates for services delivered by DSPs with this certification or credential.

Broadly, this work will cover four phases:

- **Research.** In this phase, DDD will seek information about existing DSP training frameworks and initiatives in other states to adopt such frameworks. The results of this phase will also inform the eligible training, certification, or credentialing options that will qualify for the grant programs that comprise the short-term strategy.
HI State Spending Plan for Implementation of American Rescue Plan Act of 2021, Section 9817

- **Engage.** The adoption or development of a specific DSP certification or credentialing framework for Hawaii will be a stakeholder-informed process. DDD will seek input from individuals receiving services and their families, DSPs, service providers, and other stakeholders to identify the DSP skills that the community values and that should be emphasized in the state’s framework.

- **Design.** Based on community feedback, DDD will identify the certification or credentialing framework that will be used in the state. This phase will also include the operational issues associated with tiered reimbursement, including developing the tiered rates, managing authorizations, and establishing rules for programs with multiple staff who may have different qualifications.

- **Implement.** DDD will develop a plan and implement the DSP certification or credentialing framework and the associated tiered reimbursement.

  **Projected Spending:** $2,125,000 ARPA funds ($2,250,000 total funds)
  **Timeframe:** October 1, 2021 – June 30, 2023
  **Goal alignment:** Workforce Development
  **Sustainability:** The implementation of enhanced rates aligned with DSP qualifications will require additional legislative funding. The timing of this initiative has been aligned with the expiration of the ARPA-funded provider rate increases described above, allowing a comprehensive assessment of provider reimbursement.

**Develop Positive Approaches for Individuals with Challenging Behaviors**

An effective system of supports for people with I/DD requires development of best practices for supporting individuals with co-occurring mental health conditions. Too often, challenging behavior are managed through pharmacotherapy focused on sedation, restraints, placement disruptions, emergency departments and police, and behavior support plans that have limited efficacy. The premise of behavior change under these approaches is primarily fear, intimidation, and/or neurochemical adjustment. While behavior changes are sometimes achieved, they are often transient and artificial in nature. Long-term, these approaches have not proven effective in reducing challenging behaviors or in improving the quality of life for the individual. Instead, they have resulted in restriction of freedom and isolation from society. Different approaches are needed to achieve positive and lasting outcomes. People need to feel understood, safe, and supported. A renewed, widespread focus on understanding the needs and utilizing the strengths of the individual offers a best practice for community engagement.

DDD will provide training for community stakeholders through an organizational change framework that is person-centered and applies positive approaches to addressing challenging behaviors, specifically by equipping stakeholders with strategies to improve understanding of
behavior, recognize strengths, and establish a system of trauma-informed care that treat people with dignity and respect. Community stakeholders include everyone who participates in the person’s environment, including families, caregivers, providers, and other members of the person’s circle of support. The trainings will strengthen understanding of the impact of trauma and stress and the need for providing safety and trust, and build the necessary knowledge, skills, and practices that shift difficult interactions into healing relationships. Building communities based on trauma-informed, positive approaches creates opportunities for everyone involved to be at their best, to feel understood, and to contribute to resilience. Trainers will assist in establishing policies and processes that support positive changes and will work directly with community stakeholders to ensure new behaviors and approaches become well-integrated.

Projected Spending: $200,000 ARPA funds ($400,000 total funds)

Timeframe: October 1, 2021 – March 31, 2024

Goal alignment: Strengthen System Evaluation and Accountability

Sustainability: This initiative is designed to be one-time, with the intent of producing systemic changes in practices that will persist after the training ends.

**Improve Critical Incident Response through Analytics**

States must implement an effective critical incident management system to assure necessary safeguards are in place to protect the health and welfare of individuals receiving services. However, reports by the U.S. Department of Health and Human Services’ Office of the Inspector General (OIG) have indicated that states are not compliant with federal requirements for reporting and monitoring critical incidents involving individuals with I/DD. These deficiencies are due to inadequate systems to identify, investigate, and prevent incidents from occurring. CMS similarly concluded that states were not meeting their 1915c waiver assurances regarding health and welfare. A core recommendation of the OIG was for states to use Medicaid claims data to identify unreported critical incidents. Integration of Medicaid data with DDD’s current incident reporting system will improve DDD’s oversight of critical incidents, allow for analysis of multiple data sets, and improve the quality of care for individuals with I/DD.

This initiative will build an analytics solution in DDD’s Case Management IT Solution (*INSPIRE*) through a model-based approach (advanced analytics/ machine learning). This approach leverages technology already used in *INSPIRE* (Azure DevOps Platform) by building an integrated solution that will provide advanced analytics based on adverse events data interfaced with MMIS claims data to detect unreported events. It will also provide predictive
capabilities to address opportunities for improvement. It will build toward a potential future phase of integrating medical/pharmacy information into INSPIRE.

To ensure that the analytics produce meaningful systems change, additional funding will be used for expert clinicians/researchers who will review data and develop case-specific responses and system-level continuous quality improvement through training and change management within DDD and provider agencies.

**Projected Spending:** $375,000 ARPA funds ($750,000 total funds)

**Timeframe:** January 1, 2022 – March 31, 2024

**Goal alignment:** Strengthen System Evaluation and Accountability

**Sustainability:** The analytics solution is a one-time expense. DDD anticipates that the resources needed to review the data and design responsive strategies will be absorbed within available funding.

**Conduct System Evaluation**

Hawaii will use ARPA funds to conduct a comprehensive evaluation of system changes made by the 2016 waiver reauthorization as well as the initiatives described in this spending plan.

For example, the evaluation of the 2016 changes will consider the extent to which there has been a shift to community-based services for which the 2016 reauthorization included new standards and higher payment rates. The evaluation will also consider the prevalence of exceptions from the individual supports budgets.

The initiatives described in this spending plan will be similarly evaluated. For example, DDD will require providers to report key information about the DSP workforce, including wage and benefit data, and turnover rates. This data will determine whether the provider rate increases reach DSPs. Since many initiatives are designed to be one-time, DDD will measure whether the intended goals have been achieved.

These evaluations will be used to inform decisions about whether to eliminate, maintain, or expand strategies both during and after the ARPA period.

**Projected Spending:** $300,000 ARPA funds ($300,000 total funds)

**Timeframe:** January 1, 2022 – March 31, 2024

**Goal alignment:** Strengthen System Evaluation and Accountability

**Sustainability:** The evaluation is a one-time expense that will inform systems changes and funding decisions into the future.
Strengthen Provider Monitoring

DDD is committed to moving beyond compliance-focused monitoring to a broadened focused on examining outcomes for people served through the lens of person-centered practices. The goal is to develop monitoring methodologies and tools that provide information about where adjustments to service infrastructure and practice need to occur. Hawaii will use ARPA funds to improve current monitoring methodologies, test new monitoring tool prototypes, and strengthen the overall monitoring program. DDD is committed to building a robust monitoring system that ensures all waiver and compliance assurances are met continuously, supports innovation and practice improvements, and helps achieve positive outcomes for individuals served.

Projected Spending: $50,000 ARPA funds ($100,000 total funds)
Timeframe: October 1, 2021 – March 31, 2024
Goal alignment: Strengthen System Evaluation and Accountability
Sustainability: This initiative is designed as a one-time expense that will result in permanent changes to provider monitoring.

Implement the Spending Plan

Resources are required to implement and manage the ambitious set of system improvements requested in this Spending Plan. Current staffing levels, already thinned during the public health emergency, are inadequate to effectively manage these initiatives. While some of the activities will be realized through enhanced waiver services, others will need dedicated project management. Hawaii will use $550,000 in ARPA funds – only about three percent of the total – to provide initiative leadership and project management in order to support successful implementation and promote sustainable impacts of activities in this spending plan.

Projected Spending: $550,000 ARPA funds ($550,000 total funds)
Timeframe: October 1, 2021 – March 31, 2024
Goal alignment: Strengthen System Evaluation and Accountability
Sustainability: These resources are intended to manage the ARPA-funded initiatives; as such, the resources will not extend beyond the ARPA period.
Spending Plan Projection

Continuing the theme of Hawaii’s two target HCBS populations with two spending plan narratives, we will present separate spending plan projections for each HCBS program. First a summary of the spending plan projections related to the QUEST Integration initiatives will be presented. This will be followed by the spending plan projections for the 1915c waiver initiatives.

With the understanding that CMS requires Hawaii to submit a single spending plan for all the Medicaid HCBS delivered in the state, there will be a Hawaii statewide spending plan projection that will combine the two separate waiver projections into a single statewide plan projection. Finally there will also be a listing of each initiative by the waiver authority it falls under, along with a summary of the total spend for each initiative, subtotals for each program, and a total HCBS spend.
## Spending Plan Projection – QUEST Integration

### Calculation of Supplemental Funding from 10% FMAP Increase

**ARPA Sec. 9817**  
Hawaii Medicaid - QUEST Integration Program

### BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP

<table>
<thead>
<tr>
<th>Federal Fiscal Year</th>
<th>FFY 21</th>
<th>FFY 21</th>
<th>FFY 22</th>
<th>FFY 22</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Quarter</strong></td>
<td>Q3: Apr to Jun</td>
<td>Q4: Jul to Sep</td>
<td>Q1: Oct to Dec</td>
<td>Q2: Jan to Mar</td>
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<td><strong>Service Categories</strong></td>
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<td></td>
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<tr>
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<tr>
<td>Rehabilitation Services</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other (1915c)</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Subtotal: Qualifying Expenditures</strong></td>
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### ADDITIONAL FUNDING FOR HCBS REINVESTMENT

<table>
<thead>
<tr>
<th>Year of Reinvestment</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Match Share By Year</td>
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<td>40%</td>
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<td>State Match by Year</td>
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### FMAP Assumptions - Program

<table>
<thead>
<tr>
<th><strong>FMAP Assumptions</strong></th>
<th><strong>State’s Base FMAP</strong></th>
<th><strong>FFCRA Increase</strong></th>
<th><strong>ARPA Increase</strong></th>
<th><strong>Combined FMAP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53.02%</td>
<td>53.64%</td>
<td>53.64%</td>
<td>53.64%</td>
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<td></td>
<td>6.20%</td>
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<tr>
<td></td>
<td>10.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Combined FMAP</strong></td>
<td>69.22%</td>
<td>53.64%</td>
<td>53.64%</td>
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</tr>
</tbody>
</table>

### Supplemental Funding - Program

<table>
<thead>
<tr>
<th><strong>Supplemental Funding - Program</strong></th>
<th><strong>Reinvested State Match</strong></th>
<th><strong>Federal Match</strong></th>
<th><strong>Subtotal: Supplemental Funding - Program</strong></th>
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</thead>
<tbody>
<tr>
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<td><strong>Federal Match</strong></td>
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### Supplemental Funding - Administration

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<th><strong>Supplemental Funding - Administration</strong></th>
<th><strong>State Match</strong></th>
<th><strong>Federal Match</strong></th>
<th><strong>Subtotal: Supplemental Funding - Admin</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>State Match</strong></td>
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<td>$1,397,500</td>
<td>$3,067,500</td>
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<tr>
<td><strong>Federal Match</strong></td>
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<td>$2,672,500</td>
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### Federal Match Attributable to FMAP Components

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<thead>
<tr>
<th><strong>Federal Match Attributable to FMAP Components</strong></th>
<th><strong>Base FMAP</strong></th>
<th><strong>FMAP Increases (ARPA + FFCRA) Program</strong></th>
<th><strong>FMAP Administration</strong></th>
<th><strong>Subtotal: Federal Match</strong></th>
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### Calculation of Supplemental Funding from 10% FMAP Increase

#### ARPA Sec. 9817

**Hawaii Medicaid - Developmental Disabilities Division Program (1915c Waiver)**

#### BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP

<table>
<thead>
<tr>
<th>Service Categories</th>
<th>FFY 21</th>
<th>Q3: Apr to Jun</th>
<th>FFY 21</th>
<th>Q4: Jul to Sep</th>
<th>FFY 22</th>
<th>Q1: Oct to Dec</th>
<th>FFY 22</th>
<th>Q2: Jan to Mar</th>
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<tbody>
<tr>
<td>Home and Community Based Services</td>
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<td>Case Management Services</td>
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<tr>
<td>Rehabilitation Services</td>
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<td>Other (1915c)</td>
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<td>$37,200,000</td>
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Subtotal: Qualifying Expenditures: $146,000,000

#### ADDED FUNDING FOR HCBS REINVESTMENT

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<tr>
<th>Year of Reinvestment</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
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<td>State Match by Year</td>
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#### FMAP Assumptions - Program

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<tr>
<th>Assumption</th>
<th>Year 1</th>
<th>Year 2</th>
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</thead>
<tbody>
<tr>
<td>State's Base FMAP</td>
<td>53.02%</td>
<td>53.64%</td>
<td>53.64%</td>
<td></td>
</tr>
<tr>
<td>FFCRA Increase</td>
<td>6.20%</td>
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<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>ARPA Increase</td>
<td>10.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Combined FMAP</td>
<td>69.22%</td>
<td>53.64%</td>
<td>53.64%</td>
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</table>

#### Supplemental Funding - Program

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>FFY 21</th>
<th>Q3: Apr to Jun</th>
<th>FFY 21</th>
<th>Q4: Jul to Sep</th>
<th>FFY 22</th>
<th>Q1: Oct to Dec</th>
<th>FFY 22</th>
<th>Q2: Jan to Mar</th>
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<tr>
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#### Supplemental Funding - Administration/Other

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<tr>
<th>Funding Category</th>
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<th>Q3: Apr to Jun</th>
<th>FFY 21</th>
<th>Q4: Jul to Sep</th>
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<th>Q1: Oct to Dec</th>
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<tbody>
<tr>
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<td>$621,500</td>
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<td>Subtotal: Supplemental Funding - Admin</td>
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<td>$621,500</td>
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</tbody>
</table>

#### Federal Match Attributable to FMAP Components

<table>
<thead>
<tr>
<th>Component</th>
<th>FFY 21</th>
<th>Q3: Apr to Jun</th>
<th>FFY 21</th>
<th>Q4: Jul to Sep</th>
<th>FFY 22</th>
<th>Q1: Oct to Dec</th>
<th>FFY 22</th>
<th>Q2: Jan to Mar</th>
<th>Subtotal:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Base FMAP</td>
<td>$3,500,221</td>
<td>$7,854,009</td>
<td>$2,453,249</td>
<td>$13,807,479</td>
<td>$3,500,221</td>
<td>$7,854,009</td>
<td>$2,453,249</td>
<td>$13,807,479</td>
<td>$1,069,475</td>
<td>$0</td>
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<tr>
<td>FMAP Increases (ARPA + FFCRA) Program</td>
<td>$1,069,475</td>
<td>$0</td>
<td>$0</td>
<td>$1,069,475</td>
<td>$1,069,475</td>
<td>$0</td>
<td>$0</td>
<td>$1,069,475</td>
<td>$1,069,475</td>
<td>$0</td>
</tr>
<tr>
<td>FMAP Administration</td>
<td>$237,500</td>
<td>$621,500</td>
<td>$301,000</td>
<td>$1,160,000</td>
<td>$237,500</td>
<td>$621,500</td>
<td>$301,000</td>
<td>$1,160,000</td>
<td>$237,500</td>
<td>$621,500</td>
</tr>
<tr>
<td>Subtotal: Federal Match</td>
<td>$4,807,196</td>
<td>$8,475,509</td>
<td>$2,754,249</td>
<td>$16,036,955</td>
<td>$4,807,196</td>
<td>$8,475,509</td>
<td>$2,754,249</td>
<td>$16,036,955</td>
<td>$4,807,196</td>
<td>$8,475,509</td>
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</tbody>
</table>
### Calculation of Supplemental Funding from 10% FMAP Increase

**ARPA Sec. 9817**

**Hawaii Medicaid - Combined HCBS Programs**

#### BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FFY 21</th>
<th>FFY 21</th>
<th>FFY 22</th>
<th>FFY 22</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home and Community Based Services</strong></td>
<td>$27,821,804</td>
<td>$27,821,804</td>
<td>$27,821,804</td>
<td>$27,821,804</td>
<td>$111,287,215</td>
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<tr>
<td><strong>Case Management Services</strong></td>
<td>$4,673,424</td>
<td>$4,673,424</td>
<td>$4,673,424</td>
<td>$4,673,424</td>
<td>$18,693,695</td>
</tr>
<tr>
<td><strong>Rehabilitation Services</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Other (1915c)</strong></td>
<td>$35,500,000</td>
<td>$36,200,000</td>
<td>$37,100,000</td>
<td>$37,200,000</td>
<td>$146,000,000</td>
</tr>
<tr>
<td><strong>Subtotal: Qualifying Expenditures</strong></td>
<td>$67,995,228</td>
<td>$68,695,228</td>
<td>$69,595,228</td>
<td>$69,695,228</td>
<td>$275,980,910</td>
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Funds Attributable to 10% HCBS FMAP Increase

$27,598,100

#### ADDED FUNDING FOR HCBS REINVESTMENT

<table>
<thead>
<tr>
<th>Year of Reinvestment</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Match Share By Year</td>
<td>20%</td>
<td>53%</td>
<td>26%</td>
<td>100%</td>
</tr>
<tr>
<td>State Match by Year</td>
<td>$5,555,903</td>
<td>$14,722,958</td>
<td>$7,301,659</td>
<td>$27,580,520</td>
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</table>

#### FMAP Assumptions - Program

<table>
<thead>
<tr>
<th></th>
<th>FFY 21</th>
<th>FFY 21</th>
<th>FFY 22</th>
<th>FFY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>State’s Base FMAP</td>
<td>53.02%</td>
<td>53.64%</td>
<td>53.64%</td>
<td></td>
</tr>
<tr>
<td>FFCRA Increase</td>
<td>6.20%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>ARPA Increase</td>
<td>10.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Combined FMAP</td>
<td>69.22%</td>
<td>53.64%</td>
<td>53.64%</td>
<td></td>
</tr>
</tbody>
</table>

#### Supplemental Funding - Program

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinvested State Match</td>
<td>$3,393,403</td>
<td>$9,323,958</td>
<td>$5,013,159</td>
<td>$17,730,520</td>
</tr>
<tr>
<td>Federal Match</td>
<td>$7,631,297</td>
<td>$10,788,117</td>
<td>$5,800,385</td>
<td>$24,219,800</td>
</tr>
<tr>
<td>Subtotal: Supplemental Funding - Program</td>
<td>$11,024,700</td>
<td>$20,112,076</td>
<td>$10,813,544</td>
<td>$41,950,320</td>
</tr>
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</table>

#### Supplemental Funding - Administration

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Match</td>
<td>$2,162,500</td>
<td>$5,399,000</td>
<td>$2,288,500</td>
<td>$9,850,000</td>
</tr>
<tr>
<td>Federal Match</td>
<td>$1,907,500</td>
<td>$3,294,000</td>
<td>$1,698,500</td>
<td>$6,900,000</td>
</tr>
<tr>
<td>Subtotal: Supplemental Funding - Admin</td>
<td>$4,070,000</td>
<td>$8,693,000</td>
<td>$3,987,000</td>
<td>$16,750,000</td>
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</tbody>
</table>

#### Federal Match Attributable to FMAP Components

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base FMAP</td>
<td>$5,845,296</td>
<td>$10,788,117</td>
<td>$5,800,385</td>
<td>$22,433,798</td>
</tr>
<tr>
<td>FMAP Increases (ARPA + FFCRA) Program</td>
<td>$1,786,001</td>
<td>$0</td>
<td>$0</td>
<td>$1,786,002</td>
</tr>
<tr>
<td>FMAP Administration</td>
<td>$1,907,500</td>
<td>$3,294,000</td>
<td>$1,698,500</td>
<td>$6,900,000</td>
</tr>
<tr>
<td>Subtotal: Federal Match</td>
<td>$9,538,797</td>
<td>$14,082,117</td>
<td>$7,498,885</td>
<td>$31,119,800</td>
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</tbody>
</table>
## Listing of Initiatives - Combined HCBS

<table>
<thead>
<tr>
<th>Program</th>
<th>Initiative</th>
<th>$ Total (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUEST Integration</td>
<td>CAMHD fee schedule increase</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Self-directed fee schedule increase</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>CCMA monthly rate increase</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Residential Alternatives rate increase</td>
<td>3.7</td>
</tr>
<tr>
<td></td>
<td>Building Capacity in Residential Alternatives for complex members</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>CCMA for complex members</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>The Collaborative Care Model</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td>Palliative Care Benefit in Community-Based Settings</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Mobile COVID Vaccine Unit</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Expand 1115 HCBS Service Array</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Hawaii Medicaid Training and Technical Assistance Center (MTTAC)</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>EVV monitoring</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Accelerating provider enrollment</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>CAHPS survey for HCBS members</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Critical incident software for HCBS</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Provider credentialing process improvement</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Person-Centered practices training</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Guardianship fund</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Home Locator Tool</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Building Capacity for Prison to Community Transitions</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Strengthen the Direct Service Workforce</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Investment in Tools and Technology for Residential Alternatives</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>Building administrative capacity</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Subtotal QUEST Integration</strong></td>
<td></td>
<td><strong>27.6</strong></td>
</tr>
<tr>
<td>Developmental Disabilities Division (DDD)</td>
<td>Rates-50% of Rate Study</td>
<td>23.17</td>
</tr>
<tr>
<td></td>
<td>BH Home Services</td>
<td>2.45</td>
</tr>
<tr>
<td></td>
<td>Parent-to-Parent</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Workforce - Planning Consultant</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Provider Monitoring</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Advance Employment</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Navigator - Comm. of Practice</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>HCBS Compliance (Support Community Integration)</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Provider QM</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>INSPIRE Critical Incidents</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Alternatives to Restrictive Interventions</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Workforce - Provider Cost Supports (500 DSPs)</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Workforce - Provider and DSP ($1,000 Each) Incentives (500 DSPs)</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>BH Home Start-Up</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>System Evaluation</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Administration and implementation</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Subtotal DDD</strong></td>
<td></td>
<td><strong>31.1</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>58.7</strong></td>
</tr>
</tbody>
</table>
Stakeholder Feedback

Feedback on the ARPA HCBS opportunity initiatives that Hawaii should take advantage of began before Hawaii officially began outreach efforts. Hawaii’s Medicaid Director Judy Mohr Peterson received several unsolicited emails from community groups and providers in regards to the initiatives that they felt were needed and important, such as rate increases for HCBS providers. This continued as other MQD staff began receiving email suggestions on HCBS spend ideas.

ARPA HCBS opportunity was discussed at two Medicaid Health Advisory Committee (MHAC) meetings. The MHAC is comprised of member, provider, and community stakeholder representatives, as well as the Director of the Department of Health (or designee). At the May 5th meeting, the topic of ARPA was raised that included the HCBS opportunity. At the June 23rd meeting, more details were included regarding the set of initiatives under consideration. There was no immediate feedback at this meeting, but attendees were informed on how they may deliver stakeholder feedback at a later time.

Outreach to our QI health plans began with a request for HCBS initiative ideas on in the month of May. This resulted in responses from two plans on proposed initiatives. There was also outreach conducted with community stakeholders on the evenings of June 30th, July 6th, and July 7th where 435 individuals attended. Respondents were asked to provide input on the allowable uses of ARPA funds. Responses were received from 28 individuals, including service providers, service recipients or family members, and other advocates and state agencies. Additional community outreach opportunities are planned for later in July, targeting specific provider group organizations.