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

July 2021
HCBS Spend Plan

Letter from the Iowa Medicaid Administrator .................................................. 1

Introduction ........................................................................................................... 2
  Executive Summary .............................................................................................. 2
  Introduction .......................................................................................................... 2
  Stakeholder Feedback ............................................................................................ 2

Spending Plan Narrative ....................................................................................... 3
  Proposed Activities ............................................................................................... 3
  Increased Training and Support ........................................................................... 3
  Provider Training Platform ................................................................................. 4
  HCBS Employee Training and Scholarship Grant Program ................................ 4
  Crisis Response Provider Training ...................................................................... 5
  Resources and Services for Parents with ID/DD and for Caregivers of Children with ID/DD ................................................................. 5
  Health IT Infrastructure ....................................................................................... 6
  Expanded Access ................................................................................................. 6
  Behavioral Health, Aging, and Disability Services System Evaluation (Study) .... 7
  Behavioral Health, Aging, and Disability Services System Realignment Implementation .......................................................... 7
  Targeted Case Management (TCM) Assistance with Waiver Applications ......... 8
  Development Grant - Community-Based Neurobehavioral Rehabilitation Services (CNRS) pilot for children ................................................. 8
  Development Grant - Residential Services Pilot For Children With Complex Behavioral Needs ........................................................................ 8
  Development Grant - Residential Service Pilot For Adults Transitioning Out of Correctional Environments ......................................................... 9
  Development Grant – Therapeutic Foster Home Pilot ......................................... 9
  Expand Remote Support through HCBS Provider Technology grants ............... 10
  Workforce Support .............................................................................................. 11
  Expand Direct Care Registry .............................................................................. 11
  One-time Recruitment/Retention Provider Payments ....................................... 11

Budget and Next Steps ......................................................................................... 12
  Budget ................................................................................................................ 12
  Next Steps ......................................................................................................... 12

APPENDIX A. Iowa Medicaid Proposed HCBS ARPA Budget ............................... 13
Iowa Spending Plan for Implementation of the American Rescue Plan Act of 2021, Section 9817

**Letter from the Iowa Medicaid Administrator**

Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
Via email: HCBSincreasedFMAP@cms.hhs.gov

Centers for Medicare and Medicaid Services,

The Iowa Department of Human Services is providing the following pending plan and narrative in response to the CMS Medicaid Director Letter dated May 13, 2021 and in alignment with Section 9817 of the American Rescue Plan Act. This plan includes an outline of Iowa’s key spending priorities, estimated costs, and timelines for project implementation. Iowa Medicaid will submit quarterly spending plans and narratives by the deadlines outlined in the letter and assure CMS of the following:

- Iowa will use the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid Home and Community-Based Services (HCBS) in effect as of April 1, 2021;
- Iowa will use the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- Iowa will not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- Iowa will preserve covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- Iowa will maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

We are incredibly grateful for the opportunity to use these dollars to boost the capacity and quality of community-based services in our community.

The designated contact for future communication and questions is listed below:

LeAnn Moskowitz, LTSS Policy Specialist, 515-321-8922, lmoskow@dhs.state.ia.us

Sincerely,

Elizabeth Matney
Iowa Medicaid Administrator
Introduction

Executive Summary

For 2021, Governor Reynolds advised that one of her primary goals includes recognizing the value and importance of home-and-community–based care for aging Iowans and individuals with disabilities and the difference these services make in maintaining health and quality of life. Health care is changing, and Iowa must adapt. We must identify new ways to provide quality, sustainable care that meets the needs of our communities. The temporary 10 percentage point increase to the FMAP for certain Medicaid expenditures for HCBS will allow the State to enhance, expand, and strengthen, Iowa’s Medicaid HCBS Waiver programs.

In Iowa, the Medicaid Agency is a Division within the Department of Human Services (DHS). Iowa Medicaid offers a wide range of HCBS programs. The enclosed summary provides a snapshot of the work that DHS hopes to implement. To enhance and strengthen the HCBS programs in response to the COVID-19 pandemic, the proposed initiatives will provide increased support to service providers, increase access to services for Medicaid beneficiaries, as well as offer incentives and relief to the HCBS direct service workforce. In doing so, HCBS providers will regain financial stability and long-term services and supports (LTSS) will be enhanced and strengthened.

Introduction

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) (Pub. L. 117-2). Section 9817 of the ARPA provides qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS programs from April 1, 2021 through March 31, 2022. States must use the federal funds attributable to the increased FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021. In addition, states must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.

Stakeholder Feedback

DHS began soliciting feedback from members and stakeholders beginning with the initial enactment of the ARPA. Stakeholder feedback regarding the use of the enhanced FMAP was gathered through individual meetings, existing stakeholder workgroups, direct emails, and the submission of project proposals from the following stakeholder organizations:

- Iowa Association of Community Providers
- The Coalition for Family & Children’s Services in Iowa
- The Brain Injury Alliance of Iowa
- The Iowa Coalition for Integration and Employment
- Immanuel Pathways PACE organization
DHS also solicited feedback from the public for strategies to improve the quality and access to Medicaid Home and Community Based Services through public notice and a town hall meeting held July 8, 2021. One hundred and ten entities registered to participate in the town hall. Town hall attendance included service recipients and their family members, service providers, provider associations, advocacy organizations, legislators and state and local leaders. The public notice may be accessed here: https://dhs.iowa.gov/public-notices/arpa

Three central themes arose out of the feedback received from stakeholder. Those themes include; increased training and support, expanding access to services for members, and workforce support. DHS has described the proposed projects for each of these themes in the spending plan narrative presented below.

Spending Plan Narrative

Proposed Activities

The following provides an overview of Iowa's Initial HCBS spending plan and includes each proposed activity, budget information, estimated timeline for implementation, and sustainment requirements. The state does not anticipate requesting state plan amendments or HCBS Waiver amendments due to the one-time nature of each of the projects being proposed. The proposed projects are divided into three sections which include:

1) Increased training and support, including investment in a statewide training system may provide consistent, innovative, and more efficient training opportunities to staff in all areas of the state and across provider types.

2) Expanding Access to services for members, including investment in a statewide analysis of the behavioral health, disability and aging service system, expansion of remote support and implementation of several pilot programs to address existing gaps in care.

3) Workforce support, including expansion of the direct support worker registry and one-time recruitment and retention payments for providers.

Increased Training and Support

Budget: $80,000,000

Home and Community Based Service providers work diligently to provide comprehensive training to their staff however there may be spaces in which training is needed to provide more specialized care and expand services to individuals with more complex needs. Training can be challenging to find and expensive for provider agencies to seek out individually. Investment in a statewide training system will support consistent, innovative, and more efficient training opportunities to staff in all areas of the state and across provider types.
Provider Training Platform

Activity Overview: Enhance the provider training platform under development by purchasing provider training modules and content which will include such topics as:

- Positive Behavioral Supports (PBS)
- The Fatal Five
- Population Health Management
- Critical incident investigation,
- Person Centered Service Planning - IntellectAbility
- Rights and Restrictions,
- Employment Supports
- Serving Individual’s with Brain Injury
- Serving individuals with multi-occurring diagnosis, and/or complex medical needs,

DHS, Iowa Medicaid Enterprise, will partner with the University of Iowa Centers for Excellence in Developmental Disabilities (UCEDD) to develop a training platform for HCBS providers. The training platform will require content to be developed and or purchased.

Timeline: Effective July 1, 2022

- The training platform will be functional July 1, 2022
- Effective January 1, 2022
  - Development and/or purchase of training content by January 1, 2022.

Sustainability plan:

- Ongoing funding support through the MFP Supplemental funding through 2024 dependent upon CMS MFP budget approval.
- Will require legislative appropriations to sustain the training platform and training content if federal funding for MFP ends or changes are made to the current MFP grant guidelines.

HCBS Employee Training and Scholarship Grant Program

Activity Overview: Grants would serve the purpose of assisting qualified HCBS providers to fund employee training and scholarships for education and training in nursing, behavioral health and other health care fields. Grant funds must be used to cover costs related to training that will enhance the quality of direct services provided and/or cover the costs related to a course of study that is expected to lead to career advancement with the provider or in the HCBS field. Potential uses of scholarship funding includes:

- ISTART certification
- Positive Behavioral Supports (PBS) certification
- Certified Brain Injury Specialist (CBIS) certification
- Crisis Response certification
- Behavioral Health Technician certification
- Employment Support Specialist certification
HCBS Spend Plan

- Medication Aide certification
- Community College or University Courses in Related Fields
- Estimated Number of Awards unknown
  - Estimated Award Maximum $100,000
  - Estimated Award Minimum $15,000

Timeline: Effective January 1, 2022
- RFP development
- RFP Issuance

Sustainability plan: One-time cost

**Crisis Response Provider Training**

Activity Overview: Deliver Crisis Response provider training targeted at serving members with intellectual disabilities or development disabilities or (ID/DD)

Contract with a Crisis Response Specialist to deliver Crisis Response training focused on the ID/DD population to Behavioral Health Intervention Service (BHIS), Crisis Response, and Subacute Mental Health and HCBS Waiver providers.

Contract with a Crisis Response Specialist to deliver Train the Trainer Crisis Response training focused on the ID/DD population to Behavioral Health Intervention Service (BHIS), Crisis Response, Subacute Mental Health and HCBS Waiver providers.

MFP is also supporting the expansion of ISTART statewide.

Timeline: July 1, 2022
- RFP
- Contract
- Implementation

Sustainability plan: One-time cost

**Resources and Services for Parents with ID/DD and for Caregivers of Children with ID/DD**

Activity Overview: Develop resources and services for parents with IDD and parents and foster parents/guardians with children with IDD. There is a growing need for resources, training and services that are specific to parents with IDD and parents and foster parents/guardians with children with IDD. In partnership with other DHS departments, this funding will be used to develop resources, training materials and ultimately specialized services for parents with ID/DD and parents and foster parents/guardians of children with ID/DD. This will include support in adaptation of assessments and practices to meet needs of children and parents with disabilities.
The goal will be to help parents with ID/DD and parents or foster parents/guardians of children with ID/DD learn strategies and techniques so they are better able to provide appropriate care for their children and address concerns and challenges presented by their child/children with the goal of maintain the family unit. Additional training will include healthy relationship training. DHS, Iowa Medicaid will collaborate with other DHS units to create cross-system support and access to these resources. Outcomes will be tracked to support future efforts to secure similar funding if the initiative is successful.

Timeline: July 1, 2022
- Planning
- Training content and resource development
- Communication
- Training
- Monitoring

Sustainability plan: One Time. May require a .25 to .50 FTE dedicated to ongoing content and resource development.

Health IT Infrastructure

Activity Overview: Develop a provider Health IT Infrastructure grant for provider. The movement of the system towards increased outcome monitoring and better continuity of care will take an investment in infrastructure for our HCBS providers.

- Estimated Number of Awards Unknown
  - Estimated Award Maximum $200,000
  - Estimated Award Minimum $30,000

Timeline: Effective January 1, 2022
- RFP development
- RFP Issuance

Sustainability plan: One-time cost

Expanded Access

Budget: $84,000,000

Provider and service access across the state can be a barrier for a number of reasons. Providers may be willing to expand services geographically or enhance services for those individuals with complex or specialized needs but lack the up-front investments and resources needed to do so. Utilizing this funding to invest in sustainable provider expansion is critical at a time where need is increasing.
Behavioral Health, Aging, and Disability Services System Evaluation (Study)

Activity Overview: Contract with a vendor to conduct a study and gap analysis of the Behavioral Health, Aging, and Disability Services System including the HCBS Waiver programs. This will include an analysis of the services available, costs and utility of HCBS benefits incorporated into waivers, make recommendations for realignment of the service menus across the Behavioral Health, Aging, and Disability Services System.

Service system realignment should account for the interconnectivity between Medicaid State Plan, HCBS Waivers and MHDS Regional coverage of services and supports.

Contract will include technical assistance and implementation support as a result of the system evaluation report and findings.

Timeline: Report completed by January 1, 2022
- Effective July 1, 2022
  - RFP
  - Contract

Sustainability plan: One-time cost to complete the study. Although we are anticipating budget neutrality the recommendations identified in the study may require legislative appropriations to fund the additional expenditures beyond 2024.

Behavioral Health, Aging, and Disability Services System Realignment Implementation

Activity Overview: The state is requesting to reserve a portion of funds to be used on specific areas that are identified as gaps or barriers to access and quality as part of the system evaluation. This will provide the state flexibility to invest in focused activities that will improve the system in a strategic and objective manner Contract with a vendor to provide implementation support as a result of the system evaluation report and findings. Service system realignment should account for the interconnectivity between Medicaid State Plan, HCBS Waivers and MHDS Regional coverage of services and supports.

Contract will include technical assistance and implementation support as a result of the system evaluation report and findings.

Timeline: Initiate Implementation Recommendations July 1, 2022
- Effective July 1, 2022
  - RFP
  - Contract

Sustainability plan: One-time cost to complete the system realignment. Although we are anticipating budget neutrality the recommendations identified in the study may require legislative appropriations to fund the additional expenditures beyond 2024.
Targeted Case Management (TCM) Assistance with Waiver Applications

Activity Overview: Contract with the TCM vendor to assist with the waiver application process to ensure people are applying for correct waiver and assist with TCM tasks as needed.

- The Department currently contracts with DHS TCM to provide case management services to the HCBS Waiver Fee-for-Service (FFS) populations on the AIDS/HIV, Health& Disability, and Physical Disability Waivers. The Department could use the same reimbursement methodology to reimburse DHS/TCM for assisting members with the application and referral processes. The intent is to provide an intake function, single point of entry, appropriate waiver application, obtaining the necessary documentation to support LOC, and connecting to other DHS services such as In home health related care (IHHR).

- This could link with a project to do a one-time screening of the members on the waitlists today.

Timeline: Effective 07/01/2022

- Amend the DHS TCM contract
- Establish the referral processes
- Establish SOP
- Administrative Rules – Screening Process

Sustainability plan: May require legislative appropriations to fund the additional expenditures beyond 2024 but the goal is to find a sustainable solution through other mechanisms.

Development Grant - Community-Based Neurobehavioral Rehabilitation Services (CNRS) pilot for children

Activity Overview: Building provider capacity through the development of one or more pilots to serve children with neurobehavioral needs in a residential setting to avoid out of state (OOS) placement and hospitalization.

- Pilot project providers may include those providers that are currently enrolled to deliver residential CNRS and other providers that are qualified through training and experience to serve this population.

- Estimated Number of Awards 4-8
  - $500,000 per project

Timeline: Effective: January 1, 2022

- RFP development
- Competitive bidding
- Training
- Implementation
Sustainability plan: Pilot results would be used to support any requested appropriations in subsequent years.

**Development Grant - Residential Services Pilot For Children With Complex Behavioral Needs**

Activity Overview: Building provider capacity through the development of one or more pilots to serve children with complex behavioral needs in a residential setting to avoid OOS placement and hospitalization.

- Pilot project providers may include Children’s Mental Health Waiver, Behavioral Health Intervention Service (BHIS), and Psychiatric Medical Institution for Children (PMIC), and other providers qualified through training and experience to serve this population.
  - $350,000 per project

Timeline: Effective: January 1, 2022

- RFP development
- Competitive bidding
- Training
- Implementation

Sustainability plan: Pilot results would be used to support any requested appropriations in subsequent years.

**Development Grant - Residential Service Pilot For Adults Transitioning Out of Correctional Environments**

Activity Overview: Building provider capacity through the development of one or more pilots to serve hard to place adult’s transitioning out of a correctional environment. May include adults with convictions for violent crimes who have completed restitution but are in need of ongoing care and support to live successfully in the community.

- Pilot project providers may include HCBS service providers, intensive psychiatric residential treatment providers, Behavioral Health Service (BHS) providers and other providers qualified through training and experience to serve this population.
  - $300,000 per project

Timeline: Effective: January 1, 2022

- RFP development
- Competitive bidding
- Training
- Implementation

Sustainability plan: Pilot results would be used to support any requested appropriations in subsequent years
Development Grant – Therapeutic Foster Home Pilot.

Activity Overview: Building capacity through the development foster parent trainings and support when caring for children with complex behavioral needs and trauma informed care. Medicaid would support the foster parent and child through necessary constellations of services.

- Pilot project providers may include licensed foster families, foster care agencies, and group foster care facilities
- $300,000 per project

Timeline: Effective: January 1, 2022

- RFP development
- Competitive bidding
- Training
- Implementation

Sustainability plan: Pilot results would be used to request appropriations in subsequent years

Expand Remote Support through HCBS Provider Technology grants

Activity Overview: One-time grant to purchase technology and equipment to support the direct delivery of HCBS. Remote Support allows an off-site direct service provider to monitor and respond to a person’s health, safety, and other needs using live communication, while offering the person more independence in their home. Remote support uses two-way communication in real time, just like Skype or FaceTime, so a person can communicate with their providers when they need them. This allows for a person to be more independent in their home without a provider being on site. The service also includes supports like sensors that can call for help if a person has fallen or cameras that show who is at the door. The HCBS Waivers currently cover Personal Emergency Response services (PERS) HCBS providers currently use the Night Owl system to provide for overnight monitoring of members who do not require the physical presences of a direct support staff.

One-time grant to purchase technology and equipment to support the direct delivery of HCBS may include:

- Member monitoring system installation costs
- Purchase of IPADs or laptops for HCBS service sites/ programs
- Purchase of IPADs or laptops for HCBS members
- Purchase of Electronic Health Record System
- Estimated Number of Awards Unknown
  - Estimated Award Maximum $50,000
  - Estimated Award Minimum $10,000

Timeline: Effective: July 1, 2022
Sustainability plan: One-time cost

**Workforce Support**

**Budget: $57,000,000**

While workforce is a substantial concern for a number of sectors, this is an area of particular concern for Home and Community Based Service providers across the state that has only been made worse by the pandemic. Investing in meaningful and sustainable solutions to attracting and retaining individuals to the important work of Home and Community Based Services is critical.

**Expand Direct Care Registry**

Activity Overview: Expand the current direct care registry managed by DIA and/or create a platform to include the personal care service providers such as CDAC and CCO employees to record their service area, hours of work, experience, training, credentials, availability for work and waiver program enrollment if applicable.

- During the 2021 Legislative session, HF672 was introduced. This bill was related to the development of an implementation plan for a centralized direct care workforce database.

Timeline: July 1, 2022

- Fiscal Analysis
- Planning
- RFP development
- SPA
- Administrative Rules
- Training
- Implementation

Sustainability plan: Requires funding to provide the FTE or contract support to maintain the registry unless it can be absorbed into an existing appropriation or staff function.

**One-time Recruitment/Retention Provider Payments**

Activity overview: Provider payments would serve the purpose of assisting qualified HCBS providers to fund recruitment and retention of direct support professionals. Grant
funds must be used to cover costs related direct support professional wage increases, recruitment and retention incentive payments to direct support professionals.

Estimated an average of $2500 (pre-tax) to be paid to 20,000 direct support professionals (including individual and agency providers).

Timeline: January 1, 2021
- Develop the provider payment process
- Identify qualified providers
- Make payments

Sustainability plan: One-time cost.

**Budget and Next Steps**

**Budget**

Iowa Medicaid has provided the spending plan budget in Appendix A.

**Next Steps**

Iowa Medicaid will continue to develop detailed project plans for each proposed project area. These plans will include clearly articulated goals, timelines, partners, and budget projections. Plan will be modified based on feedback provided by CMS. Once CMS approves the Iowa Spending plan, Iowa Medicaid will schedule additional stakeholder engagement opportunities to continue to refine and implement plans. For projects that require ongoing financial support through legislative appropriation, Iowa Medicaid will develop and submit requests to the State Legislature for review during the next legislative cycle.
## APPENDIX A. Iowa Medicaid Proposed HCBS ARPA Budget

### I. Reinvestment Calculation

<table>
<thead>
<tr>
<th>Service Category</th>
<th>FFY 21</th>
<th>FFY 22</th>
<th>FFY 23</th>
<th>FFY 24</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Match - 50% Admin</td>
<td>50.00%</td>
<td>50.00%</td>
<td>50.00%</td>
<td>50.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>State Match - 75% Admin</td>
<td>75.00%</td>
<td>75.00%</td>
<td>75.00%</td>
<td>75.00%</td>
<td>75.00%</td>
</tr>
<tr>
<td>State Match - 100% Admin</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### II. Spending Plan Detail

<table>
<thead>
<tr>
<th>Activity</th>
<th>FFY 21</th>
<th>FFY 22</th>
<th>FFY 23</th>
<th>FFY 24</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Health, Aging, and Disability Services System Evaluation (Study)</td>
<td>$1,388,889</td>
<td>$1,388,889</td>
<td>$1,388,889</td>
<td>$1,388,889</td>
<td>$1,388,889</td>
</tr>
<tr>
<td>Development Grant - Therapeutic foster home pilot</td>
<td>$555,556</td>
<td>$555,556</td>
<td>$555,556</td>
<td>$555,556</td>
<td>$555,556</td>
</tr>
<tr>
<td>Expanded Access</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

### Combined Reinvestment Amount

<table>
<thead>
<tr>
<th>Total</th>
<th>103,934,444</th>
</tr>
</thead>
</table>

*Projections are subject to change*