INITIAL ENHANCED HCBS SPENDING PLAN AND NARRATIVE

July 2021

Kentucky Department for Medicaid Services
Anne Marie Costello, Acting Deputy Administrator
Department for Health and Human Services
Centers for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, MD 21244-1850

Dear Ms. Costello,

The Kentucky Department for Medicaid Services (DMS) welcomes the opportunity to share Kentucky’s spending 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. In accordance with that request, this plan includes an outline of our key spending priorities and estimated expenditures by category. We also agree to submit quarterly spending plans and narratives by the deadlines outlined in the letter and we assure CMS of the following:

- Kentucky 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;
- Kentucky 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;
- Kentucky will not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- Kentucky 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
- Kentucky will maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.
Kentucky has a strong history and commitment to providing a robust set of HCBS aimed at rebalancing long-term services and supports (LTSS) and behavioral health services toward community settings, allowing individuals to be served in the most appropriate and least restrictive settings.

Anne Marie Costello
July 12, 2021
Page 2

The following spending plan is the result of collaboration between the Department for Behavioral Health, Developmental and Intellectual Disabilities and the Department for Aging and Independent Living within the Cabinet for Health and Family Services. This collaboration is a key component to ensuring a successful implementation of this spending plan. Kentucky remains committed to improving how HCBS are accessed and delivered throughout the state and will continue to work to ensure this coordination and integration occurs.

The designated contact for future communication and questions related to the spending plan is Pam Smith, Division Director of Community Alternatives within DMS.

I look forward to continuing conversations related to the spending plan and ensuring Kentucky continues to make strides in improving the HCBS service delivery model.

Sincerely,

Lisa Lee, Commissioner, Department for Medicaid Services

C: Eric Friedlander, Secretary
   Wendy Morris, BHDID Commissioner
   Victoria Elridge, DAIL Commissioner
   Pam Smith, Division Director, Community Alternatives
# TABLE OF CONTENTS

## INTRODUCTION ................................................................. 2
  - Waiver Participation by the Numbers ........................................... 3
  - Survey Participation and Results ................................................. 4

## SPENDING PLAN NARRATIVE ............................................. 5
  - Budget Overview ......................................................................... 5
  - Guiding Principles ....................................................................... 6
  - Priority Investments ..................................................................... 7
    - Workforce and Provider Development:
      - Building and Retaining a Network of Paid HCBS Caregivers .......... 7
    - Improve Ease of Access to HCBS ................................................. 9
    - Crisis Services ........................................................................... 12
    - Tools and Transformation .......................................................... 13
    - Project Management and Administrative Support ....................... 14
  - Timeline and Next Steps ............................................................ 14
INTRODUCTION

The Kentucky Department for Medicaid Services (DMS) is pleased to present the following Home and Community Based Services (HCBS) Spending Plan and Narrative for the enhanced federal medical assistance percentage (FMAP) offered under section 9871 of the American Rescue Plan (ARP) Act signed on March 11, 2021. This spending plan and narrative applies to all six of Kentucky’s 1915(c) HCBS waivers:

- Acquired Brain Injury (ABI)
- Acquired Brain Injury Long Term Care (ABI LTC)
- Home and Community Based (HCB)
- Model II Waiver (MIIW)
- Michelle P. Waiver (MPW)
- Supports for Community Living (SCL)

These six waivers serve Kentuckians who have an acquired brain injury, are aged or have a physical disability, are ventilator dependent, who have an intellectual or developmental disability, who are medically fragile or complex, or a combination of all. These individuals are valued members of communities across the Commonwealth. Kentucky’s waiver services offer the supports individuals need to remain in those communities, to live as independently as possible, and to age in place. In creating this spending plan and narrative DMS understands Kentucky must:

- Use the federal funds attributable to the increased FMAP to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021.
- 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.
- Not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021.
- Preserve covered HCBS, including the services themselves and the amount, duration, and scope of those services that were in place on April 1, 2021.
- Maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.
Waiver Participation by the Numbers

Kentucky has 505 enrolled waiver providers across the six waivers.

<table>
<thead>
<tr>
<th>Provider Type (PT)</th>
<th>Number of Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABI</td>
<td>65</td>
</tr>
<tr>
<td>HCB</td>
<td>154</td>
</tr>
<tr>
<td>MIIW</td>
<td>11</td>
</tr>
<tr>
<td>SCL</td>
<td>275</td>
</tr>
</tbody>
</table>

It is important to note some provider types deliver services to participants in multiple waivers.

- **ABI PT**
  - ABI and ABI LTC

- **HCB PT**
  - ABI LTC, HCB, and MPW

- **MIIW PT**
  - MIIW

- **SCL PT**
  - SCL and MPW

These providers serve more than 28,000 participants across the six waivers. HCB is Kentucky’s largest waiver and MIIW is the smallest. Both MPW and SCL have waiting lists for services.

- **ABI** 285
- **ABI LTC** 388
- **HCB** 12,793
- **MIIW** 29
- **MPW** 10,221
- **SCL** 4,768

DMS formed an internal, cross-agency workgroup to determine how best to use the enhanced FMAP funding. The workgroup reviewed and analyzed current utilization data from Kentucky’s 1915(c) HCBS waiver programs, reviewed programmatic enhancements and needs identified through the 1915(c) HCBS waiver redesign study, considered feedback from advocate groups, providers, individuals receiving services, individuals on waiver waiting lists, families, and other community leaders, and collected input through two surveys – one of 1915(c) HCBS waiver providers and the other of 1915(c) HCBS waiver program participants.
Survey Participation and Results

DMS conducted two surveys in May 2021. The first survey solicited responses from providers regarding the recruitment and retention of direct service providers. The second survey solicited responses from waiver participants regarding the quality of services they receive, their satisfaction with those services, and whether those using the PDS option are experiencing issues with employee recruitment and retention.

More than 50% of Kentucky’s 1915(c) HCBS waiver providers responded to the provider survey. The following findings indicate finding staff to deliver services is a challenge regardless of the service delivery method.

- 52% of traditional service providers reported having difficulty delivering scheduled services due to lack of staffing. 55% reported this occurred at least weekly. Another 23% reported it happened two to three times a week.
- 65% of Financial Management Agencies (FMA)/Support Brokers reported that participants using PDS have difficulty recruiting and retaining employees.

DMS asked if providers began experiencing workforce issues before or during the COVID-19 pandemic. Half of providers said they began to experience these issues before the pandemic and half said during the pandemic.

Providers are using a mix of recruitment methods including social media and online job sites. They cited lack of response to job postings followed by low or non-competitive compensation as barriers to recruitment. They indicated compensation played a role in the difficulty they have retaining employees as well.

In addition to surveying providers, we also surveyed participants and the individuals who support them as well as individuals currently on waitlists for services. These results highlighted freedom of choice, ability to receive services in their home and community, building relationships with staff, and flexibility as the reasons waiver was important to them. The top five priorities this group listed as needed waiver improvements are:

- Better technology needed
- More services to choose from
- More money to pay PDS employees and direct service providers
- More service hours
- More providers to choose from

In addition to the provider and participant survey, DMS asked advisory committees comprised of providers, advocates, participants, legislators, and community resources. Five associations or groups submitted formal letters of recommendation. The proposed initiatives are listed in the table below.
Proposed Initiative | AARP | K4A | KAPP, KAAD | THRIVE
--- | --- | --- | --- | ---
New Waiver Slots | X | | X | X
Enhance Direct Support Professionals (HERO pay, bonuses, hazard pay, OT, raises) | | X | X |
Lost Revenue | X | | X | X
HSL One-Time Grants | | X | X | X
Home Modifications | X | X | | |
Assistance with Accessing Vaccine | | X | | |
Broadband Access | | X | | X
Dental | | | | X
DME (not otherwise approved) | | | X | |
Expand ADRC | | X | | |
Expand Adult Day | | X | | |
Expand Conflict-Free Case Management | | X | | |
Expand MFP (Intensive Case Management) | | X | | |
Expand other caregiver support services including Supportive Housing and Adult Day | | X | | |
Expand Personal Care Supports | | X | | |
Expand provider capacity for mental health and substance use disorders and rehabilitation services | | X | | |
Expeditae Eligibility for HCBS | | X | | |
Eyeglasses | | X | | |
Family Caregiver Support (Assessment) | | X | | |
Family Caregiver Support (Education, Training, Counseling, Legal Consultations) | | X | | |
Family Caregiver Support (Payment for Care) | | X | | |
Family Caregiver Support (Respite) | | X | | |
Family Caregiver Support (Support Group) | | X | | |
Hearing Aids | | | X | |
One-time funding to maintain independence | | X | | |
PACE Program | | | X | |
Personal Care Items | | X | | |
PPE | | X | | |
Temporary Provider Rate Increase | | X | | |

**SPENDING PLAN NARRATIVE**

**Budget Overview**

Initial estimates indicate that the Commonwealth of Kentucky will save approximately $104 million in state funds from the 10 percentage points of enhanced FMAP for HCBS expenditures between the eligible period of April 1, 2021, and March 31, 2022.

<table>
<thead>
<tr>
<th>SFY 2020-2021</th>
<th>SFY 2021-22</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26 Million</td>
<td>$78 Million</td>
<td>$104 Million</td>
</tr>
</tbody>
</table>

After reinvesting the savings and drawing down a federal match on eligible expenditures, Kentucky will have an estimated $499.6 million to spend across three state fiscal years.
<table>
<thead>
<tr>
<th>SFY 2020-2021</th>
<th>SFY 2021-22</th>
<th>SFY 2023-24</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$255.5 Million</td>
<td>$139.4 Million</td>
<td>$104.7 Million</td>
<td>$499.6 Million</td>
</tr>
</tbody>
</table>

**Guiding Principles**

Kentucky Medicaid’s mission is to be a diverse and inclusive organization providing programs, services, and supports that protect and promote the health and well-being of all Kentuckians and is based on the following five core values:

- Equity
- Health and Well-Being
- Structural economic support
- Resilient individuals and communities
- Operational excellence.

DMS is excited for this opportunity to improve Kentucky’s 1915(c) HCBS waiver programs. To ensure best use of this unique opportunity created by the ARP, DMS developed a set of guiding principles. These principles are driven by a desire to deliver the best programs possible to Kentuckians and to foster collaboration with internal and external stakeholders. Any proposed updates should:

1. **Address Immediate Needs, Stabilize, and Reimagine** - DMS intends to prioritize changes to ensure those issues most in need of resolution are addressed first. These have been identified through program data analysis, stakeholder engagement activities, and observations from cross-agency program staff. The next level priority is stabilizing the current waiver programs. DMS plans to implement long-term solutions to improve the quality and efficiency of current services. With a more stable system, DMS can reimagine Kentucky’s waiver programs by potentially updating service menus and serving additional populations in need of community supports.

2. **Be Holistic and Developed with a Cross-Agency Approach** – In Kentucky, three state agencies within the Cabinet for Health and Family Services (CHFS) work together to administer 1915(c) HCBS waivers: DMS, the Department for Aging and Independent Living (DAIL), and the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID). As referenced earlier, DMS created a CHFS workgroup comprised of representatives from all three agencies to ensure proposals consider the needs of all waiver and waiver populations.

3. **Be Informed by Stakeholder Input** – In the years before COVID-19, Kentucky began a project to redesign the state’s six 1915(c) HCBS waivers. DMS traveled across the Commonwealth and met with waiver participants and their families who told us “nothing about us, without us.” It’s a request we’ve taken to heart in the ensuing years. When creating this proposed spending plan, DMS re-visited what participants have told us historically and asked for new input as well. DMS does not limit stakeholder engagement either. DMS seeks input from caregivers, community supports, advocate groups, and individuals currently on waitlists or seeking to receive services regularly. DMS considered historic feedback from providers and solicited new feedback. Provider input is also critical as they cannot deliver quality services if we don’t meet their needs too.

4. **Be Quality and Outcomes Driven & Fiscally Responsible** – Acting in alignment with our mission, DMS seeks to continue to expand access to care and improve health care equity across the state. The
The pandemic has highlighted the disparities in healthcare amongst the very diverse population in Kentucky. Many of our participants live with multiple chronic conditions of varying complexities and have very limited natural supports. The social and economic barriers many encounter on a routine basis intensify their needs and their inability to successfully care for themselves. Critical to ongoing success is that any investments into the program are founded on objective data, quality-driven, and outcomes-based to provide a foundation for improvements to continue.

**Priority Investments**

Using our mission and guiding principles as a guide, DMS developed a list of priority initiatives. Consideration was given to requests received from stakeholders including advocate groups and provider associations; foundational work started as part of Kentucky’s waiver redesign project, and based on review of data including person-centered service plans, utilization, and enrollment and provider data. These investments will create the foundation and infrastructure to recover from the pandemic and foster innovation and redesign of the Kentucky HCBS system. Initiatives fall into the following categories:

- Workforce and Provider Development
- Service Access
- Crisis Services
- Technology and Transformation
- Project Management – Administrative Support

**Workforce and Provider Development:**

**Building and Retaining a Network of Paid HCBS Caregivers**

**Budget: 35%**

**Approximately $174.86 Million**

The provider and participant surveys DMS conducted in May 2021 confirmed what we have long heard from stakeholders—finding and retaining highly qualified paid caregivers is a challenge for both traditional provider agencies and participants hiring PDS employees. A strong provider base with a robust network of direct service professionals (DSP) and participant directed services (PDS) employees is critical to the success of 1915(c) HCBS waiver programs. These paid caregivers are often involved in the most personal parts of a waiver participant’s life and it is critical they are trustworthy and invested in the participant’s safety and success. Not only must a waiver participant be satisfied with the care they receive, but they must also be comfortable with the caregiver. This means the workforce needs to be diverse with a wide range of ages, races, ethnicities, and cultural backgrounds represented.

High turnover rates create a barrier to a culture of trust and safety among DSPs or PDS employees and waiver participants. DMS recognizes investments in recruitment, training, and retention of skilled workers must be made to improve participant satisfaction, experience, and outcomes.

The role of the DSP has changed over time. These professionals have moved from providing hands-on care only to teaching individuals, supporting their person-centered choices, and assisting them to become integrated and engaged in their community. Training programs should have required training modules, offer health equity, disability or condition-specific training, and be available in multiple modalities.
To facilitate a stronger HCBS workforce, DMS proposes the following initiatives:

<table>
<thead>
<tr>
<th>Initiative #1:</th>
<th>Incentive and Recovery Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>DMS issued one-time retainer payments through Appendix K to Adult Day Health and Adult Day Training Centers that experienced a 50% or greater loss in claims payment due to COVID. DMS proposes making additional payments to providers who continued delivering in-home services during the public health emergency. These incentives would include a direct wage pass-through requirement as well as funds that could be used to enhance recruitment, provide retention bonuses or hero pay for those individuals providing direct services. Services that may be eligible include: Personal Care/Attendant Care Services, Case Management, Participant Directed Supports, and Community Residential Programs. Additional funds would be provided to ADHC and ADT providers to enhance center efforts to build back programs including redesigning the service model and program to be more community integrated. The funds could also be used to assist in redesign of centers to comply with distancing and expanded infection control measures and provide reimbursement for additional equipment purchased to meet these requirements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative #2:</th>
<th>Workforce Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Direct Support Professional (DSP) is a job title unfamiliar to most people outside the HCBS community. Many people equate the type of care provided by DSPs as the same as a Certified Nursing Assistant or Personal Service Attendant in a Nursing Facility or Hospital setting. The term Direct Support Professional has traditionally been used when talking only about individuals who work with the IDD population. We would explore partnerships with local high school vocational programs to develop a Direct Support Professional Track in addition to the Certified Nurse Aide track. This effort would also involve participating in high school career days and other marketing campaigns to highlight the DSP job, its rewards, and its potential as a career path. We would also explore discussions with area technical schools and colleges about the development of a direct service professional certification.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative #3:</th>
<th>Central Employee Registry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Explore the development of a central employee registry of direct support professionals. This registry would provide a repository of employee names and contact information of professionals who had completed the necessary training and pre-employment screenings to facilitate recruitment and onboarding. The registry would also allow providers or individuals choosing the PDS delivery model to list opportunities and allow job seekers to find opportunities in a central location. The registry would be available to both traditional and participant directed service providers and participants.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative #4:</th>
<th>Training Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Review the current training platform and explore options for new platforms that supports all learning styles, allows for continued education, and facilitates acquisition of skills needed to advance their career as a caregiver to waiver participants.</td>
</tr>
</tbody>
</table>
Create standard training that would serve as a foundation and be based on quality standards

Focus on person-centered and disability-specific training for both DSPs and PDS employees.

Expand training to include education on supporting individuals with complex or exceptional care needs.

Stakeholder engagement- Provider and DSP buy-in is critical to the success of a training program. Develop a workgroup comprised of a variety of stakeholders who are empowered to bring ideas and who review potential new training approaches.

Increase and coordinate training programs to reduce potential institutional bias among medical professionals.

<table>
<thead>
<tr>
<th>Initiative #5:</th>
<th>Career Ladder and Advancement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Invest in a training curriculum that would allow individuals and providers to build from a foundation and explore increased compensation for advanced training. Explore tiered payments and advancement opportunities for employees and provider agencies who complete specific training paths.</td>
</tr>
</tbody>
</table>

**Improve Ease of Access to HCBS**

**Budget: 30%**

Approximately $149.88 Million

Kentucky is currently embarking on a comprehensive reform of its Long-Term Services and Supports system. The key objective is to make the system more person-centered while offering service equity choice of delivery method, and rates that support choice of qualified service professional and provider.

Aging and Disability Resource Centers administered by the local Area Agencies on Aging and Independent Living and the regional Community Mental Health Centers serve as the access points for individuals who may be eligible for Medicaid or desire waiver supports. The ADRCs and CMHCs provide streamlined access to information and resources, short-term case management, and benefits enrollment support across the spectrum of LTSS.

Many individuals seeking assessment by either of these agencies are found to be eligible for Medicaid yet have no idea which services are available to them much less how to begin accessing those services. These state and ancillary staff are the only connection between an individual in need and available support services. Consistent and thorough training of staff is critical to success and early intervention.

Multiple screening or assessment tools are currently used and present a barrier ultimately delaying access to needed services that could result in diversion or delay in the need for Long-Term Services and Supports. We believe it is also paramount to have a tool that screens and captures the social determinants of health ensuring a holistic view of the individual. Comprehensive screenings and knowledgeable staff will also ensure that individuals who are waitlisted for HCBS waiver services are connected to state plan or community resources to meet their immediate needs. Funds will be utilized to support the following initiatives:
<table>
<thead>
<tr>
<th>Initiative #1:</th>
<th>No wrong door, comprehensive assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>The six waivers currently use four different outdated assessment tools that were developed internally and, except for the Supports Intensity Scale for the SCL waiver, and are not statistically valid or reliable. We will leverage funds to purchase access to a nationally recognized assessment tool that can be used across populations and that will provide a base for a continuum of care and to ensure the right services are provided at the right time. We will also use the enhanced funding to support obtaining assessment licenses, training, assistance in using the data for program improvement, technical assistance to assist in identification of promising practices, and benchmarking our performance. We will utilize the funding to support the technology changes that will be required when making the assessment changes and to ensure that information gathered in the operating agency is accessible in the Medicaid agency. Through enhanced technology, we hope to provide more holistic insights into individual needs, align care across programs and agencies, and move towards a more integrated and outcomes-based approach. Kentucky will accomplish this through system upgrades, updated data management resources, expanded data partners, and enhanced development capacity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative #2:</th>
<th>Training of State and Ancillary Staff</th>
</tr>
</thead>
</table>
| Description:  | We will use funding to support cross-training of ADRC/CMHC/APS/Medicaid eligibility staff on a wide array of LTSS topics to develop a deeper bench of LTSS professionals. Kentucky will invest in additional technical assistance and training options to support:  
- LTSS expertise training to develop a deeper bench of LTSS experts  
- Business acumen training for HCBS providers  
- Extra training for all staff in LTC applications  
- Additional training and support for adult protective service workers and cross-training of all staff in adult protective service protocols |

<table>
<thead>
<tr>
<th>Initiative #3:</th>
<th>Support Caregivers and Address Health Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>To determine how to better support caregivers, Kentucky will also leverage funding to gather crucial feedback from the caregiver community to better understand existing gaps in the continuum of supports and create a strategic plan to address the identified gaps. Contractual support is needed to implement the caregiver survey, gap analysis, and strategic planning to implement recommended changes in accordance with the results of the survey and gap analysis. Upon the completion of the survey, resources may be used in support of fulfillment of the strategic plan and could include additional support of the existing caregiver resource centers. Through the resource centers, family caregivers will receive the tools, information, and services that they find most helpful. Kentucky is committed to providing quality care for all individuals but acknowledges that health inequities exist. The cabinet specifically is committed to the development of comprehensive, sustained, community-based health equity. In consultation with stakeholders, including members of minority...</td>
</tr>
</tbody>
</table>
communities and individuals in rural settings, we will assess the current barriers they face in accessing HCBS services. Leveraging the funds, we will develop a plan to measure, analyze, and respond to inequities in long-term services and supports.

<table>
<thead>
<tr>
<th>Initiative #4:</th>
<th>Waitlist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>There currently are waitlists for two of Kentucky’s six waivers. The waitlist for MPW services has grown to over 7,000 individuals; the average age of an individual on the waitlist is 16 years of age and individuals are on the waitlist for approximately 5 years before being allocated a slot. In addition, an average of 78 individuals are added to the waitlist each month. The SCL waitlist has more than 2,000 individuals with an average of 30 individuals added each month. Initial review of the data reveals that 90% of individuals on the SCL waitlist are accessing services in another waiver; however, only 15% of individuals on the MPW waitlist are accessing other waiver services or state plan services despite over 50% of the individuals being Medicaid eligible. Funds would be used to develop and conduct an assessment of individuals on the waitlist with a focus on connecting individuals to state plan or community services to meet immediate needs. Focus would also be on education of the individual and their support system of available resources with a goal to divert or delay the need for long-term services and supports. A study would also be conducted of the current waitlist procedures to develop a standardized waitlist management strategy as well as a comprehensive needs assessment including social determinants of health to develop a plan to meet needs and prevent institutionalization while waiting for an available slot in an HCBS waiver program.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative #5:</th>
<th>Review of Current Service Menu and Rate Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>A comprehensive study would be conducted of the service menu currently offered in each of the six current HCBS waiver populations. This would include analyzing service utilization, service definition, and rates across the waivers. Develop a consistent service catalog that would meet the needs of the populations being served without creating a “have and have not” culture between the waiver programs and populations. Standardize service definitions and provider requirements across waivers, which would allow and entice providers to serve multiple populations. Develop a strong rate methodology that would correspond to the service being provided versus the population being served and underscore equality amongst the programs. Explore a rate structure that will support tiered and value-based payment approach allowing for higher payments for exceptional supports and for those providers who had achieved certifications. Explore the addition of exceptional supports or enhanced supports in each waiver to allows individuals with higher care needs to be safely supported in the community. Affordable safe housing continues to be one of the largest barriers to individuals being transitioned from institutional settings to the community. The review of service offerings would include exploring developing an infrastructure to support housing for older adults and individuals with physical disabilities including assisted living, shared living, and technology-supported residential settings.</td>
</tr>
<tr>
<td>Initiative #6:</td>
<td>Immediate One Time Service Offering</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Description:</td>
<td>Create a plan that would allow individuals access funds for one-time expenses that are currently not paid for through the waiver or that expend a large portion of their annual budgets leaving little funds for other needs. The following items would be considered:</td>
</tr>
<tr>
<td></td>
<td>• Home Modifications and Repairs – To include costly adaptations such as bathroom or kitchen modifications or home repairs that would allow an individual to safely remain in their home</td>
</tr>
<tr>
<td></td>
<td>• Dentures, Glasses and Hearing Aids</td>
</tr>
<tr>
<td></td>
<td>• Technology devices to support telehealth and remote patient monitoring</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative #7:</th>
<th>Updates to PDS Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Currently, Kentucky’s Community Mental Health Centers (CMHC) and Area Agencies on Aging and Independent Living (AAAIL) perform financial management services for PDS. Utilizing different staff, these same entities provide Support Broker services to waiver participants who use the PDS option. There is no funding stream to support the pre-employment and onboarding costs of PDS employees. This creates a barrier to using PDS for many participants. To resolve these issues, DMS proposes setting aside a portion of the enhanced FMAP to cover PDS employee onboarding costs while the state develops an RFP for a financial management vendor to support the PDS program. The costs of onboarding staff would be included in the rate developed for the eventual vendor. This option would also promote consistency in payroll and allow for efficiencies such as direct deposit for PDS employees. This would also facilitate individuals working for multiple participants allowing for ease of onboarding, consistent tracking of time, tax, and payroll processing.</td>
</tr>
</tbody>
</table>

**Crisis Services**

**Budget: 20%**  
**Approximately: $99.92 Million**

Crisis situations often lead individuals residing in the community to seek treatment in an acute psychiatric hospital or institutional setting. These emergency placements many times result in long-term placements with barriers to the individual returning to the community. We recognize the importance of supporting and increasing community-based crisis stabilization including mobile crisis services and training of first responders. The following table outlines our initiatives planned to support the need for expanded crisis services.

<table>
<thead>
<tr>
<th>Initiative #1:</th>
<th>Acute and Transition Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Explore and provide startup funding for a targeted residential crisis program directed to address the gap in services for populations including those with co-occurring disabilities and those with involvement in the criminal justice system. Expanding crisis services including preventative services, staff, and first responder training would lead to earlier more targeted intervention that may decrease the need for hospitalizations, allow for shorter stays, and a more successful return to home and community settings.</td>
</tr>
</tbody>
</table>
### Initiative #2: 988 Crisis Response Line Initiative

**Description:** Coordinate with Kentucky’s 988 Planning Coalition to assess our current system capacity, create a roadmap to fill any assessed system/community gaps, and solidify a crisis system that delivers resources for those in need. The 988 initiative creates parity for mental health care access similar to that available for physical health through the 911 system.

### Initiative #3: Community Based – Mobile Crisis Services

**Description:** Explore and support efforts to increase mobile crisis services capacity. Services could include:
- Intensive In-home Services
- Walk-in Crisis Services
- Crisis Case Management
- Crisis Respite

---

**Tools and Transformation**

**Budget:** 10%
**Approximately:** $49.96 Million

Technology and tools are essential to the success of many planned changes. Additionally, the HCBS system data infrastructure is large and complex. Access to this data for analysis is essential to drive change, measure outcomes, and report to stakeholders.

### Initiative #1: Tools and Systems

**Description:** Technology and tools are essential to the success of many planned changes. Additionally, the HCBS system data infrastructure is large and complex. Access to this data for analysis is essential to drive change, measure outcomes, and report to stakeholders. DMS will use a portion of the funds to examine current technology and tools and to advance systems for both our administrative tasks and for efficiencies of the providers. For example, we will evaluate the capabilities of integrating provider electronic health records with our Medicaid Waiver Management Application to decrease or eliminate double entry by providers.

### Initiative #2: Expand the Use of Technology to deliver HCBS

**Description:** Incorporate telehealth visits as a permanent method for members to interact with health care professionals, case managers, and HCBS providers.

Expand availability of remote monitoring services to enhance the HCBS workforce and reduce unwanted intrusion in member's home(s).

Expand the use of assistive technology (AT) applications and devices to promote independence among HCBS recipients. Funds could be used to develop/deliver assessments that identify technology solutions most suitable for individuals as well as vendor matching activities to support delivery of AT from reliable vendors.

Evaluate the current compliance of EVV implementation and provide recommendations for systems improvement.
Initiative #3: Feasibility Study focused on Waiver Transformation

<table>
<thead>
<tr>
<th>Description:</th>
<th>Conduct a feasibility study of the current waiver structure to include transformation or reconfiguration of the waivers including the possibility of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• SMI/SED Waiver – to focus on supports of individuals with a severe mental illness and severe emotional disorders including housing and employment supports</td>
</tr>
<tr>
<td></td>
<td>• Waiver for Chronic Disease Management – to address the medical and/or HCBS needs of members with chronic disease management needs. The waiver would focus on early intervention, nutrition, health care education, and delivery of other evidence-based interventions to defer from unnecessary institutionalization.</td>
</tr>
<tr>
<td></td>
<td>• Children’s Waiver – to focus on early intervention and support of pediatric needs and supports.</td>
</tr>
</tbody>
</table>

Project Management and Administrative Support

Budget: 5% (approximately)

Approximately: $ 24.98 Million

Kentucky is committed to utilizing the funds made available from the ARP to promote waiver transformation with a focus on rebalancing in a fiscally responsible manner. A portion of the funds would be used to onboard project management to support the administrative functions of this endeavor and to support the state in activities to support changes such as reviewing existing regulations and waiver applications. In addition, the project manager would support the exploration and implementation of the Program of All-Inclusive Care for the Elderly (PACE).

Timeline and Next Steps

While initial high-level data analysis and stakeholder has begun in preparation for the submission of this initial plan, there is significant planning and work ahead. Between the submission of this plan and a receipt of response from CMS, DMS and our sister agency representatives will continue to develop a detailed project plan for the initiatives detailed above. These plans will detail budget projections, initiative leaders, communication plans and clearly articulated goals and objectives to measure success. Once Kentucky receives feedback from CMS, we will revise the plan as necessary, provide any requested clarifications or additional information and revise the proposed spending plan.
Our initial timeline is as follows:

**July 12:** Submission of initial narrative and proposed spending plan

**August - September:**
Receive CMS response, Initial stakeholder webinars and communications after approval, and submission of first quarterly report

**July 12 - August:**
Development of project plans, establishment of success measures

**October:**
Begin operationalizing ARP initiatives

Kentucky has a strong commitment to the individuals we serve and is excited for this unique opportunity to transform and enhance the way we support these individuals and their families.