Nebraska Home and Community–Based Services (HCBS) Spending Plan

JULY 12, 2021

Nebraska Department of Health and Human Services
July 12, 2021

Anne Marie Costello  
Acting Deputy Administrator and Director  
Center for Medicaid & CHIP Services (CMCS)  
7500 Security Blvd  
Baltimore, MD 21244

Dear Acting Deputy Administrator and Director Costello:

The Nebraska Department of Health and Human Services (DHHS) is pleased to submit its initial spending plan projection and narrative for enhanced funding for Medicaid home and community based services (HCBS) through the American Rescue Plan Act (ARPA) of 2021. Nebraska estimates that as much as $90 million may be available as a result of the temporary increase to the HCBS FMAP to enhance the system of Medicaid HCBS in the state. Nebraska DHHS, Nebraska’s single state Medicaid agency, will oversee the usage of these ARPA funds.

The additional ARPA funds available for Medicaid HCBS will help strengthen Nebraska DHHS’s mission to help people live better lives. In pursuit of this mission, DHHS is focusing its HCBS spending plan on three aspects of the system of services:

1. **Opportunities for Providers**: Pursuing new ways to provide support to service providers
2. **Opportunities for Clients**: improving access to and quality of services
3. **Infrastructure and Delivery System Improvements**: enhancing and streamlining the delivery of Medicaid services

Input from stakeholders was vital to formulating this spending plan and its associated initiatives. Medicaid staff held two stakeholder listening sessions to gather ideas directly from people who interact with the HCBS system daily. The DHHS Division of Developmental Disabilities (DDD) also reached out to stakeholders similarly. The Medicaid and Developmental Disabilities divisions at DHHS worked together to determine which ideas would likely work best. DHHS prioritizes enhancing this system of services while recognizing that the additional funds available through the ARPA are time-bound and limited in nature. The opportunities outlined in these initiatives allow DHHS to enhance Medicaid HCBS via one-time expenditures.

In addition to the initiatives detailed in this proposal, DHHS is continuing to explore additional opportunities to enhance its Medicaid HCBS system. DHHS plans to provide information on
additional opportunities in future spending plan updates. These additional opportunities include:

- Exploring workforce development initiatives such as hiring and retention bonuses for direct care providers and case managers;
- Exploring opportunities to address care gaps for high need populations, such as incentivizing the movement of individuals from congregate settings to independent settings; and
- Enhancing the state’s existing quality improvement organization contract for quality management staffing support

Nebraska will continue to work closely with stakeholders in all areas of the HCBS system to be certain these initiatives are implemented successfully. Nebraska Medicaid continuously seeks new ways to improve its services and delivery system. These ARPA funds will allow the state to pursue even more opportunities. To this end, Nebraska assures CMS that:

- The state is using the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;
- The state is using 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;
- The state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- The state is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

As previously indicated, Nebraska DHHS, as Nebraska’s single state agency for Medicaid, will serve as the Operating Agency for the HCBS ARPA initiatives. Jeremy Brunssen, Deputy Director for Finance and Program Integrity with the Division of Medicaid & Long-Term Care, will serve as the primary contact for these initiatives. Mr. Brunssen served an important role in Nebraska’s outreach to solicit ideas from stakeholders for these initiatives, and he will continue to be involved by seeing that these initiatives are successfully implemented. He can be reached at Jeremy.Brunssen@Nebraska.gov or (402) 471-5046.

Sincerely,

Kevin Bagley, Director
Division of Medicaid & Long-Term Care
Nebraska Department of Health and Human Services
Table of Contents

Stakeholder Outreach Summary .............................................................................................................. 5

Spending Plan Narratives ...................................................................................................................... 6

  Grants to agencies to purchase telehealth equipment ........................................................................ 6
  Convert or renovate facilities for other purposes or enhance purpose ............................................. 6
  Funding of non-federal share for Administration on Community Living (ACL) grants for the State Unit on Aging ......................................................................................................................... 7
  Procure a fiscal intermediary and change the rate methodology for personal assistance services and chore services ........................................................................................................................................ 8
Stakeholder Outreach Summary

On May 24, 2021, Nebraska Medicaid announced two stakeholder listening sessions via the program’s website and direct correspondence with several provider associations in Nebraska. Both sessions were held on May 27, 2021, at 8:30 a.m. and 6:00 p.m. Central. During these sessions, Medicaid staff was able to share with stakeholders information regarding additional funding available through the American Rescue Plan Act for Medicaid home and community based services, and stakeholders were able to offer feedback on best ways to utilize these funds. There were approximately 160 attendees across both sessions. For stakeholders who were unable to attend these sessions, Medicaid accepted comments via email in the weeks following these sessions.

Medicaid staff gathered the feedback received during these meetings and over email, and worked alongside the Nebraska DHHS Division of Developmental Disabilities to compile the final set of spending plans detailed in this document.
Spending Plan Narratives

Grants to agencies to purchase telehealth equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>Funding for providers to purchase technology that will support provision of direct clinical services through telehealth and telemonitoring for two-way audio/video communication or technology for asynchronous management of chronic diseases. Providers would need to develop protocols for the utilization of the technology, ensure it is HIPAA compliant, and meet all state and federal regulations for the use of technology for telehealth and telemonitoring. DHHS will require providers to submit an application form and proposal that includes the services to be provided, technology overview, and budget request. Approved providers will need to maintain invoice records to submit to the state for an audit post-program implementation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeframe</td>
<td>Program will be rolled out 6 months from CMS approval of initial spending plan. Providers would have another 6 months to submit their funding requests.</td>
</tr>
<tr>
<td>How it enhances or expands Medicaid HCBS</td>
<td>Expands the use of technology and telehealth. Provides specialized supplies and equipment to agencies, which will allow greater access to HCBS through telehealth. Telehealth is especially critical in rural and other remote areas of the state.</td>
</tr>
</tbody>
</table>

Convert or renovate facilities for other purposes or enhance purpose

| Description | Make available a sum of money for physical improvements/conversions of established structures that include modernization and facility changes to support care provision to specific patient populations. Examples:  
- Nursing Facility to Rehabilitation facility, Day Rehabilitation, Assisted Living Facility  
- Therapeutic Group Home  
- Qualified Residential Treatment Program updates or conversion  
- Respite spaces Providers would be required to submit their project design and plan with cost estimates. The plan must identify how the project improves the client experience and the specific patient population for the facility type. Financial allocation would be done through the establishment of project progress benchmarks and incremental distribution. Specific project benchmarks would be outlined with grant approval, and 25 percent of overall |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Amount</td>
<td>The grant amount would be provided at start-up. Twenty-five percent would be distributed upon receipt of documentation of successful completion of benchmarks for stage 2, and 50 percent upon completion.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Timeframe</td>
<td>Six months for program roll out. Provider plans must be submitted within 2 years from project initiation.</td>
</tr>
<tr>
<td>How It Enhances or Expands Medicaid HCBS</td>
<td>Expanding provider capacity by providing nursing facilities or other institutional settings with funding to convert to assisted living facilities or to provide adult day services, respite care, or other HCBS. This would incentivize investment in communities to support persons in need of HCBS services, as well as increase potential services and access points across the state.</td>
</tr>
</tbody>
</table>

### Funding of non-federal share for Administration on Community Living (ACL) grants for the State Unit on Aging

<table>
<thead>
<tr>
<th>Description</th>
<th>ARPA grants from the ACL included all program areas usually funded by annual formula grants. The ARPA grants require state and local match (whereas other emergency funding did not). The ACL ARPA awards are about $7.7 million, and require a non-federal share match of 15 percent and 25 percent (local and state), totaling about $1.2 million overall. This is an unexpected expense at the state and local level, as many programs are grant-funded and have limited outside resources. This proposal is to fund the non-federal share of the ACL ARPA grants from the FMAP savings from the HCBS enhanced FMAP, which benefit HCBS and Medicaid participants and the Medicaid system. The need is for the ACL project period, 4/1/21 – 9/30/24, with the additional 10 percent FMAP funds requiring to be spent by 3/31/24. The federal award is likely to be fully expended prior to the end of the enhanced FMAP expenditure allowed date of 3/31/24. Funds will support Area Agencies on Aging (AAAs) and local programs managed by the agencies that serve seniors across the state.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeframe</td>
<td>Issue sub-awards to AAAs by 10/1/21 (with spending authorized through 3/31/24).</td>
</tr>
<tr>
<td>How It Enhances or Expands Medicaid HCBS</td>
<td>Increases access to HCBS services.</td>
</tr>
</tbody>
</table>
Procure a fiscal intermediary and change the rate methodology for personal assistance services and chore services

<table>
<thead>
<tr>
<th>Description</th>
<th>This proposal is for two separate, but related activities. This would first pay for the costs of a rate study for PAS and chore services to develop a new methodology for establishing payment rate for these services. Second, this proposal would fund the implementation associated with a third party fiscal agent or fiscal intermediary who would process payments for these services when billed. These activities are eligible for administrative federal match at 50 percent.</th>
</tr>
</thead>
</table>
| Timeframe   | Development of new rate methodologies: 12-15 months  
Procurement and implementation of a fiscal intermediary: 24-30 months |
| How it enhances or expands Medicaid HCBS | Addresses provider complaints about PAS and chore services reimbursement rates. Increases efficiency of the state government to process and pay HCBS providers. |