

Alaska

American Rescue Plan Act-Enhanced Federal Medical Assistance Percentage Funding

Semi-Annual Spending Plan Narrative

Period: January 1, 2023 – June 30, 2023

Introduction

On January 31, 2022, the U.S. Centers for Medicare and Medicaid Services (CMS) granted Alaska conditional approval on its plans for home and community-based services (HCBS) expenditures as allowed under section 9817 of the American Rescue Plan Act of 2021 (ARPA), providing the state with an enhanced federal medical assistance percentage (eFMAP) in exchange for enhanced, expanded, or strengthened services. In the months since then Alaska has made significant progress on its plans, as will be detailed in the individual summaries below.

One significant change to highlight is that the Alaska Department of Health and Social Services determined that Project #3, the HCBS Critical Incident Detection System, could be funded through the state's existing authority and budget for Medicaid. We are therefore planning to remove this project from our ARPA eFMAP spending plans and allocating those funds (approximately \$1.3 million) to our Project #1, Reimbursements to Providers to Cover Costs Associated with Recruiting and Retaining Direct Support Professionals.

Please note that the Alaska Department of Health and Social Services has, through Governor's Executive Order, been reorganized into new departments, the Department of Health and the Department of Family and Community Services. This reorganization went into effect on July 1, 2022. The Division of Senior and Disabilities Services (SDS) is housed under the Alaska Department of Health and will continue to administer the ARPA eFMAP-funded projects without interruption.

This reporting period the Alaska Department of Health is seeking approval to add a new initiative to its ARPA eFMAP spending plan. The new initiative, *Meeting Alaska's Complex & Acute Needs in Home and Community-based Services*, would aid the Department in adding and amending service types to better serve highly acute individuals with complex needs that are not able to be served within the existing home and community-based service array in Alaska. These services are needed to address the extraordinary care needs of individuals with comorbidities, behavioral health concerns, and/or complex health issues. The state seeks to use Section 9817 funding that has not been expended on our original

projects, approximately \$4.69 million to provide support to services providers as described under Initiative #3, below.

Updates on Individual Initiatives:

Initiative Name	#1 Reimbursements to Providers to Cover Costs Associated with Recruiting and Retaining Direct Service Professionals (DSPs)
Description	<p>This effort would allow home and community-based providers to be reimbursed for the following types of costs they incurred in the qualifying period for ARPA eFMAP funding (April 1, 2021- March 31, 2022):</p> <ul style="list-style-type: none"> • Bonus pay for DSPs • Recruitment, retention, and referral bonuses for DSPs • Hazard bonuses for DSPs working through the pandemic • Overtime pay as the result of staffing constraints due to COVID • Paid leave for COVID needs (vaccination, sickness, quarantine, etc.) • Shift differential payment related to the pandemic • Personal protective equipment purchases • DSP vaccine incentive payments <p>At this writing, SDS is planning for a total of \$20 million (approximately 86% of its overall ARPA eFMAP funds) to be allocated for this project; that total may be increased in the future if estimates of available funds are refined. Additional funds will be distributed to providers through a second distribution expected to occur in March 2023.</p> <p>SDS is developing a system for providers to submit their expenditures by type and to track funds that are remaining. Providers are allowed to carry over unspent funds that were allocated in the base year. Payments won't be made more than the allocated amount; funds remaining will be redistributed across providers.</p>
How it enhances or expands Medicaid HCBS	<p>This effort will help alleviate HCBS staffing shortages and incentivize employment. This project is intended to provide immediate relief to providers that, despite the hardships of the COVID pandemic, have taken efforts to protect and retain their workforce. The reimbursement for these efforts will enable them to strengthen their agencies in the manner of their choosing, based on local and immediate needs.</p>
FFP Type Rationale	<p>This project will not incur any federal financial participation.</p>
Problem Statement	<p>HCBS providers are experiencing extreme staffing shortages as a result of the pandemic. These staffing shortages are resulting in unmet need among HCBS program participants.</p>
Target Populations	<p>All Medicaid waiver HCBS populations</p>
Status	<p>Underway.</p>
Progress in period Oct 1,	<p>Because this project had not received approval by December 31, 2022, Alaska has no status updates for this quarter's report.</p>

2021 – Dec 31,
2021

Progress in
period Jan 1,
2022 – June 30

Immediately upon receiving conditional approval of this project from CMS on January 31, 2022, SDS began the internal work and the collaborations with partners to ensure that the funding allocations and payment mechanisms for this project would lead to a smooth launch of this project by June 30, 2022 (the last day of the state fiscal year). On April 28, 2022, SDS conducted a public webinar to 116 attendees outlining the project's proposed funding structure, eligibility criteria, and time frames and soliciting questions and feedback. SDS spent the months that followed working out the technical details of how the release of the incentive funds would proceed. These efforts included:

- Collaborating with the department's Medicaid finance office to determine how much money (ARPA eFMAP funds) we had to distribute.
- Collaborating with the Department's Divisions of Health Care Services and Finance and Management Services to figure out the best way to issue and track the payments.
- Developing a fair and transparent methodology to determine how much money each agency would receive.
- Developing a mail merge that would enable us to put out a personalized letter and application.
- Developing a methodology for post-payment audits to ensure program integrity

During the week of June 6 – 10, 2022, SDS emailed letters to Alaska's 529 active, certified and enrolled home and community-based waiver services providers to notify each of the amount of funding for which they could be eligible. The deadline for applications to be returned was June 30, 2022 for the provider to be eligible to receive their allocations.

Review of applications and the first issued payments are expected to be made by 9/1/2022.

This project is a temporary activity that is anticipated to end by March 31, 2025. Because Alaska's home and community-based waiver services (HCBS) providers are experiencing unprecedented staff shortages due to the pandemic, other efforts underway at SDS (including Project #2, described below) are intended to add long-term sustenance to the state's HCBS.

Alaska has no plans to make any changes to this program in the coming months or request approval to change any HCBS program under this activity. Alaska has no plans to pay for capital investments or ongoing internet connectivity costs as part of this project.

This project is intended to strengthen HCBS under ARPA Section 9817. It provides reimbursements to providers who offer HCBS as listed in Appendix B of State Medicaid Director's Letter (SDML) #21-003. It is not focused on services delivered

Progress July 1, 2022 – Dec 31, 2022

in Institutions for Mental Diseases or other institutional settings, does not include room and board, or include services not listed in Appendices B, C, or D of the SDML. This project seeks to enhance the strength and durability of HCBS agencies so they may better serve HCBS recipients; it does not target beneficiaries, their family members, or unpaid caregivers directly.

Alaska was able to receive and approve applications in July of 2022 and began processing payments to providers in August of 2022 for reimbursement of eligible expenses. There were 529 active Home and Community Based Service providers eligible to apply during the initial eligibility period. Senior and Disabilities Services received 278 complete applications by the deadline and was able to distribute a total of \$6,311,275.20 in the first allocation.

State staff rated each application with an audit risk level of 0-4 based on established criteria. Alaska conducted prepayment audits on all level four risks prior to payment. Payments were adjusted as warranted by review of documentation to support reimbursements. A sample of audit risks 0-3 will receive a post payment audit after distributions are completed.

During the first allocation period four providers deemed audit risk 4 were removed from the eligible pool for failure to comply with the prepayment audit requests.

Alaska has recalculated remaining funds in the project and sent out letters December 2, 2022, for a second allocation. This effort would allow home and community-based providers to be reimbursed for the same types of costs as the first allocation, incurred during the period April 1, 2022- March 31, 2023. Applications are due on December 31, 2022, and Alaska intends to begin processing payments in early January 2023.

Progress in current reporting period (January 1, 2023 – June 30, 2023)

Applications for the second allocation period were received between December 2022 through April 10, 2023. Alaska distributed funds to providers from the second allocation before July 1, 2023. Payment distributions did not exceed allocation amounts, and records for those providers at audit risk level “4” were audited prior to payment.

During the review of applications for the second allocation, several providers inquired about whether they could have included payroll taxes in their request for reimbursement. Alaska had not considered those costs, and subsequently reached out to CMS to see if these were reasonable costs that could be covered since it was costly to providers to deliver incentives. CMS concurred that this was a reasonable request.

Alaska then opened an extra application round, only for those providers that had already claimed incentive bonuses or overtime due to COVID, and allowed for those providers to request reimbursement for the payroll taxes they paid in order to

provide the incentives. This application period closed in early June, and final payments are expected to be distributed in July of 2023.

Alaska does not intend to distribute any further funding under this project after August 1, 2023.

Initiative Name	#2 Direct Service Professionals (DSPs) training/professional development
Description	This initiative will offer enhanced training and support beyond current training requirements for the individuals who provide direct, hands-on care for those with disabilities and their families, incentivizing retention, and professionalism among this workforce. This initiative would be conducted in partnership with the University of Alaska Anchorage Center for Human Development which already has significant infrastructure and experience in offering training to DSPs.
How it enhances or expands Medicaid HCBS	Although DSPs are among the most critical supports for those receiving home and community-based services, the field has challenges recruiting and retaining workers. High turnover and vacancies jeopardize recipient safety and well-being, but enhanced training and professional expectations can result in reduced turnover and increased job satisfaction for workers an enhanced safety and well-being for service recipients. Additionally, the training will enable DSP to better serve individuals in home and community-based settings and improve outcomes.
FFP Type Rationale	This project will be offered under a contract to provide training that is expected to be eligible for 50% Medicaid administrative match. The incentives for provider agencies and direct support professionals will be paid through state general funds made available under ARPA and will not incur any federal financial participation.
Problem Statement	The need for an adequate workforce for all types of human services is urgent. High numbers of vacancies and turnover among DSPs are consistently noted by employers as one of their most significant challenges; they are stretched so thin in covering for the basic needs of their clients that they have no bandwidth to allow direct service professionals time and back-up support to engage in training, contributing to the cycle of challenges in recruiting and retaining staff.
Target Populations	An estimated 5,000 DSPs are working with the population served by the Division of Senior and Disabilities Services in Alaska. The project partners are currently developing eligibility criteria and expectations for DSPs and their employing agencies to participate in the pilot incentive project; at this time, we estimate enough funding for 175 DSPs to participate in the first cohort that would complete training in a two-year cycle. Ultimately our goal is for any current or future DSP to be eligible to receive this certification if they wish.
Status	Under development.
Progress in period Oct 1, 2021 – Dec 31, 2021	This initiative was part of Alaska’s initial HCBS eFMAP proposal and had received partial approval on September 21, 2021. CMS asked a clarifying question regarding this project in its partial response letter, namely whether the activity is targeted at providers delivering services that are or could be listed in Appendix B of the State Medicaid Director’s Letter. Alaska confirms that the training and professional development activities proposal is targeted at providers delivering services that are listed or could be listed in Appendix B of the State Medicaid Director’s Letter (SMDL).

Progress in period Jan 1, 2022 – June 30, 2022

During this reporting period, the Division reached agreement with the University of Alaska Anchorage Center for Human Development (UAA/CHD) Alaska Training Cooperative (AKTC) to conduct this training initiative, committing to funding the project through ARPA eFMAP dollars. SDS is now working on a reimbursable service agreement to transfer the ARPA funding for implementation of the project, to be effective July 1, 2022, and run through June 30, 2024.

SDS and UAA/CHD AK Training Cooperative did several presentations to stakeholders through March and April 2022 to inform about the planned project and a public webinar was held on April 28, 2022. 116 participants attended. The project partners provided an update of the plans for the UAA/CHD Alaska Training Cooperative to become an accredited entity to provide DSP certification and outlined a tentative incentive plan for individual DSPs and their employing agencies to apply to receive free training that would ultimately result in DSP certification, with cash incentives for both individuals and agencies as trainees reached certification benchmarks and milestones.

On April 25, 2022, the UAA/CHD Alaska Training Cooperative received provisional approval from the National Alliance of Direct Support Professionals to serve as an accrediting body for its DSP certification program. A critical element of accreditation is the establishment of an advisory council consisting of stakeholders in home and community-based services. SDS and UAA/CHD ATC solicited members and the advisory council now numbers 19. The Council is co-chaired by the Training Director of the Alaska Training Cooperative and the Deputy Director of the Division of Senior and Disabilities Services. Members of the Council include representatives from the Alaska Commission of Aging, Alaska Association of Developmental Disabilities, the University of Alaska Anchorage's Center for Human Development, Alaska Association of Personal Care Supports, recipients of SDS services, and numerous individuals representing the DSP workforce. The advisory council will help guide decisions around the training curriculum and development of the ARPA-funded DSP training and professional development program. The Advisory Council's first meeting was May 17, 2022. Rules of order and mission were established, along with an accreditation subcommittee.

SDS and the Alaska Training Cooperative conducted a poll of all HCBS providers beginning June 13 – 24 to gauge interest in participating in the pilot. Sixty-eight unique agencies responded, with roughly three-quarters expressing interest in participating in the pilot. The responses will provide guidance in structuring the pilot project and development of the application and selection process for DSPs and agencies to participate in this opportunity. At this writing we are still reviewing the poll responses.

While the training incentive aspect of this project will be a temporary activity, anticipated to end by March 31, 2025, SDS and the UAA/CHD Alaska Training Cooperative are laying the groundwork for the DSP certification program to be maintained long-term. We are seeking alternative funding sources (primarily to support ongoing accreditation), and at least one entity, the Alaska Mental Health

Progress in
period July 1,
2022 – Dec 31,
2022

Trust Authority, has expressed interest in support this initiative for some years past the end of the ARPA-funded lifespan.

Alaska has no plans to make any changes to these plans or request approval to change any HCBS program under this activity. Alaska has no plans to pay for capital investments or ongoing internet connectivity costs as part of this project.

This project is intended to strengthen HCBS under ARPA Section 9817. It provides an opportunity for direct support professionals to receive training in the application of best practices for HCBS as listed in Appendix B of State Medicaid Director's Letter (SDML) #21-003. It is not focused on services delivered in Institutions for Mental Diseases or other institutional settings, does not include room and board, or include services not listed in Appendices B, C, or D of the SDML. This project seeks to strengthen the skills of HCBS providers so they may better serve HCBS recipients; it does not target beneficiaries, their family members, or unpaid caregivers directly.

With information gathered through a poll of providers in June 2022, AKTC and SDS developed an application for agencies to participate in the pilot project for DSP certification for their employees. The application was released on July 25, 2022. AKTC also produced an instructional video to assist agencies in understanding the project and completing the application. This pilot would allow their staff to receive tuition-free education that meets certification requirements under the National Alliance for Direct Support Professionals (NADSP). They would also receive training support funds that support both the agency and participating staff. AKTC and SDS publicized the agency application through electronic messaging, presentations before stakeholders, and direct appeals. Agencies were permitted to apply for a maximum of 10 DSPs to participate. Deadline for the agency application was August 5, 2022.

By the deadline, 27 agencies from around Alaska had applied to participate in the project. Fourteen agencies were based in the population center of Anchorage, with additional agencies in Juneau, Wasilla, Bethel, Chugiak, Eagle River, Fairbanks, Homer, Ketchikan, Kodiak, and Palmer. Agencies ranged in size from those with over 100 employees to those with 5 or fewer. The application asked agencies how many employees they would be able to have participate in the project; a total of 178 employees were estimated. Agencies were notified in early August if their application was accepted.

AKTC and SDS then developed an application for the pilot DSPs. Deadline for receipt of the DSP application was August 19, 2022. The number of approved DSP applicants initially was 128. By September, when the training project was set to begin, 125 DSPs had committed to participate and registered for courses. By the end of December 2022, there were 111 DSPs continuing with the pilot.

As of January 6, 2023, DSPs had completed a total of 3,573 hours. Ninety-four DSPs had earned a 10-hour education E-Badge, 74 of these had earned a 25-hour E-Badge, and 17 had also earned their 50-hour E-Badge. The NADSP E-Badge

<p>Progress in current reporting period (Jan. 1, 2023 – June 30, 2023)</p>	<p>Academy provides an education track for DSP participants. The E-Badge Academy tracks accredited educational hours in the following increments: 10 hours, 25 hours, 50 hours, 75 hours and 100 hours. Once the 100 hours of accredited education is reached, DSPs are then able to continue their completion of specific coursework to achieve the DSP-I, DSP-II and DSP-III national certification.</p> <p>While the application process for the pilot project was underway, AKTC also devoted intensive effort to developing the NADSP accredited course list to be ready for the participants in the pilot training program. Fourteen courses ranging from Adverse Childhood Experiences to Trauma-Informed Care for the Front Line were organized to be ready for instruction by September 1st. AKTC received provisional accreditation from NADSP and continued to keep the members of our Advisory Council informed on progress through monthly meetings. A research professional from the University of Alaska Anchorage also participated in our Advisory Council and regular work group meetings to inform her evaluation of this project.</p> <p>As of June 27, 2023, 64 DSPs were continuing to participate in this initiative and were working toward certifications. These DSPs were working for 13 agencies around Alaska. Twenty-two (41%) individuals had been working as DSPs for 18-36 months at the start of the project and were part of the “new” cohort; 44 (59%) individuals had been working 37 months or more and were part of the “experienced” cohort who could apply previously completed training toward their certification. Eighteen DSPs had completed 100 training hours and received \$1,500 in training incentives; 46 had completed 75 training-hour badges and received \$1,000 in incentives. Their employing agencies also received incentives to support their staff participation in this project.</p> <p>The Alaska Training Cooperative developed and made available 102 total possible training hours for participants, held in multiple sessions on multiple dates and days of the week, offered through distance delivery formats. A total of 5,285 training hours were completed by the 64 DSPs as of June 15, 2023. The Alaska Training Cooperative continued under provisional accreditation from NADSP throughout this reporting period and expects to finalize its accreditation packet in the coming reporting period. In the coming six months the training cooperative will be focused on supporting cohort learning groups and mentoring work group sessions to assist DSPs in addressing NADSP certification competencies for Levels I-III certification.</p>
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<p>Initiative Name</p>	<p>#3 Meeting Alaska’s Complex & Acute Needs in Home and Community-Based Services</p>
<p>Description</p>	<p>This initiative will use Section 9817 funding to provide support for HCBS providers in better serving 1915(c) waiver-eligible individuals with complex needs (comorbidities, behavioral health concerns, and complex medical issues) by funding a complex care support team for training and consultation to build expertise in Alaska; and approving environmental modifications not covered under current</p>

	waiver services to allow homes to be modified to meet the needs of individuals requiring complex care.
How it enhances or expands Medicaid HCBS	This initiative will better position Alaska to assist individuals transitioning from institutions (psychiatric hospitals and residential centers, medical hospitals, prisons, and intermediate care facilities for individuals with intellectual disabilities), including those who have already been served in home and community-based settings but have lost their placements because of the significant challenges accompanying their care. This initiative will be conducted in conjunction with Appendix K amendments that will enable Alaska to launch service changes, by funding a support team to quickly assist with acute episodes or new behavior interventions, all while making HCBS waiver and state regulatory changes to support best practice identified through these temporary and short-term initiatives. By creating a more robust Complex Behavior team, Alaska hopes to see more individuals with complex care needs served in Alaska communities.
FFP Type Rationale	This initiative will not incur any federal financial participation until Section 9817 funds have been expended and service changes have been added and approved to the state’s 1915(c) base waiver agreements or PACAP, by March 31, 2025. The state then intends to sustain the activities under the state’s Medicaid program.
Problem Statement	Alaska is struggling to serve individuals with complex and acute needs in home and community-based settings. This problem predated the COVID-19 pandemic; but because the public health emergency allowed institutions to delay discharges of individuals, the development of adequate HCBS for complex-needs individuals also was delayed. Now, as more people are seeking less restrictive settings in communities, an inadequate number of homes are available, and others lack the staff resources, training, and support to serve those with particularly challenging needs such as unpredictable and violent behaviors. As a result, individuals who are waiver-eligible and could be served in home and community-based settings are instead residing in psychiatric hospitals, medical centers, and psychiatric treatment centers—places that are inappropriate long-term residences for anyone—while the state works to improve its HCBS system and options available.
Target Populations	This initiative will serve individuals approved on a case-by-case basis. They must be transitioning from an intermediate care facility for individuals with intellectual disabilities (ICF/IID), the Alaska Psychiatric Institute, a residential psychiatric treatment facility, or other out-of-state placement, and required the specialized care or staffing pattern reflected in the specialized acuity home. Individuals will be referred and approved through Alaska’s Crisis Response Team process and must meet 1915(c) waiver ICF/IID or nursing facility level of care to receive support through the complex care team or to receive home modifications not covered under the HCBS Waiver.
Status	Under development.
Progress in current reporting period (Jan. 1, 2023 – June 30, 2023)	The need to add this initiative to Alaska’s ARPA Section 9817 spending plans became fully apparent in the months between January and June 2023. The Department of Health convened several summits and established ongoing forums, in collaboration with other government agencies and non-governmental stakeholder groups, on the deepening crisis regarding the lack of services and placements for complex needs individuals. These included a Case Response Team

(CRT) that meets weekly to report on progress in locating services for individuals in acute crisis; a Complex Care Committee that surveys the gaps identified through the CRT and seeks long-term, systemic improvements to state services. Improved services for those with disabilities (frequently who are already approved to receive HCBS waiver services) consistently was identified as among the most critical needs.

On June 28, 2023, the Division of Senior and Disabilities Services met with several representatives from the Centers for Medicare and Medicaid Services via Zoom to discuss the potential and steps needed to use both the Appendix K process and ARPA Section 9817 funding to quickly facilitate changes that would enable us to better meet these critical needs. CMS advised that we submit our Appendix K proposal quickly and later gave permission for the Division to submit its updated ARPA spending plan by July 31 (about two weeks later than the posted submission date of July 18, 2023). The Division is grateful for the technical assistance and flexibility provided by CMS. With this guidance in hand, the Division solicited suggestion and feedback from partners such as the Division of Behavioral Health and the Alaska Association of Developmental Disabilities.

On July 12, 2023, the Division submitted an Appendix K amendment to CMS to add additional services under residential habilitation.

This ARPA Section 9817 request will:

1. Provide support to service providers by funding a complex care council or team for training and consultation, to build expertise in complex care in Alaska; and
2. Environmental modifications not covered under currently approved waivers to allow homes to be modified to meet the needs of individuals requiring complex care.

At this writing the Division was awaiting word on the approval of this amended Appendix K submission.

This project is intended to strengthen HCBS under ARPA Section 9817 and provides an opportunity for Alaska to better serve individuals with complex needs, through the application of best practices for HCBS as listed in Appendix B of State Medicaid Director's Letter (SDML) #21-003. It is not focused on services delivered in Institutions for Mental Diseases or other institutional settings, does not include room and board, or include services not listed in Appendices B, C, or D of the SDML. The state does not plan to pay for capital investments beyond environmental modifications as described above, or for ongoing internet connectivity costs.

Alaska confirms that this initiative is targeted at providers and services listed or that could be listed in Appendices B and C of the State Medicaid Director's Letter (SMDL).