

Alaska

American Rescue Plan Act-Enhanced Federal Medical Assistance Percentage Funding

Semi-Annual Spending Plan Narrative

Period: July 1, 2022 – December 31, 2022

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.

Updates on Individual Initiatives:

Initiative Name	#1 Reimbursements to Providers to Cover Costs Associated with Recruiting and Retaining Direct Service Professionals (DSPs)
Description	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):

	<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	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.
FFP Type Rationale	This project will not incur any federal financial participation.
Problem Statement	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.
Target Populations	All Medicaid waiver HCBS populations
Status	Underway.
Progress in period Oct 1, 2021 – Dec 31, 2021	Because this project had not received approval by December 31, 2022, Alaska has no status updates for this quarter's report.
Progress in period Jan 1, 2022 – June 30 2022	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 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.

Progress in last period (July 1, 2022 – Dec 31, 2022)

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.

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.
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

	<p>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.</p>
<p>Status</p>	<p>Under development.</p>
<p>Progress in period Oct 1, 2021 – Dec 31, 2021</p>	<p>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).</p>
<p>Progress in period Jan 1, 2022 – June 30, 2022</p>	<p>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.</p> <p>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.</p> <p>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.</p>

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 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.

Progress in last period (July 1, 2022 – Dec 31, 2022)

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 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.

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.