

# American Rescue Plan Act of 2021 (ARP) Section 9817: Overview of State Spending Plans

*CMS is providing a high-level overview of the states' planned activities based on spending plans reviewed by CMS*



## \$2,606 Additional Spending per Beneficiary

On average, states plan to spend an additional **\$2,606** for home and community-based services (HCBS) per beneficiary on activities that enhance, expand, or strengthen HCBS.

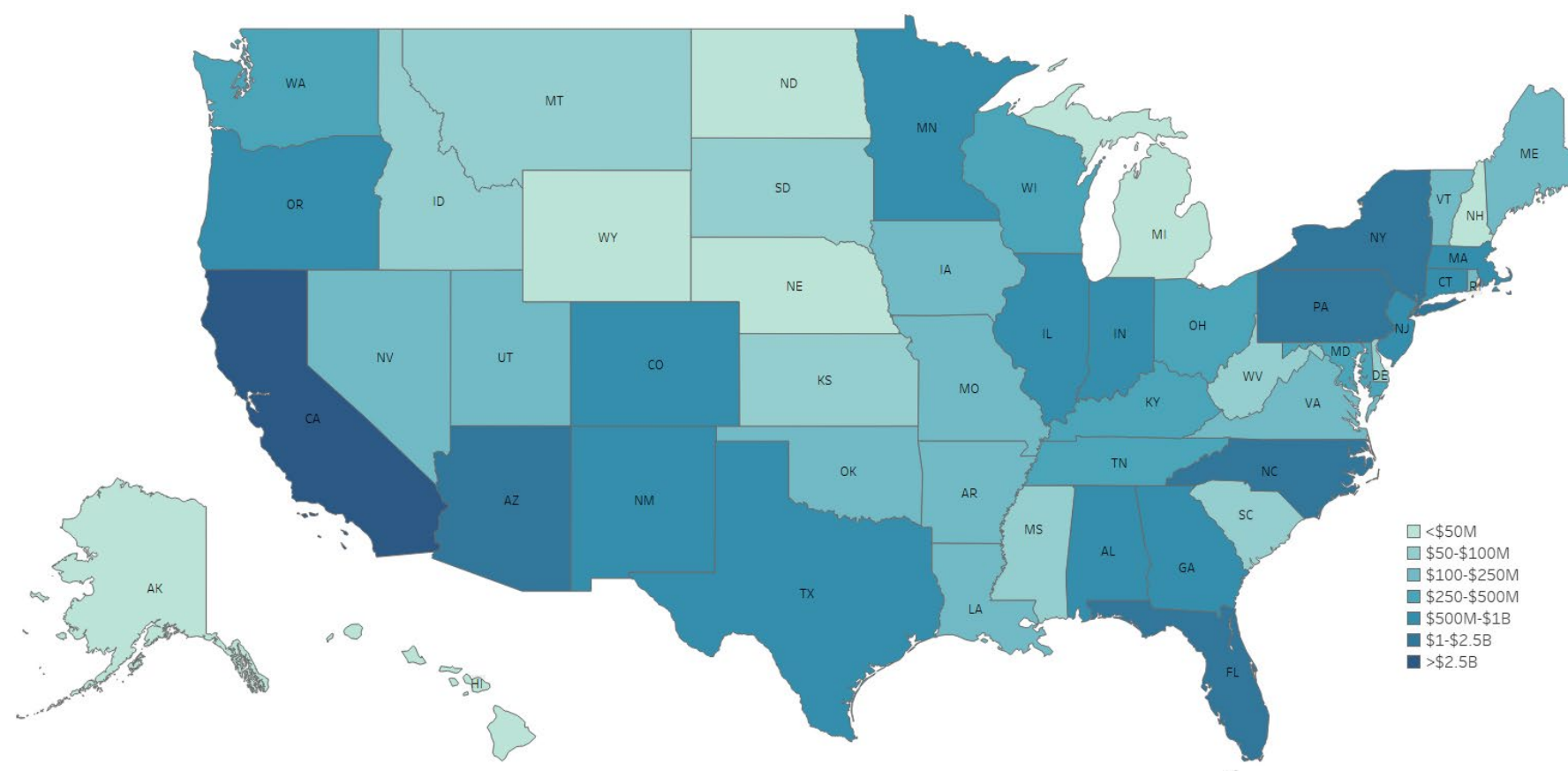


## CMS Has Approved All States' Spending Plans

All states can claim the 10 percentage point HCBS FMAP increase from April 1, 2021 to March 31, 2022<sup>1</sup>

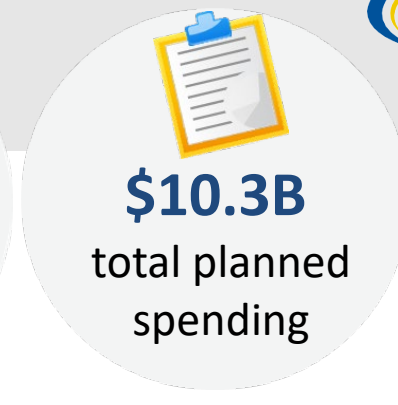
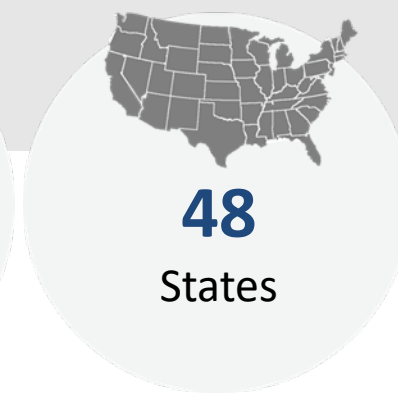
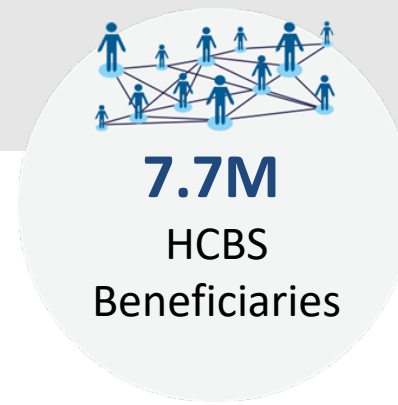
## Total of \$25B in Planned Spending Across States

According to states' spending plans submitted to CMS, each state plans to spend between **\$31.6 million** and **\$4.63 billion** in state and federal funds on activities that enhance, expand, or strengthen HCBS under Medicaid. These amounts will change as states further plan and implement their activities under ARP section 9817.



<sup>1</sup> For some states, CMS has asked the state to provide additional information before one or more proposed activities to enhance, expand, or strengthen HCBS in the state's spending plan and narrative can be approved, and/or has identified an activity that is not approvable under ARP section 9817. For all states, the approval to claim the FMAP increase is based upon the state's continued compliance with program requirements as stated in State Medicaid Director Letter #21-003 - <https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf>

# Most Commonly Proposed State Initiatives

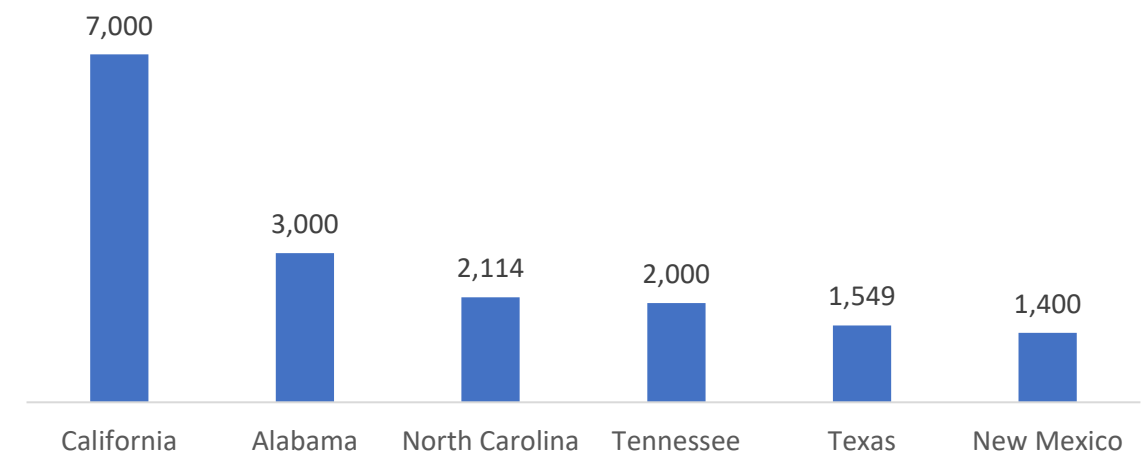


## 1. Expanding Beneficiary Services

States are expanding HCBS using various federal statutory authorities, such as section 1915(c) waivers, State Plan Amendments, or section 1115 demonstrations; implementing pilot programs; implementing efforts to reduce waitlists, increase access to services, and/or exploring new service models for individuals with complex conditions.

### States Proposing To Eliminate or Reduce Waiting Lists in HCBS

Number of Additional HCBS Slots Proposed <sup>2</sup>



### State Highlights: Continuing Programs Offered During the Public Health Emergency (PHE)

**Minnesota** proposes to create a new **Community First Services and Supports (CFSS)** program that expands the existing personal care benefit offered under section 1915(i) and 1915(k). This program will allow spouses and parents to become a support worker for their family members, allow goods to be purchased to aid independence, provide consultant services for person-centered planning, and allow direct service professionals (DSPs) to bill transportation time.

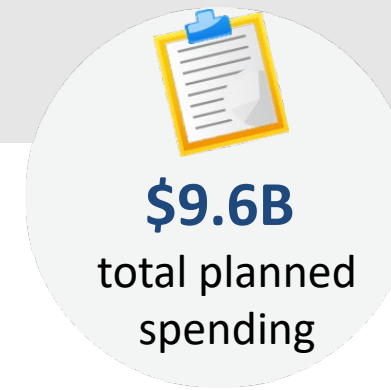
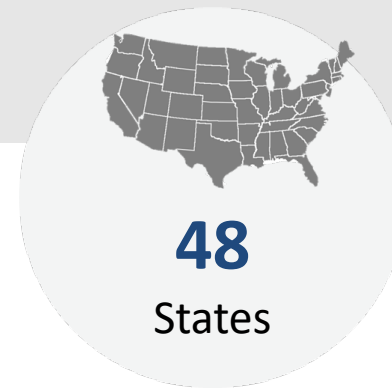
### State Highlights: Expanding Beneficiary Access to HCBS

**Illinois section 1915(i) Implementation** for children under the age of 21 with intensive behavioral health needs. Funds would support providers' program planning and service implementation activities, including training and onboarding of clinical staff, creating program policies and procedures, and establishing operational infrastructure and processes.

**Louisiana's Children's Medicaid Option (Act 421-CMO)** is a program that offers healthcare services to the population contemplated under section 134 of the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 (P.L. 97-248). This program will provide Medicaid benefits to children with disabilities who are under the age of 19, who are otherwise ineligible for such benefits because their household income exceeds state-established limits for Medicaid eligibility. With the additional funding made available through ARP section 9817, the state is able to allow for unlimited enrollment and open the program to all children who qualify.

<sup>2</sup> Only included data from states that specified additional HCBS slots in their spending plans. For Alabama, the proposed slot count is from the approved state's waiver amendment that state mentioned in their spending plan (AL.0068.R07.06). North Carolina will need legislative approval for 1,114 slots and 1,000 slots will not require such approval.

# Most Commonly Proposed State Initiatives



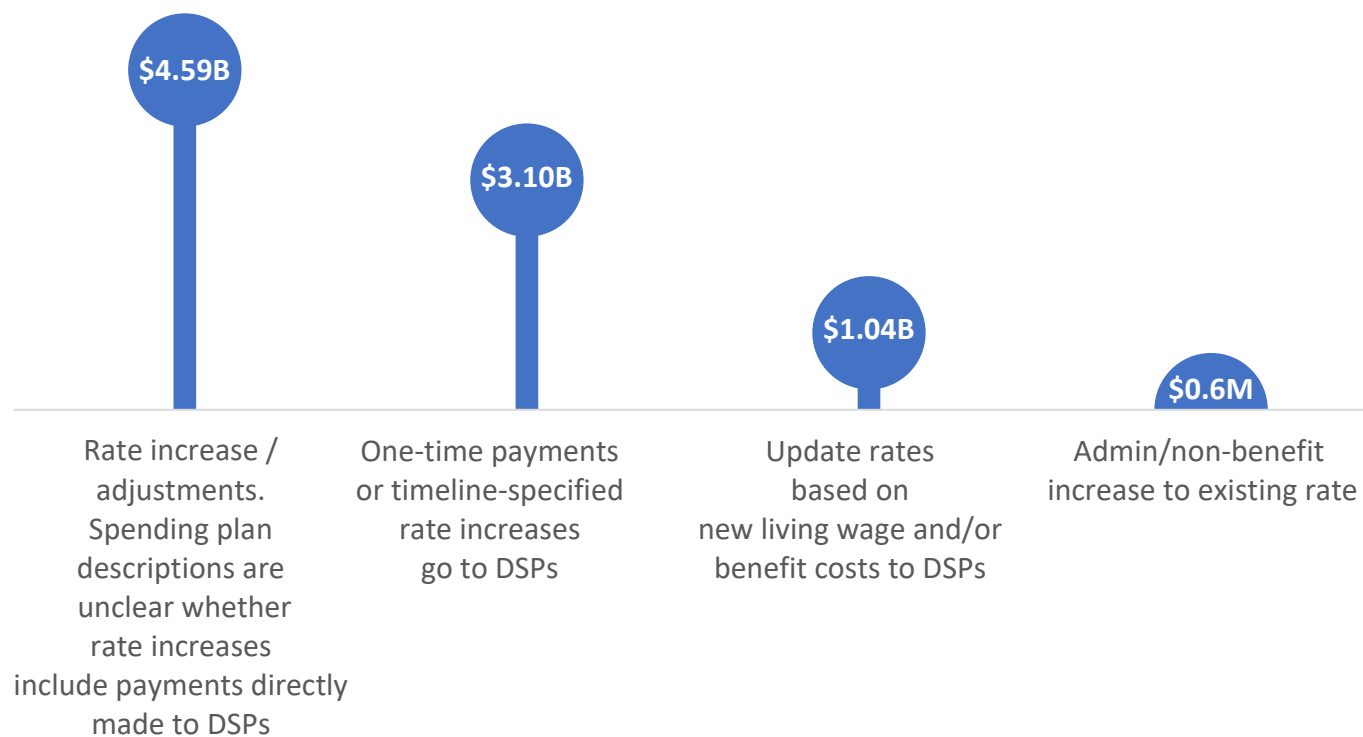
## 2. Strengthening the Provider Workforce

States are providing one-time payments to provider agencies and/or direct service professionals (DSPs), establishing DSP training and certification programs, creating workforce registries (e.g., statewide list of credentialed DSPs) and web-based hiring platforms that enhance employment opportunities and/or allow beneficiaries who self-direct services to find workers.

- States are proposing **\$4.59B** in total planned spending for **rate increases/adjustments**,<sup>3</sup> **\$3.10B** for **retention payments and one-time bonuses**, including **scholarships, loan forgiveness and/or training completion bonuses**, and **\$1.04B** to improve DSP compensation by offering **hourly wage increases and benefit packages**.

### Proposed Activities to Adjust Rates to Support DSPs

*Total Planned Spending*



### State Highlights: Payments to Retain and Recruit DSPs

**New Hampshire** is requiring their **managed care plans to pay uniform percentage increases** on top of negotiated rates for specific procedure codes to qualifying providers. The uniform percentage increases differ from code to code based on the services provided and vulnerability within the marketplace. Providers must **direct the payments to the workforce in the form of recruitment, retention, training and tuition reimbursement for relevant health care education, or career ladder development**.

### State Highlights: States' Workforce Development Efforts For The Future

**Kentucky** plans to provide **cross-training** of Aging and Disability Resource Center, Community Mental Health Center, Medicaid Eligibility, and Adult Protective Services staff **on LTSS topics to develop more experts**.

**California's Dementia Aware** program will implement annual cognitive health assessments to detect early signs of dementia and will develop a culturally competent dementia care training program. The **continuing education in geriatrics/dementia training** will be offered to all licensed healthcare providers.

<sup>3</sup> Some state spending plans did not include sufficient descriptions to specify whether rate increases/adjustments are going directly to DSPs.

# Most Commonly Proposed State Initiatives

## 3. Enhancing the Use of Technology and Telehealth



States are providing equipment to enable telehealth usage, expanding beneficiary access to assistive technology, and/or modernizing state Medicaid Management Information System (MMIS) / information technology (IT) infrastructure.

- **\$1.6B** in total planned spending from **18 states** to expand or begin **telehealth utilization** and provide necessary **equipment** to potentially **2.9M HCBS beneficiaries**.
- **\$516M** in total planned spending in **15 states** to improve **MMIS/EHR/IT infrastructure** to enhance service delivery to beneficiaries.

### State Highlights: Telehealth Pilots to Explore Payment Policies

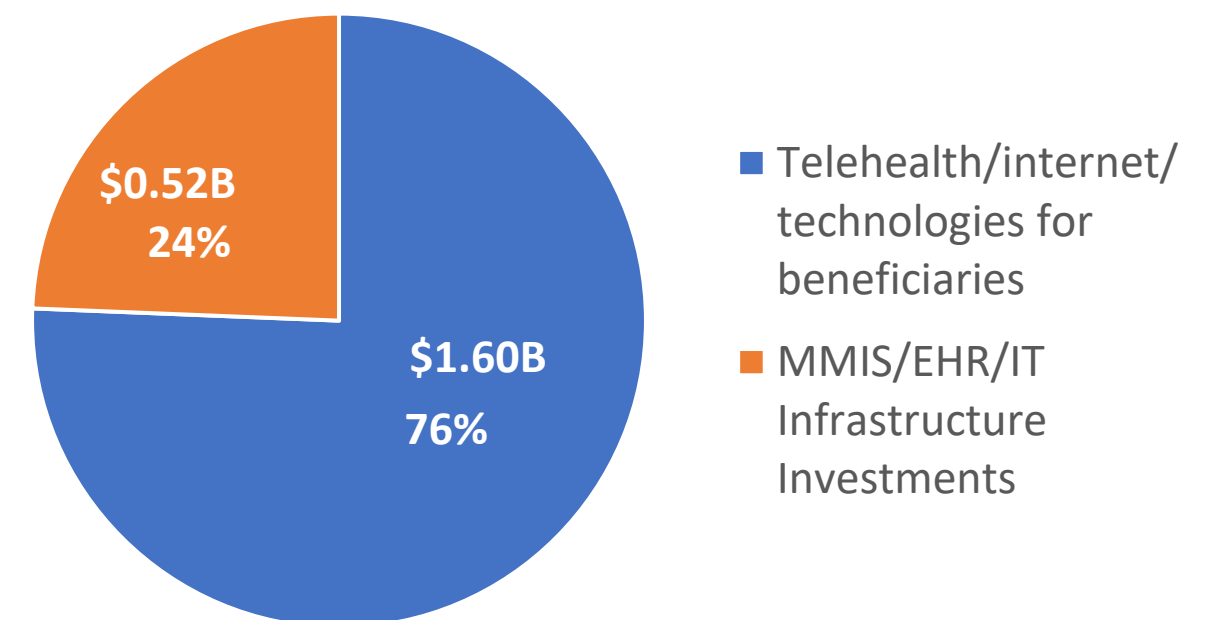
**District of Columbia** proposes a pilot program to test strategies that may be used to develop a **reimbursement policy for remote patient monitoring**. This pilot grant program will cover the cost of using remote patient monitoring services for individuals with chronic conditions or HCBS beneficiaries, especially those at risk for adverse outcomes due to COVID-19.

### State Highlights: Investing in IT Structure and Using Data for Insights

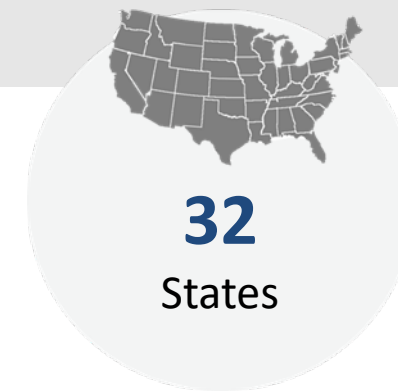
**Connecticut** proposes to expand data used to identify critical incidents through a **Critical Incident Management System Enhancements and Improvements** initiative. Currently using Medicaid claims data, this initiative will add Medicare and level of need data as well as admission, discharge, and transfer information to the claims that are reviewed.

**Georgia** plans to develop infrastructure to **incorporate electronic health records (EHR)** into the state's existing systems and incentivize providers to adopt EHRs.

**76% of the planned state spending related to enhancing use of technology and telehealth is related to expanding telehealth utilization and providing equipment to beneficiaries.**



# Most Commonly Proposed State Initiatives



## 4. Improving Quality

States are adopting new quality measures, implementing beneficiary experience surveys, and/or exploring outcome-based payment initiatives.

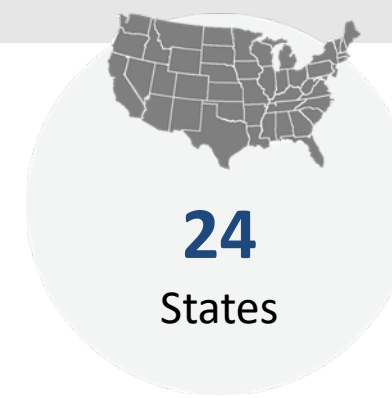
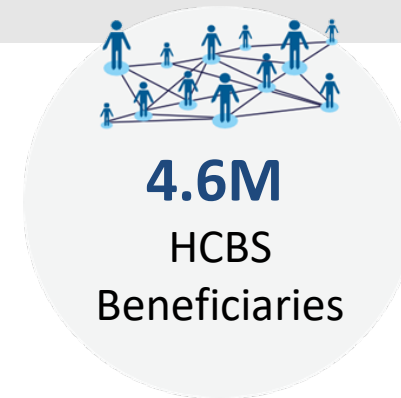
- **11 states** plan to explore **outcome-based payment initiatives for HCBS** that will move the state to begin performance and quality-driven payment systems.
- **14 states** propose to review and update existing **quality measures**.

### State Highlights: Outcome-Based Payment Encouraging Workforce Development

**Tennessee** proposes to **require their managed care plans to pay quality incentive payments to HCBS providers that will offset the first year costs of wage increases for frontline workers that complete a competency-based training program.** At each training milestone, providers would be expected to implement these wage incentives for frontline HCBS workers and may then seek a quality incentive payment to help offset the cost of these incentives during the first year. As a condition of receiving the quality incentive payment, the provider will agree to continue such incentives for the worker going forward and provide data to help evaluate the efficacy of the approach in increasing satisfaction and quality (for the person supported as well as the workforce) and in improving workforce recruitment and retention.

# Most Commonly Proposed State Initiatives

## 5. Impacting Social Determinants of Health



States are improving employment opportunities, addressing homelessness, providing housing supports, and/or providing grants to innovative providers.

- **\$266M** in total planned spending in **12 states** to **improve employment opportunities** for people with disabilities and older adults.

### State Highlights: Expand Pilot Incentive-based Payments for Supportive Employment Services

**Colorado** plans to **expand a supported employment pilot** to determine if expanding incentive-based payments for supported employment services within the section 1915(c) waivers is cost effective and produces positive outcomes.

### State Highlights: Expand Outreach and Engagement with People Experiencing Homelessness

**Washington State** proposes a **Homeless Outreach Stabilization Transition program** to expand outreach and engagement efforts to individuals with a substance use or co-occurring disorder to provide healthcare services and connect individuals to additional treatment and resources. Homeless outreach stabilization transition (HOST) teams consist of mental health, substance use disorder, and medical professionals who provide community-based medical and behavioral health treatment and stabilization services **to individuals who are experiencing homelessness.**