

Overview of State Spending under American Rescue Plan Act of 2021 (ARP) Section 9817, as of the Quarter Ending December 31, 2023

July 2024



ARP Section 9817

- On March 11, 2021, President Biden signed the ARP (Pub. L. 117-2) into law.
- Section 9817 of the ARP provided qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS) beginning April 1, 2021, and ending March 31, 2022. The funds must be used to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021.
- Section 9817 also requires states to use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement activities to enhance, expand, or strengthen Medicaid HCBS. CMS expects states to expend these funds by March 31, 2025.
- This increased funding represents an opportunity for states to identify and implement changes aimed at addressing existing HCBS workforce and structural issues, such as expanding the capacity of critical services, and beginning to meet the needs of people on HCBS waiting lists and family caregivers. This funding also provides states an important opportunity to enhance individual autonomy and community integration in accordance with the home and community-based settings regulation, Olmstead implementation, and other rebalancing efforts.
- CMS requires participating states to submit quarterly HCBS spending plans and semi-annual narratives on the activities that the state has implemented and/or intends to implement.
- For more information on ARP section 9817, please visit [Medicaid.gov](https://www.Medicaid.gov), [State Medicaid Director Letter # 21-003](#), and [State Medicaid Director Letter # 22-002](#).

ARP Section 9817: Overview of Planned Spending, as of the Quarter Ending December 31, 2023



\$4,966 Additional Spending per Beneficiary

Across all 51 states (including the District of Columbia), an additional **\$4,966** per beneficiary will be spent on activities that enhance, expand, or strengthen HCBS.



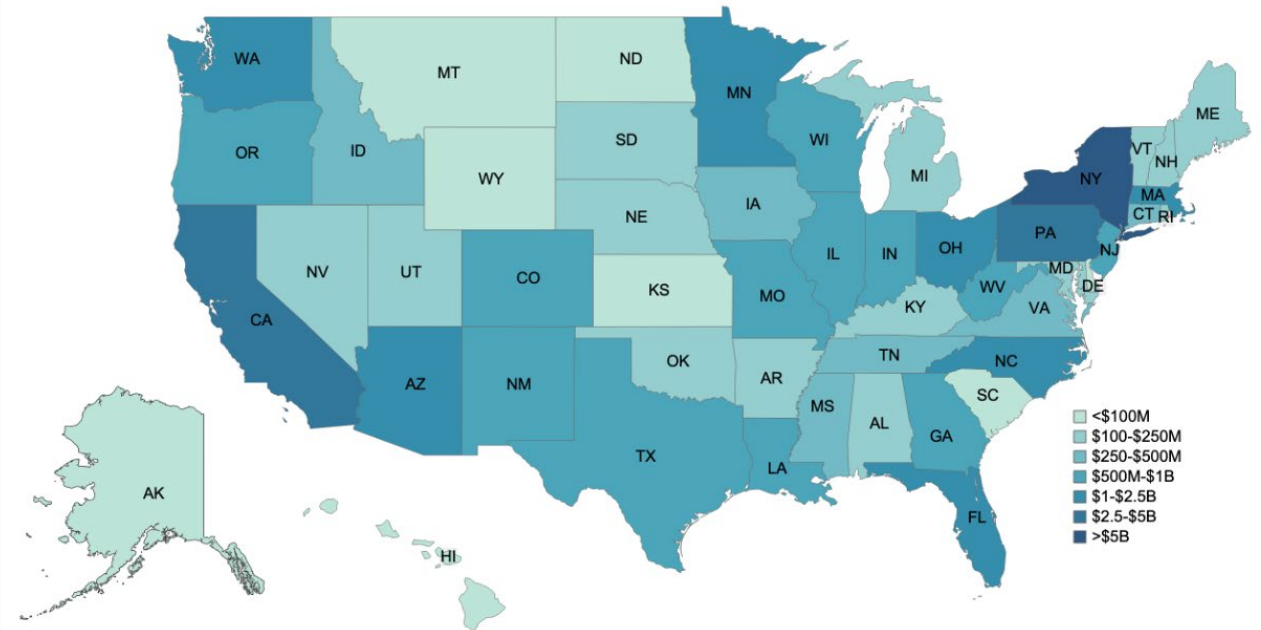
Total of 1,415 Activities Across States

Across all 51 states, **more than 1,400 activities** have been planned or completed to enhance, expand, or strengthen HCBS. The most common activity types include workforce recruitment and retention, workforce training, quality improvement, reducing or eliminating HCBS waiting lists, and developing cross-system partnerships.

Total of \$37.1B in Planned Spending Across States

According to states' spending plans submitted to CMS, each state plans to spend between **\$18.5 million** and **\$5.5 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.

Total Planned Spending by State



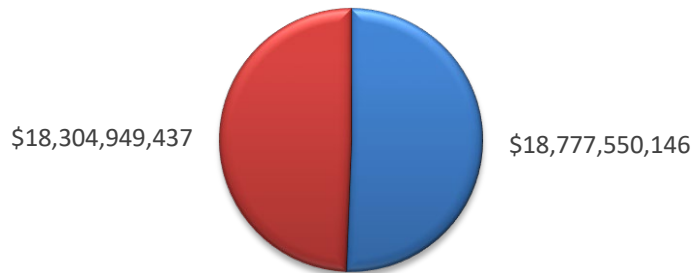
ARP Section 9817: Overview of Reported Spending, as of the Quarter Ending December 31, 2023



Total of \$18.8B in Reported Spending to Date

According to states' spending plans for the quarter ending December 31, 2023, states have spent approximately **\$18.8 billion** to-date in **state and federal funds** on activities that enhance, expand, or strengthen HCBS under Medicaid. This represents an average of **51%** of each state's total planned spending amount but is likely an underestimate of actual spending to date, due to the typical delays in state reporting on expenditures. These amounts will change as states further implement their activities under ARP section 9817.

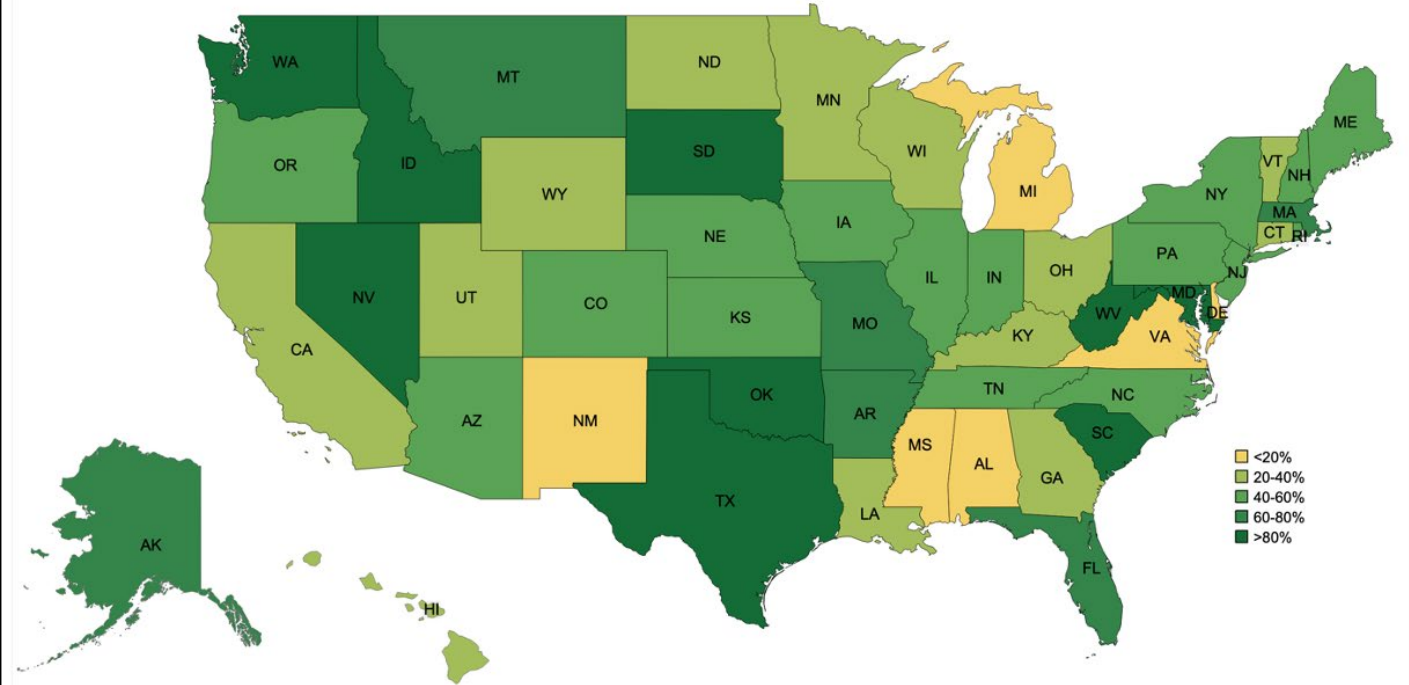
Reported Spending and Remaining Planned Spending



■ Total Reported Spending

■ Remaining Planned Spending Amount

Reported Spending as a Percentage of Total Planned Spending by State



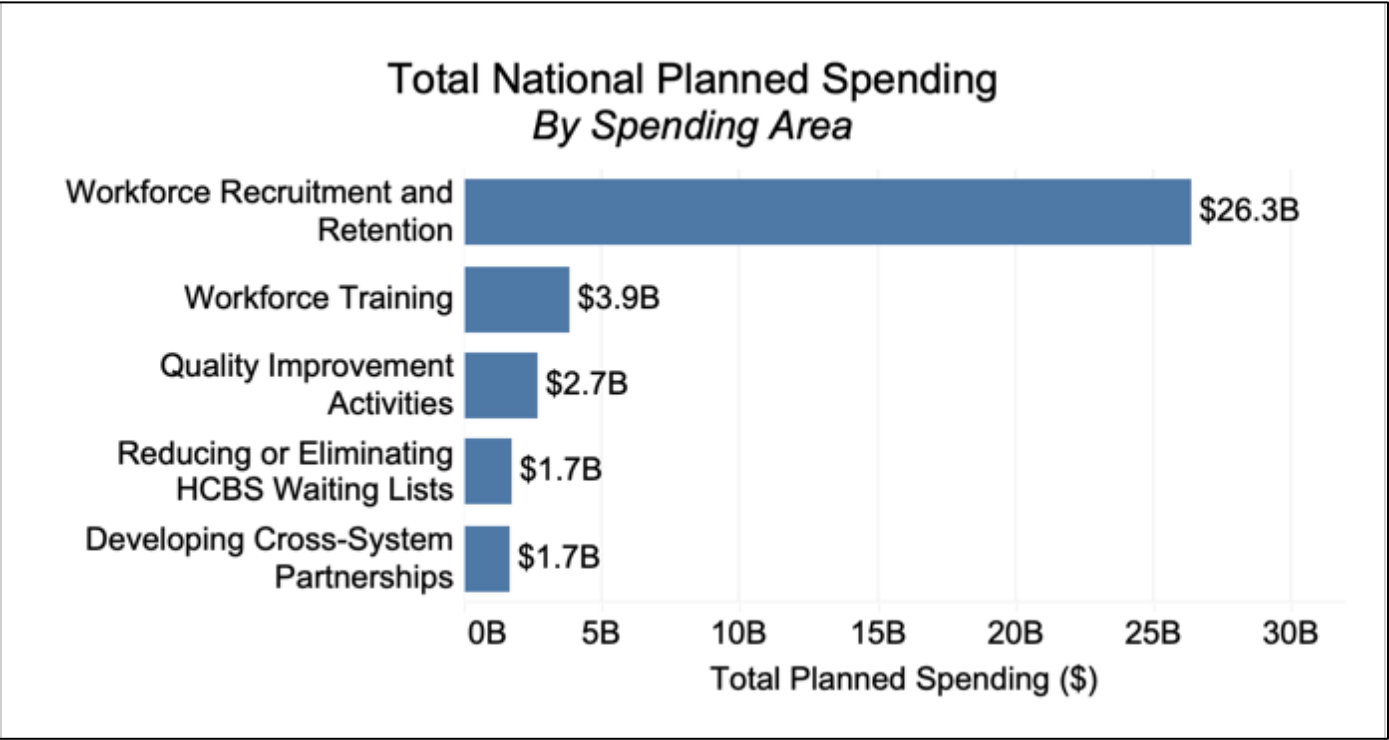
Most Common Activity Types by Planned Spending, as of the Quarter Ending December 31, 2023



Total National Spending Across Top 5 Areas of Total Planned Spending

The following five slides represent the top five areas of total planned spending across the 51 states (including the District of Columbia).

- 1. Workforce Recruitment and Retention
- 2. Workforce Training
- 3. Quality Improvement Activities
- 4. Reducing or Eliminating HCBS Waiting Lists
- 5. Developing Cross-System Partnerships



Most Common Activity Types by Planned Spending, as of the Quarter Ending December 31, 2023



51

States



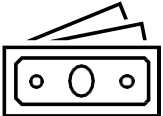
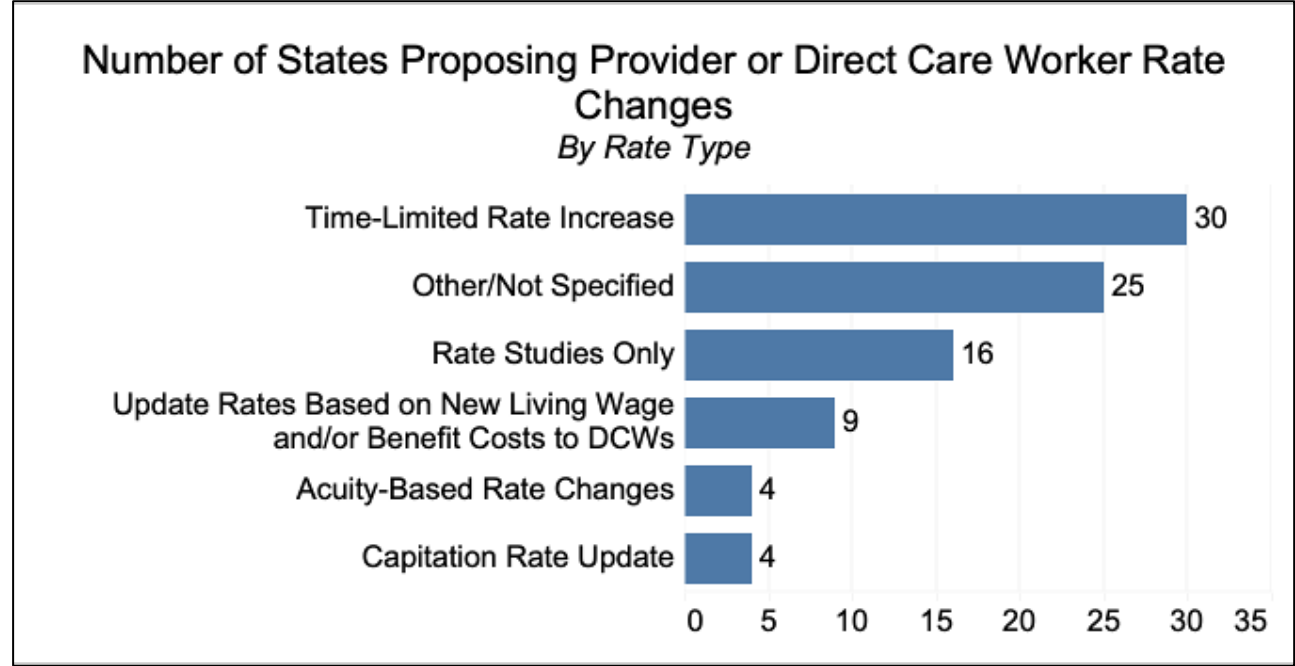
\$26.3B

Total Planned
Spending



1. Workforce Recruitment and Retention

States are taking actions to recruit and retain direct care workers (DCW), including offering sign-up or incentive payments and increased rates, establishing career paths for DCWs, creating DCW registries to help match DCWs with beneficiaries in need of services, and providing portals to help providers better manage the workforce.



As of the quarter ending December 31, 2023, states have reported **\$26.3B** in total planned spending on workforce recruitment and retention.

State Highlights: Workforce Recruitment and Retention

National: All 51 states (including the District of Columbia) are proposing activities to support workforce recruitment and retention.

Ohio HCBS Workforce Development Strategic Fund - Higher Education: This activity will support the growth of existing career-focused programming in behavioral health disciplines at the state's two- and four-year colleges and universities. These efforts will target students in their final two years of studies and will fund efforts including scholarship opportunities or certificates; paid internships; and the cost of license and certification preparation and exams and other necessary costs. Individuals benefitting from this opportunity will be expected to perform their internship at a community behavioral health center that is participating in the recruitment and retention component. A student pursuing a degree or certificate in a behavioral health field will be eligible for up to \$10,000 during their undergraduate and graduate studies and up to an additional \$5,000 post-graduation in recruitment and retention bonuses for obtaining employment in a community behavioral health center in Ohio.

New Jersey Personal Care Assistant (PCA) Rate Increase: This activity will increase the rate paid to agencies for PCA services to \$22 per hour to maintain a strong PCA workforce.

Most Common Activity Types by Planned Spending, as of the Quarter Ending December 31, 2023



40

States



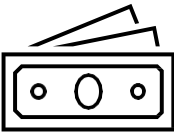
\$3.9B

Total Planned
Spending



2. Workforce Training

States are providing training for workers, family caregivers, and provider agencies; establishing online training via electronic platforms; and offering certification programs and tuition support to providers, caregivers, and direct care workers to further their health care careers.

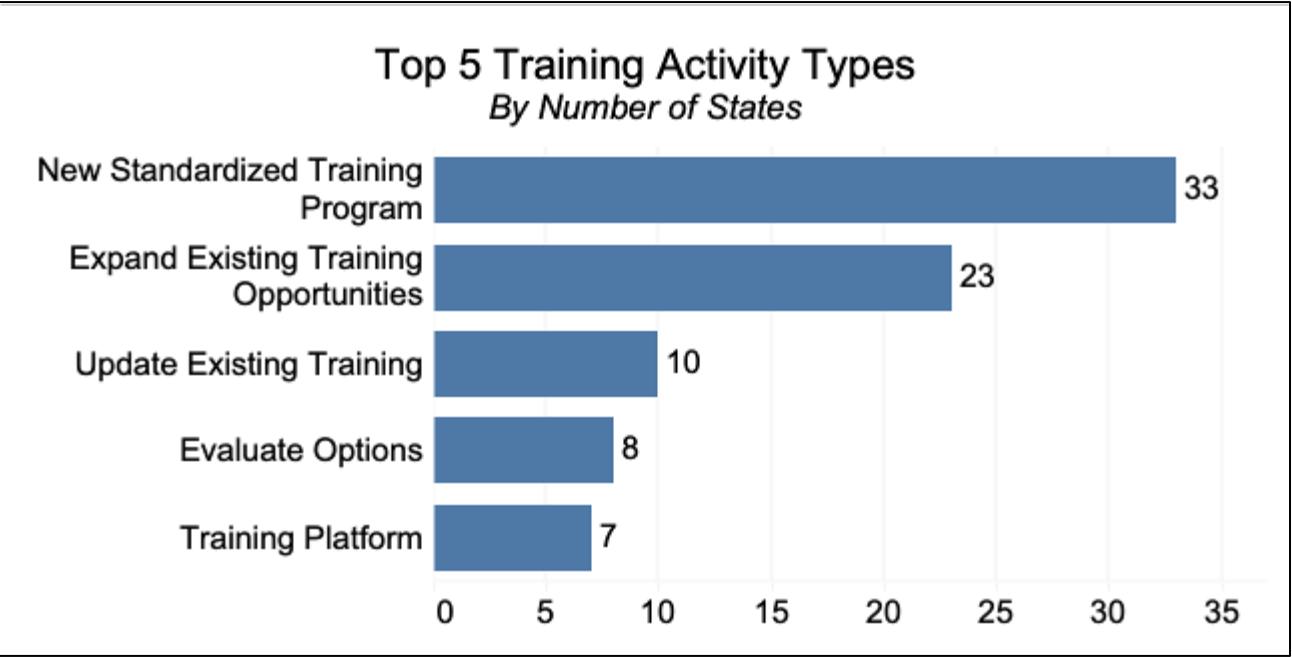


As of the quarter ending December 31, 2023, states have reported **\$3.9B** in total planned spending on workforce training initiatives.

State Highlights: Workforce Training

Connecticut Invests in Capacity Building and Training - Improve Medication Assisted Treatment (MAT): Funds will be used to develop and implement MAT curriculum and training plans, including self-guided web-based curricula, to improve the use of medications and behavioral therapy to treat substance use disorders (SUDs). MAT is known to provide a “whole-patient” approach to SUD treatment and can help sustain long-term recovery. It is used primarily with patients with opioid use disorders but can also benefit those with alcohol use disorders.

California Dementia Aware: Funds will be used for continuing education in geriatrics/dementia for all licensed health/primary care providers. This includes provider training to conduct an annual cognitive health assessment that identifies signs of Alzheimer's disease or other dementias in Medi-Cal beneficiaries, provider training in culturally competent dementia care, and the development of a referral protocol on cognitive health and dementia for Medi-Cal beneficiaries. The protocol will be consistent with the standards for detecting cognitive impairment under the Medicare Program and the recommendations by the American Academy of Neurology, the California Department of Public Health's (CDPH) Alzheimer's Disease Program, and CDPH's ten California Alzheimer's Disease Centers.



Most Common Activity Types by Planned Spending, as of the Quarter Ending December 31, 2023



30

States



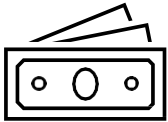
\$2.7B

Total Planned
Spending



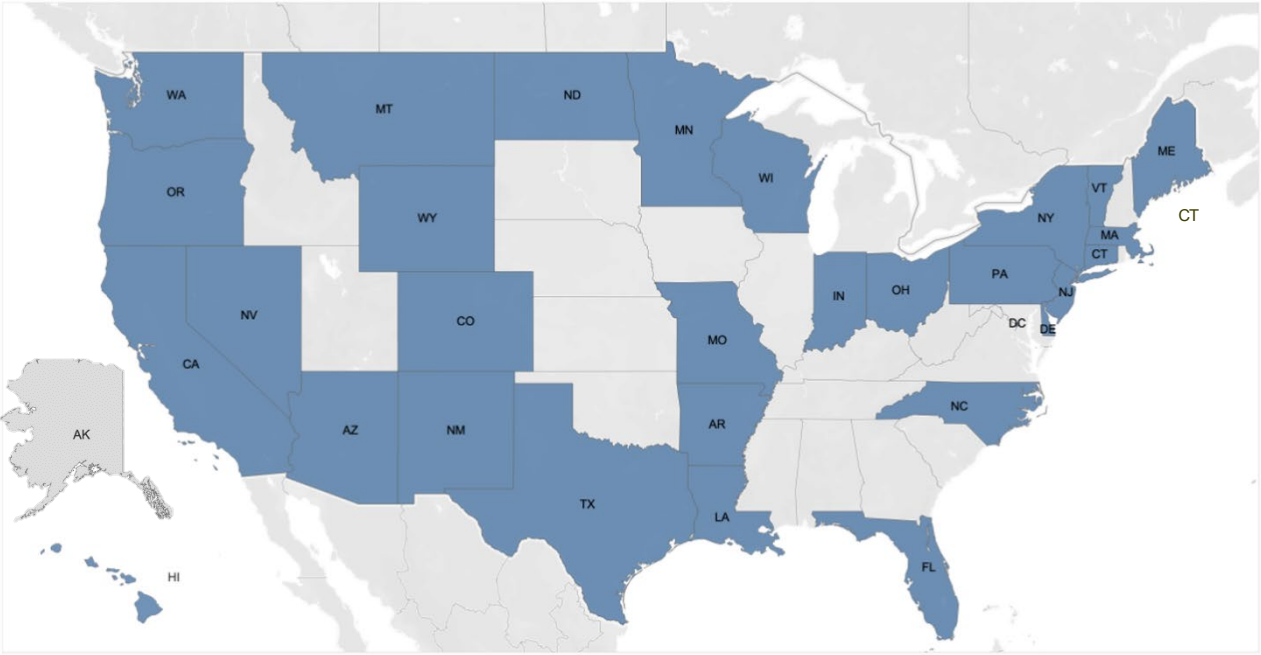
3. Quality Improvement Activities

States are adopting new HCBS quality measures or quality reporting systems; implementing oversight and improvement activities; administering the HCBS Consumer Assessment of Healthcare Providers and Systems (CAHPS) or another experience of care survey; and developing or exploring outcome-based or value-based payments.



As of the quarter ending December 31, 2023, states have reported **\$2.7B** in total planned spending on quality improvement activities.

States Implementing Quality Improvement Activities



■ Implementing Quality Improvement Activities

State Highlights: Adopt New Standardized Functional Assessments

Colorado Home Health (HH)/Private Duty Nursing (PDN) Acuity Tool/ System Costs to Connect to Care and Case Management (CCM) Tool: Funds will be used to create, pilot, and validate a medical necessity tool for HH and PDN. The tool will help determine the appropriate hours of home health or PDN care to be received. The tools will then be integrated as a module within the CCM system and will be accessed either directly or through a workflow to perform the necessary medical necessity/prior authorization determinations for PDN and long-term HH benefits.

State Highlights: Outcome-Based Payment Initiatives

Missouri Remote Supports Incentive Payment: Funds will be used to establish quality incentive payments for certain service providers that have implemented remote supports to assist beneficiaries in attaining increased levels of independence and self-sufficiency, thereby decreasing the need for in-person paid supports.

Most Common Activity Types by Planned Spending, as of the Quarter Ending December 31, 2023



18
States

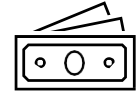


\$1.7B
Total Planned
Spending

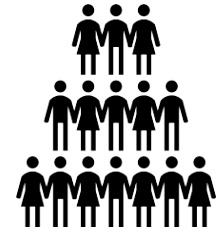


4. Reducing or Eliminating HCBS Waiting Lists

States are eliminating or reducing HCBS waiting lists by opening additional waiver slots, providing supports for those on the waiting list, or informing individuals of other available services while on the waiting list.



As of the quarter ending December 31, 2023, states have reported **\$1.7B** in total planned spending on activities to reduce or eliminate waiting lists.



The following states are proposing to eliminate or reduce waiting lists by adding HCBS slots: California (7,000), New Mexico (5,207), Texas (3,311), Alabama (3,000), North Carolina (2,114), Washington (1,649), Tennessee (2,000), Florida (1,639), West Virginia (600), Iowa (399), Rhode Island (300), Massachusetts (225), Pennsylvania (25), and South Carolina.¹

State Highlights: Increasing HCBS Waiver Slots and Capacity

Alabama: Adding 3,000 Slots for the Elderly and Disabled Waiver Program to Increase Capacity: Funds will be used to pay for additional Medicaid HCBS waiver expenditures for individuals. Approximately 845 additional people have been enrolled in the waiver program because of this activity through the third quarter of fiscal year 2023.

Tennessee: Improved Access to HCBS - Employment and Community First CHOICES Waiting List: Employment and Community First CHOICES is a managed long-term services and supports program that provides essential services and supports (HCBS, physical and behavioral health, pharmacy and dental services) in a coordinated and cost-effective manner for people with intellectual and other developmental disabilities (I/DD). The program is specifically designed to align incentives around helping people with I/DD achieve employment and live as independently as possible in their communities. It offers a more cost-effective way of serving people with I/DD while also demonstrating improved employment, health, and quality of life outcomes. To fund recurring obligations once ARP enhanced funding has concluded, TennCare has identified the ECF CHOICES waiting list as a priority area for the use of shared savings achieved from the TennCare III demonstration. As of June 30, 2023, all 2,000 slots have been filled in ECF CHOICES using ARP funds.

New Mexico's Expansion of Home and Community-Based Waiver Slots: There are currently around 15,000 disabled and elderly New Mexicans on the Community Benefit Central Registry. Funds will be used to add 1,000 slots to the Centennial Care 2.0 Community Benefit waiver. Additionally, there are currently 4,207 New Mexicans with intellectual and developmental disabilities on the Department of Health Central Registry. Funds will be used to eliminate the waitlist registry and allocate all 4,207 New Mexicans to the Developmental Disabilities Waiver or the Mi Via Waiver over a 3-year period.

¹ This list of states only includes those that specifically stated in their spending plans that additional slots will be added. South Carolina did not specify the number of slots it intends to add.

Most Common Activity Types by Planned Spending, as of the Quarter Ending December 31, 2023



21

States



\$1.7B

Total Planned
Spending



5. Developing Cross-System Partnerships

States are developing cross-system partnerships by collaborating across state agencies, implementing public-private partnerships, and incentivizing providers and managed care organizations to create community partnerships.

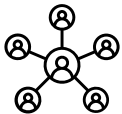


34

Number of Activities to
Develop Cross-System
Partnerships



Advance coordination and
interagency collaboration



Fund groups that engage in regional
collaboration to build service
capacity



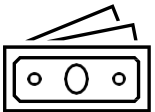
Fund community-based
organizations that leverage existing
resources to respond to the unique
needs and circumstances of their
community



Support providers who work in
partnership with local communities



Support topical sessions and
learning collaboratives



As of the quarter ending December 31, 2023,
states have reported **\$1.7B** in total planned
spending on developing cross-system
partnerships.

State Highlights: Developing Cross-System Partnerships

Rhode Island: Unsheltered Support Services: Individuals experiencing homelessness often face complex challenges, including substance use disorders, mental health complexities, co-occurring conditions, and a heightened need for social supports and other services. This activity supports collaborative partnerships between housing and homeless shelter providers and social services to provide wrap around services for individuals experiencing homelessness to improve health, social, and housing outcomes.

New Hampshire: Dual Diagnosis Supports: Enhance partnerships between Developmental Disabilities (DD)/Choices for Independence (CFI) and behavioral health providers. Grants will be awarded to HCBS providers to strengthen coordination between HCBS providers and mental health providers and to strengthen care coordination in community-based settings.

Family Caregiver Training, Respite, and Support

Although not one of the top five most common activity types by planned spending as of the quarter ending December 31, 2023, many states are focused on supporting caregivers.



States are using funds to offer the following to family caregivers: training; respite; training websites and materials; counseling and/or support groups; and personal protective equipment.



\$675M

Total Planned
Spending

As of the quarter ending December 31, 2023, states have reported **\$675M** in total planned spending on family caregiver training, respite, and support.



31

States

In comparison with other activity types, family caregiver training, respite, and support ranks:

#4 by the number of states (31) with activities in this category
#11 by planned spending amount



Across all states, there are **61 activities** addressing family caregiver training, respite, and support:

- **11** activities specify respite as an area of focus
- **19** activities involve providing standardized training programs to caregivers

State Highlights: Family Caregiver Respite Services

Delaware: Respite for Caregivers of Children: The state will develop a Medicaid-funded respite service for caregivers of children with complex medical conditions, severe emotional disorders, and dual diagnoses of mental health and intellectual or developmental disabilities. The intent is for this service to be flexible enough to address the various needs of this diverse population. The state will work with its partner state agencies as well as families and other stakeholders in the development of this service. The state intends to sustain this service as part of its Medicaid program baseline budget after the initial implementation through its ARP section 9817 spending plan.

Massachusetts: Respite and Resources for Families and Natural Supports: The Executive Office of Health and Human Services (EOHHS) recognizes that respite and the needs of families and natural caregivers look different depending on the individuals and population they support, requiring a menu of options. EOHHS will use ARP section 9817 funds to build on existing programs offered by EOHHS state agencies, through enhancements to caregiver stipend programs, increased capacity at day programs, and development of new programs including weekend drop-in centers and other respite care settings.

Addressing Social Determinants of Health and Promoting Equity

Although not one of the top five most common activity types by planned spending as of the quarter ending December 31, 2023, many states are implementing activities focused on addressing social determinants of health and health equity.¹



A total of **40** states have planned or completed activities addressing social determinants of health or promoting equity.

State Highlights: Social Determinants of Health

Indiana: Address Social Needs of Members Receiving HCBS: The Family and Social Services Administration is working with self-advocates, families, and providers to use recommendations advanced by the Task Force for Assessment of Services and Supports for People with Intellectual and Developmental Disabilities and the recently adopted Indiana Employment First Plan to develop a comprehensive approach to increasing competitive, community-based employment opportunities. This approach includes:

- Building capacity of waiver providers to deliver individualized, community-based supports leading to CIE outcomes,
- Enhancing waiver services to better support individuals, especially those with significant time spent in non-integrated, non-community settings, in considering community-based supports and developing CIE goals, and
- Improving the collaboration of waiver services and Indiana vocational rehabilitation services through policy and process alignment, joint staff professional development, and clarifying staff expectations for supporting shared participants in their CIE goals.

Minnesota: Culturally Informed and Culturally Responsive Mental Health Task Force: The state will establish a task force to evaluate and make recommendations on improving the provision of culturally informed and culturally responsive mental health services throughout Minnesota.



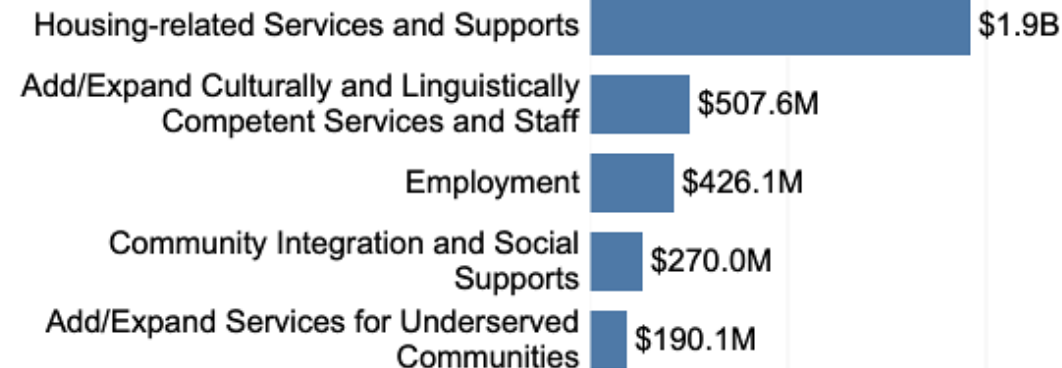
27 states planned or completed activities focused on housing-related services and supports²

22 states planned or completed activities focused on community integration and social supports



16 states planned or completed activities focused on employment

Top 5 Social Determinants of Health and Health Equity Issues Addressed By Planned Spending



¹Definitions for social determinants of health and health equity activities were based on the [State Health Official Letter # 21-001](#) and the [CMS Strategic Plan - Health Equity 2022 Strategy](#).

²Housing-related services and supports do not include room and board.

Expanding Use of Technology

Although not one of the top five most common activity types by planned spending as of the quarter ending December 31, 2023, many states are implementing activities focused on technology.



States are enhancing technology in their HCBS programs, including supporting technological enhancements for providers and individuals/families to utilize electronic health records (EHR), enhancing electronic visit verification systems, and utilizing technologies in service provision to address beneficiary functional needs, promote independence, and/or support community integration.



\$1.3B

Total Planned
Spending

As of the quarter ending December 31, 2023, states have reported **\$1.3B** in total planned spending on expanding use of technology.



36

States

In comparison with other activity types, expanding use of technology ranks:

#3 by the number of states (36) with activities in this category
#6 by planned spending amount



99

Number of
Activities

Activities addressing expanding use of technology include:

- EHR/benefits web platforms for record access and information
- Technology grants for information technology infrastructure, monitoring systems, computers, etc.
- Equipment costs

State Highlights: Enhancing Technology

Nebraska: Grants to Agencies to Purchase Telehealth Equipment: This activity will fund providers delivering HCBS to purchase technology that will support the provision of direct clinical services through telehealth and telemonitoring. Specifically, two-way audio/video communication or technology will be leveraged for the asynchronous management of chronic diseases.

Georgia: Case Management Technology Platform for Medicaid HCBS: Funds will be used to develop an electronic platform to capture Medicaid HCBS case management activities for both state plan and waiver authorities. Funding will support implementation of the electronic platform, staff training on platform use, additional staff, and development of reporting and dashboard components that provide insight into trends and areas to target quality improvement activities. The technology platform will incorporate provider EHR information to improve the accuracy of care planning and service delivery.

Notes

- Planned spending reflects amounts reported by states to CMS in the spending plans for the quarter ending December 31, 2023, and does not reflect official CMS-64 quarterly financial reporting. Facts and figures in this presentation are subject to change as states update their spending plans.
- Planned spending dollar amounts are not mutually exclusive and may be captured under multiple activity categories based on information provided by the state. Therefore, states, activities, and/or planned spending dollar amounts can be counted more than once and may not always sum to an unduplicated total.
- In some instances, CMS has asked states 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](#) and [State Medicaid Director Letter # 22-002](#).