

Home and Community Based Services Spending Plan and Narrative Update

**American Rescue Plan Act of 2021
Section 9817**



**Florida Agency for Health Care Administration
Florida Medicaid Program
October 2023**

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Table of Contents

Letter.....	1
American Rescue Plan Act of 2021 (ARPA) and Enhanced Home and Community- Based Services (HCBS) Funding	2
Comprehensive Assessment of HCBS Activities for Florida.....	3
Appendix A: Proposed Activities for Florida – Spending Plan	7

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October 27, 2023

Ms. Jennifer Bowdoin
Director, Division of Community Systems Transformation
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

Dear Ms. Bowdoin:

Enclosed you will find an updated Home and Community Based Services Spending Plan and Narrative for the State of Florida. This update incorporates changes to the State's activities intended to enhance, expand, and strengthen home and community-based services (HCBS) using the enhanced HCBS Federal Medical Assistance Percentages (FMAP) allocated under Section 9817 of the American Rescue Plan Act approved by the federal Centers for Medicare and Medicaid Services on March 31, 2023.

The State appreciates CMS' continued work on this program and narrative and look forward to our continued collaboration.

Sincerely,

Tom Wallace
Deputy Secretary for Health Care Finance and
Data



American Rescue Plan Act of 2021 (ARPA) and Enhanced Home and Community-Based Services (HCBS) Funding

Executive Summary

On September 28, 2021, the Centers for Medicare and Medicaid Services (CMS) approved Florida's initial state spending plan for enhancing, expanding, and strengthening home and community-based services (HCBS) programming using the enhanced Federal Medical Assistance Percentages (FMAP) allocated under Section 9817 of the American Rescue Plan Act.

Since receiving CMS's approval of Florida's initial state HCBS spending plan, the State's Agency for Health Care Administration's (the Agency) staff worked to execute the proposal's activities. Agency staff continued to identify expenditures claimed since April 1, 2021, that were eligible for the FMAP enhancement. Further, the Agency and Florida's Agency for Persons with Disabilities (APD) collaborated with CMS personnel to revise the State's Delayed Egress activity to ensure it conformed with rules and guidance. Additionally, within the Agency, a multi-disciplinary team, charged with creating a distribution plan, developed a three-phase approach for providers application for, and reception of, funding.

On March 31 2023, CMS approved Florida's revised spending plan to include One-Time Non-Waiver HCBS Services Provider Retention Payments for enhancing, expanding, and strengthening HCBS programming using the enhanced FMAP allocated under Section 8717 of the American Rescue Plan Act.

All of Florida's activities have ended June 30, 2023 besides the one-time subsidy payment activity which will end December 31, 2023.

Florida's Healthcare Workers

Within Florida, more than 1 million residents are employed in the healthcare field, ranging from doctors, direct care workers, and healthcare support workers, accounting for more than 10 percent of the total workforce. The Agency is aware of the complex challenges providers experience in recruiting and retaining a talented workforce.

Florida's HCBS Plan and Stakeholder Input

In developing Florida's spending plan for Section 9817, providing increased HCBS federal funding, the Agency received input from numerous stakeholders including advocacy organizations, provider associations, individual providers, and state agency partners. These providers offered many excellent suggestions on how Florida might consider using the increased Federal Medical Assistance Percentage (FMAP).

Since implementation of the initial spending plan activities, the State has continued to hear from stakeholders that more support needs to be directed at building and maintaining the healthcare workforce, particularly through workforce retention payments, and that focusing efforts on workforce will be the most beneficial to Florida's HCBS program and the Medicaid recipients we serve.

Florida's Increased HCBS FMAP Plan

To achieve the goals of supplementing and enhancing care for Florida's HCBS population as well as supporting the state's healthcare workforce, Florida will implement initiatives based on three key foundations:

1. Accomplish changes to HCBS programs and increase support for healthcare workers.
2. Employ available funds, even if only a one-time expenditure, in ways that have lasting impacts.
3. Develop projects that can be implemented quickly, to maximize this program's impact.

This narrative and spending plan is submitted on behalf of the Agency and outlines the approach Florida will take supporting the State's HCBS programs. Florida Medicaid's plan anticipates allowing the State to employ \$1.1 billion to develop and/or expand HCBS programs.

Proposed Activities for Florida – Summary

Activities to Support State HCBS Capacity Building:

- Improving provider delivery system capacity
- Enhancing infrastructure that supports and encourages HCBS quality of care
- Expanding patient access to HCBS services

Comprehensive Assessment of HCBS Activities for Florida

I. Improving Provider Delivery System Capacity

As a part of its HCBS FMAP increase plan, Florida is proposing a series of incentives to directly confront the recruitment and retention challenges faced by the healthcare sector. Florida proposes several measures to take on this challenge, including:

One-Time HCBS Waiver Provider Stipends and One-Time HCBS Waiver Provider Retention Payments: The Agency developed the following guidelines for these activities:

- This funding is offered to eligible providers who are enrolled as Assistive Care Services, Home Health Services, Home and Community-Based Services, and Case Management Agency provider types.
- Providers applying for One-Time Provider Stipend Payments may each request funding for the following:
 - Staffing Capacity: Increase the ability of your practice to hire and maintain increased staffing levels (e.g., hero pay for caregivers of Florida's seniors throughout the pandemic).
 - Staffing Stability: Reduce staff turnover, reward exceptional employees, offer more set schedules (e.g., hazard pay or sick pay).
 - Staffing Flexibility: Offer more flexible hours, provide transportation options (e.g., transportation incentive such as agency-supplied car service).
 - Professional Development: Offer CEU courses or pay for additional training or coursework (e.g., training conferences and CEU credits).
- Providers applying for One-Time Provider Retention Payments may request funding for the following:
 - Staffing Recruitment: Increase the number and/or quality of available staff in your practice (e.g., hiring bonus).
 - Staffing Retention: Reduce staff turnover, retain quality staff (e.g., employment milestones).

- Staffing Quality: Improve education and training levels of staff (e.g., educational or credentialing milestones).
- Providers applying for One-Time Retention Payments for 1099 Workers Contracted with an HCBS Waiver Provider may request funding for:
 - Staffing Recruitment
 - Staffing Retention
- The Agency accepted applications for the One-Time Provider Stipend and One-Time Provider Retention payments through February 14, 2022, with 2,077 applications being received during this period. The Agency began notifying Waiver providers of their awarded amounts on April 1, 2022, with the first payment disbursements occurring on June 9, 2022. Since June 9, 2022, the Agency disbursed \$358,991,998.00 to iBudget Waiver providers, \$103,978,521 to LTC Waiver providers. The Agency has received funding returns from HCBS providers, primarily LTC providers.
- The Agency accepted applications for the One-Time Retention Payments for 1099 Workers Contracted with an HCBS Waiver provider beginning on May 30, 2022. Providers had 30 days to apply. The Agency began disbursing payments on October 6, 2022. Since October 6, 2022, \$97,224,382.00 in funding has been disbursed to HCBS Waiver providers.
- Florida worked with CMS on the development of the appropriate federal authority documents, including 438.6 pre-prints and Appendix K, required by CMS to implement these activities. CMS approved Florida's 438.6 pre-prints on March 18, 2022 and Appendix K on August 19, 2022 for these activities.

These programs ended June 30, 2023, Florida's FY2022/2023.

One-Time Non-Waiver HCBS Services Provider Retention Payments: In accordance with SMDL #21-003, the Agency initiated a one-time provider retention payment for providers of the following non-waiver HCBS services: assistive care services, home health care services, including medical equipment and supplies, personal care services, rehabilitative services (community behavioral health services), and private duty nursing services. The one-time payments were calculated based on a set uniform rate percentage increase applied to non-waiver HCBS claims for allowable services as described above, provided from July 1, 2021 through June 30, 2022. The Agency reserved 1% of the total amount allocated to this activity to provide an administrative compensation payment for the State's contracted Medicaid managed care plans to make these payments directly to providers on behalf of the Agency. The Agency received the applicable federal authority approval through a 438.6 pre-print necessary to make these payments on 5/5/2023. The Agency allocated \$296,534.267 for this project and has disbursed \$181,418,978.00 to the Medicaid managed care plans. This program ended June 30, 2023, Florida's FY2022/2023.

II. Enhancing Infrastructure that Supports, and Encourages, HCBS Quality of Care

Florida is committed to ensuring its HCBS population can not only live safely, but also thrive within their communities. To that end, the Agency wants to provide an infrastructure that will allow beneficiaries to flourish in the least restrictive setting possible. As a component of its HCBS FMAP increase strategy, Florida is proposing a

series of incentives to meet the many needs of our residents. The measures proposed to strengthen infrastructure include:

Implement Improvements to Quality Oversight Activities: The Agency and APD, with technical assistance from CMS developed the following guidelines for these activities:

- This reimbursement is available to applicants who currently operate an existing facility licensed pursuant to s. 393.076, F.S. or and Adult Day Training (ADT) through Florida's iBudget Waiver program.
- The Delayed Egress system must meet all of the following conditions:
 - Egress is prevented for a maximum of 30 seconds.
 - Approval of the system by the local authority having jurisdiction over fire safety or the State Fire Marshall, and Locks are automatically disengaged in the event of a fire, power outage, or activation of the fire alarm.
 - Facility Residents and ADT participants who will be subject to delayed egress requirements must have delayed egress included within their person-centered service plans as an identified safety intervention.
 - Facility residents and ADT participants who do not require delayed egress and/or do not have such an intervention identified as a need within their person-centered services plans must be provided a keypad code, key fob, or other means by which they can exit the building independently and at any time without delay. Facility and ADT providers are responsible for training such residents on the process for exiting the buildings with delayed egress systems.
- Reimbursement for the purchase and installation of a single delayed egress system is limited to the maximum amount of \$10,000 and will not be available for delayed egress systems purchased or installed prior to January 1, 2022.
- The Agency accepted applications for Delayed Egress reimbursements through February 14, 2022, receiving 33 applications during this period. The Agency began notifying providers of their awarded amounts on April 1, 2022, with disbursements of payments being made following the purchase of the systems.
- CMS approved the Agency's Appendix K, submitted to obtain appropriate Federal authority to implement this activity, on June 7, 2022.

This program ended June 30, 2023, Florida's FY2022/2023.

One-Time Subsidy Payment:

The Department of Elder Affairs' Home Care for the Elderly (HCE) program encourages the provision of care for the elderly in family-type living arrangements in private homes as an alternative to institutional or nursing home care. Currently, the program provides a \$160 per month stipend to a participant's caregiver to assist with the costs of housekeeping consumables, such as cleaning supplies; personal needs of the elder, such as food and clothing; and medical costs, such as over-the-counter purchases not covered elsewhere. Additionally, the HCE program can respond to requests from caregivers to modify homes for improving home safety for elders; however, that process is a passive process and severely limited by a lack of funding.

The State intends to use funds to build upon the HCE program in three important ways. First, during the period of increased FMAP funding, the State will convert HCE caregiver

support and home modification services from passive reaction depending on participant or caregiver request to active appraisal, recommendation, and intervention. Second, home modifications will be orchestrated by a multidisciplinary team, for example including a nurse, occupational therapist, handiworker, information technology specialist, and care coordinator. Third, the home modification intervention will take place over a concentrated period, such as six months, and with adequate funding for durable infrastructure changes for the elder, consistent with evidence-based practice in peer-reviewed literature.

The enhanced services through the HCE program are expected to benefit elders who are Medicaid-eligible given the requirement in s. 430.606, Florida Statutes (F.S.) that the HCE program use eligibility criteria substantially like Medicaid. Currently, before subsidies for enhanced support, approximately one-third of HCE participants are enrolled in Florida's 1915(b)(c) Long Term Care Waiver and the other two-thirds, while not enrolled, are eligible.

The Agency will reserve 10% of the total amount allocated to this activity to provide an administrative compensation payment for the State's contracted Vendor(s) administering the HCE program.

The Agency, Department of Elder Affairs, and Area Agencies on Aging entered into a three-party agreement to conduct these activities. Since December 2022, the Agency has disbursed \$6,648,708.08 on these activities and this project continues to use only state funds. This program ends December 31, 2023, Florida FFY 2023/24.

Assistance with Implementation Services:

To ensure the highest quality of care is received and to avoid fraud, waste, and abuse, the Agency would direct a portion of funds to contract additional technology and personnel services to assist with program implementation, reporting, and accountability. The Agency anticipates total quarterly payments to be \$252,000.

III. Expanding Patient Access to HCBS Services

Expand iBudget Waiver: On July 1, 2021, Florida's FY 2022 budget took effect. This financial plan included \$95 million to reduce the number of people on the iBudget Waiver waiting list. Between July 1, 2021 and June 30, 2022, the Florida Agency for Persons with Disabilities sent letters offering removal from the iBudget waiting list to 1,227 clients. As of November 1, 2022, 637 clients have accepted the offer and enrolled in the iBudget Waiver. Between July 1, 2022, and June 30, 2023, the Florida Agency for Persons with Disabilities enrolled 1,639 new individuals into the program. This program ended June 30, 2023, Florida's FY2022/2023.

PPEC Rate Increase: The PPEC Rate Increase became effective with the start of Florida's FY 2021/2022 on July 1, 2022 and ended on June 30, 2023, Florida's FY 2022/2023

Appendix A: Proposed Activities for Florida – Spending Plan

Activity Title	Description	Cost Estimate¹
<u>HCBS Capacity Building- Expanding Provider Capacity: One-time provider stipend</u>	Offer one-time stipend to HCBS waiver providers to support program activities.	\$316,692,855
<u>HCBS Capacity Building- Expanding Provider Capacity: Creating financial incentives to both recruit new workers and increase the retention rates of the direct care workforce</u>	Offer one-time direct payments to all HCBS waiver providers for capacity building and workforce retention/development.	\$329,290,866
<u>HCBS Capacity Building-Expanding Provider Capacity: One-time provider retention payment</u>	Make one-time provider retention payment to providers of non-Waiver HCBS services.	\$296,534,267
<u>HCBS Capacity Building- Quality Improvement Activities: Implementing Improvements to quality oversight activities</u>	Purchased delayed egress systems for group homes and adult day training centers.	\$12,000,000

¹ Cost estimate includes both federal and state funds

<u>HCBS Capacity Building- Addressing Social Determinants of Health and Health Disparities</u>	Supports care for Floridians aged 60 and older in family-type living arrangements within private homes, as an alternative to institutional or nursing home care.	\$48,614,160
<u>HCBS Capacity Building- Implementation</u>	Use contracted services funding to assist with implementation activities and required reporting.	\$4,000,000
<u>HCBS Capacity Building- Expand iBudget Waiver</u>	Expand the Home and Community Based Services Waiver by removing the greatest number of individuals permissible under the additional funding from the waiting list.	\$191,333,692
<u>HCBS Capacity Building- PPEC Rate Increase</u>	Increasing provider rates to assist eligible children with medically complex conditions to receive continual medical care.	\$10,755,580
<u>TOTAL</u>		\$1,209,221,420