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July 18, 2023

Via email: Jennifer Bowdoin, Director, Division of Community Systems Transformation
Cc: Dave Jeppesen, Director, Idaho Department of Health and Welfare

Director Bowdoin,

In accordance with the Centers for Medicare and Medicaid Services (CMS) guidance related to the American Rescue Plan Act, P.L. 117-2 (ARP), section 9817, issued on May 13, 2021, via State Medicaid Director Letter 21-003 ([SMD #21-003](#)), the Idaho Department of Health and Welfare Division of Medicaid (Idaho Medicaid), in its role as the single state agency administering Medicaid in Idaho, hereby submits its amendment to the initial spending plan projection and narrative for home and community-based services originally submitted to CMS on June 14, 2021, amended on October 13, 2021, January 11, 2022, and October 3, 2022.

In continued compliance with the requirements of ARP section 9817 and in accordance with SMD #21-003 and SMD #22-002, Idaho continues to provide the following assurances:

- The state is using the federal funds attributable to the increased federal medical assistance payments (FMAP) to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;
- The state is using the state general funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- The state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- The state is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

If you or your staff have any questions or need additional information regarding the amendment to the initial spending plan, please contact our designated point of contact, Aaron Howard, Chief Financial Officer, at [REDACTED]

Sincerely,

[REDACTED]
JULIET CHARRON
Division Administrator

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Introduction to Initial Spending Plan Amendment

The American Rescue Plan Act, P.L. 117-2 (ARP), signed into law on March 11, 2021, includes section 9817, *additional support for Medicaid home and community-based (HCBS) services during the COVID-19 emergency*. The amended spending plan provides a revised estimate of the total amount of funds attributable to the increase in federal medical assistance payments (FMAP) that the state anticipates claiming between April 1, 2021 and March 31, 2022.

Amended Estimate of Funds Attributable to Increased FMAP Anticipated to Be Claimed

As shown in Table 1, Idaho estimates it will claim \$72.6M attributable to the increased FMAP for the federal quarters from April 2021 through March 2025. Highlighted funds are proposed increases identified later in the amended spending plan.

Table 1. Amended Estimate of Increased FMAP Anticipated to Be Claimed

Title	General Fund Investment	ARP Re uest	HCBS	Other Re uest	FFP	Total Re uest	Federal
Direct Care Worker Bonuses/Wage Increase	\$5,848,325	\$17,545,041		\$40,938,210		\$58,483,251	
Developmental Disability Agency Rates	\$2,496,124	\$7,488,400		\$17,472,840		\$24,961,240	
Residential Habilitation Rates	\$3,133,337	\$10,060,843		\$23,475,175		\$31,333,372	
Personal Assistance Agency Rates	\$1,094,980	\$3,284,900		\$7,664,900		\$10,949,800	
Assisted Living Facility Rates	\$4,623,160	\$13,869,480		\$32,231,120		\$46,100,600	
Managed Care Capitation Adjustment	\$1,260,825	\$11,347,421		\$0		\$11,347,421	
Certified Family Homes Increase	\$1,795,270	\$5,385,829		\$12,566,868		\$17,952,697	
Supported Employment services Increase	\$155,820	\$467,461		\$1,090,738		\$1,558,199	
Home Delivered Meals Increase	\$151,582	\$454,747		\$1,061,072		\$1,515,819	
Private Duty Nursing Increase	\$453,769	\$1,361,313		\$3,176,380		\$4,537,693	
Developmental Disability Service Coordination Increase	\$476,088	\$1,428,270		\$3,332,612		\$4,760,882	
Total	\$21,489,280	\$72,693,706		\$143,009,914		\$215,703,620	

Table 2. Amended Estimate of Expenditures to Date

FFY	General Funds and Reinvestment	Federal (includes HCBS)	Funds ARP	Total Projected Spend	Total Actual Spend
Q3 2021	\$0	\$0		\$53,485,714	\$0
Q4 2021	\$0	\$0		\$26,742,857	\$0
Q1 2022	\$0	\$0		\$13,371,429	\$0
Q2 2022	\$5,169,940	\$32,872,297		\$0	\$38,042,237
Q3 2022	\$5,268,817	\$17,066,143		\$0	\$22,334,960
Q4 2022	\$20,693,400	\$67,027,669		\$78,907,146	\$87,721,069
Q1 2023	\$28,703,518	\$63,892,814		\$78,579,339	\$92,596,332
					120,434,095
Q3 2023	\$26,048,709			\$78,579,339	\$104,655,320
Total	\$114,415,221	\$351,368,792		\$408,245,163	\$465,784,013

Legislative Appropriation

Idaho requires legislative authority to spend its appropriated funding. Idaho’s legislature traditionally convenes in January and sine die in late March or April the same year. At the time of submission of its October 2021 and January 2022 amended spending plan, Idaho has submitted six (6) state fiscal year (SFY) 2023 ARP HCBS-funded appropriation requests and one (1) supplemental request to authorize spending on previously legislative-approved ARP HCBS funding outlined in the initial spending plan submitted to CMS on June 14, 2021. In September 2022, Idaho submitted its request to fund five (5) SFY 2024 ARP HCBS-funded appropriation requests.

As of July 2023, the 5 SFY 2024 requests, 6 SFY 2023 requests, and 1 SFY 2022 supplemental request outlined in the amended spending plans were approved by the state legislature and governor’s office.

If Idaho’s amended spending plan is approved by CMS, the Idaho state legislature, and the governor, Idaho may be permitted to use the equivalent to the amount of federal funds attributable to the increased FMAP through March 31, 2025 on approved activities under the submitted spending plan and as listed in the CMS guidance in SMD #21-003 and SMD #22-002.

Idaho HCBS Provider Stakeholder Workgroup

Through the public health emergency, Idaho met with various provider stakeholder groups including a dedicated HCBS Coronavirus Workgroup. The HCBS workgroup was continuously consulted to offer comments and recommendations for Medicaid’s ARP HCBS spending plan priorities. The HCBS providers and association representatives have two primary concerns: direct care workers and provider rate reimbursement.

Idaho’s initial spending plan submitted to CMS on June 14, 2021, addressed the direct care worker issue by proposing \$78 million of ARP HCBS additional federal match dollars be exclusively dedicated to HCBS direct care worker wage increases or bonuses (SMD #21-003, Appendix C, Workforce Recruitment, Workforce Training activity).

Idaho's amended spending plan proposes to address the provider rate reimbursement through SMD #21-003, Appendix C, Payment Rates. Idaho's proposal for provider rate reimbursement increases is approximately \$72 million additional ARP HCBS federal match dollars. Table 1. Amended Estimate of Increased FMAP Anticipated to Be Claimed, provides proposed expenditure details. The following section details the activities Idaho is proposing to enhance, expand, or strengthen HCBS services, infrastructure, and reimbursement methodologies.

Idaho's newly amended spending plan proposes to modify its original amendment that outlined several provider rate reimbursement increases. Idaho's initial proposal was based on amendments to service descriptions that require a new procedure code and addition or amendments to its state plan and waiver services. As the new service mix enhancements for developmental disability services required authority review and approval from CMS beyond the ARP HCBS authority review and approvals, the state consulted with its provider stakeholder workgroup and came up with a solution to utilize the ARP HCBS dollars and still benefit this provider network. Below, CMS will find these proposed amendments.

HCBS Provider Payment Rate and Benefit Enhancements – Rate Increase

Idaho's home and community-based services are participant-centric, non-institutionalized programs and are found in all seven regions within the state. Idaho's amended spending plan request is dedicated to provider reimbursement rate increases for certain HCBS provider types, specialties, and procedure codes. The proposed rate increase is for agencies and providers employing direct care support professionals providing HCBS services under Idaho Medicaid. Idaho's proposed provider reimbursement rate increases described below are investments that will stabilize and strengthen HCBS programs in Idaho.

Payment Rates: Developmental Disability Agency Rate Increase

Funding: \$7.4M enhanced federal funding (\$24.9M total federal funding)

Lead: Idaho Medicaid's Bureau of Developmental Disabilities Services

Idaho is proposing a provider reimbursement rate increase for four (4) procedure codes. One (1) procedure code applies to Developmental Disability Agencies (DDA) under the 1915(c) waiver. Three (3) procedure codes are under Idaho's adult developmental disabilities state plan. The proposed activity will assist in stabilizing the DDA provider network. The proposed increases to the adult day health and three developmental therapy codes are based on an initiative in Idaho to reimburse for quality healthcare that is appropriate, efficient, and cost-effective. Adjustments to these rates will assist in designing more appropriate individual program plans with Medicaid participants and the direct care staff assisting with activities and tasks within those individual program plans.

The proposal is based on a cost survey conducted with one hundred percent of Idaho's DDA providers. The cost survey was based on the providers' fiscal year ended in calendar year 2019. To sustain the proposed rate increases, Idaho would need to request roughly \$2 million in general funds in state fiscal year 2024 and \$7.5 million in general funds in state fiscal year 2025 from the state legislature.

The proposed activity may assist with adopting new HCBS quality measures related to DDA provider patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, new providers, direct care retention,

accessible services/programs, by region, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Table 3. Developmental Disability Agency Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Adult Day Health	S5100	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Developmental Therapy Evaluation	H2000	Idaho State Plan – HCBS DD
Home/Community - Individual and/or Group Developmental Therapy for Adults	97537	Idaho State Plan – HCBS DD
Center Based - Individual and/or Group Developmental Therapy for Adults	H2032	Idaho State Plan – HCBS DD

Idaho attests that the proposed provider reimbursement rate increases to developmental disability agency provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Payment Rates: Personal Assistance Agency Rate Increase

Funding: \$3.2M enhanced federal funding (\$7.6M total federal funding)
 Lead: Idaho Medicaid’s Bureau of Long-Term Care

The proposed provider reimbursement rate increase is an activity under SMD #21-003 Appendix B, Personal Care Services, and the Section 1915(c) waiver authority. Personal Assistance Agencies (PAA) have six (6) procedure codes associated with the proposed provider reimbursement rate increase. The proposed activity will assist in stabilizing the PAA provider network and continue to provide the funding to allow Medicaid participants to stay in the home and community over more costly settings like skilled nursing facilities.

The proposed provider reimbursement rate increases for the 6 procedure codes is most cost-effective in providing services to approximately 6,500 participants who need assistance with daily activities.

The proposed provider reimbursement rate increase is based on a weighted average hourly rate (WAHR) survey conducted with Idaho Medicaid providers. To sustain the proposed rate increases, Idaho would need to request roughly \$825K in general funds in state fiscal year 2024 and \$3.3M in general funds in state fiscal year 2025 from the state legislature.

The proposed activity may assist with adopting new HCBS quality measures related to PAA patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider

reimbursement rate increase (e.g. training enhancements, new providers, direct care retention, accessible services/programs, by region, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Table 4. Personal Assistance Agency Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Personal Care Services	T1019	Idaho Medicaid State Plan: ABP Section 1937
Attendant Care	S5125	1915(c) HCBS Waiver ID.1076 A&D
Homemaker Services	S5130	1915(c) HCBS Waiver ID.1076 A&D and DD Attachment K Emergency
Chore Services	S5120	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Companion Services	S5135	1915(c) HCBS Waiver ID.1076 A&D
Respite Services	T1005	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD, and 1915(i) HCBS State Plan Children's DD Benefit

Idaho attests the proposed provider reimbursement rate increases to personal assistance agencies for personal care services, attendant care, homemaker services, chore services, companion services, and respite services, are provided in the participant’s home or Idaho Medicaid-approved community setting/location and individuals and are not an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Payment Rates: Assisted Living Facilities Rate Increase

Funding: \$13.8M enhanced federal funding (\$46.2M total federal funding)
 Lead: Idaho Medicaid’s Bureau of Long-Term Care

Idaho’s assisted living facilities proposed provider reimbursement rate increase would allow Idahoans living in or transitioning to assisted living facilities with behavioral, intellectual, and or cognitive health needs have access to a team with the necessary skills and experience to assist Medicaid participants with a higher need of care. The proposed funding would be used to address the barriers associated with the care of older and/or disabled adults in a residential assisted living facility with behavioral health conditions.

Assisting and providing direct care for participants with behavioral health conditions often requires a more advanced skillset. The proposed activity would stabilize and expand the assisted living facility direct care placement opportunities and build capacity for current and future efforts. Caring for participants with Alzheimer’s, related dementia, or any cognitive behavioral health needs often requires a stable, skilled workforce. By increasing the provider reimbursement rate, Idaho is taking a first step in allowing direct care workers to build skills to better serve this population, as well as improving the ability for a residential assisted living facility to attract and retain direct care workers with advanced skills. To sustain the proposed rate increases, Idaho would need to request roughly

\$3.5 million in general funds in state fiscal year 2024 and \$13.9 million in general funds in state fiscal year 2025 from the state legislature.

The proposal is based on a time study conducted with Medicaid participants living in Idaho's assisted living facilities. The activity may assist with adopting new HCBS quality measures related to assisted living facility patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, direct care skillset, direct care retention, access, and placement timeline, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Idaho attests the proposed provider reimbursement rate increases to assisted living facilities are provided within Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Payment Rates: Managed Care Mid-Year Capitation Adjustment

Funding: \$11.3M enhanced federal funding

Lead: Bureau of Financial Operations

Idaho is requesting \$11.3M for a mid-year capitation payment adjustment to be paid over a six-month period related to the capitation payments for the ARP HCBS provider rates conditionally approved by CMS in this spending plan. The proposed activity is an enhancement to HCBS services reimbursement activities to enhance, expand, and strengthen Medicaid HCBS under the SMD #21-003 Appendix B "Managed Long-Term Services and Supports" section. Idaho's capitation payments are under the CMS 64.9 Medical Assistance Payments Line 18A Medicaid Health Insurance Payments: Managed Care, subsection 3. Capitation for Long Term non-institutional. Line 18A is eligible for the ARP HCBS enhanced match.

Capitation payments are fixed, monthly payments paid to a managed care organization to cover a defined set of medical services and benefits for a population. Idaho is requesting ARP HCBS reinvestment funding for its Medicare Medicaid Coordinated Program (MMCP) and Idaho Medicaid Plus (IMPlus) program for its Home and Community-based member category to support the state fiscal year 2023 provider reimbursement rate changes. Between the two managed care contracts and the two programs, the capitation payments affect over 25,000 members. The funding will support contractual requirements for assurance that capitation payments properly reflect the availability and capacity to fund the programs Idaho has strengthened with ARP HCBS funding. The request is the calculated reinvestment difference between the old reimbursement rates and the new rates directly attributable to Section 9817 funding.

The four provider types in the spending plan are contracted under a fee-for-service and managed care contract and represent HCBS programs and services in SMD #21-003's Appendix B. While the overall reimbursement methodology has not changed in calculating provider reimbursement, the conditionally approved ARP HCBS reinvestment requires adjustments to the base data used to

set capitation payment rates. The Idaho HCBS fee schedule changes for qualifying HCBS services were effective July 1, 2022 and the mid-year adjustment accounts for the identified HCBS services and four provider types in the spending plan.

The mid-year adjustment for Calendar Year 2022 Medicaid capitation rates for the MMCP and IMPlus programs will be submitted to the proper CMS authorities in the coming months. The mid-year adjustment is completed by a third-party contractor that develops the proposed rates for the eligible enrollees in compliance with Actuarial Standards of Practice mandated by 42 CFR Part 438.

The funding will not support the Institutional or Community Well capitation payments as these member categories are ineligible for the enhanced funding and reinvestment opportunity. Additionally, any administrative/non-benefit costs included in the capitation payment are accounted for during the development of non-benefit costs and verified through a medical loss ratio (MLR) audit. The actuarially sound capitation payment does require a prospective MLR for each program. The MLR in the mid-year adjustment is based on the federal formula and is in place for both MMCP and IMPlus programs. While the calculations for the per member per month (PMPM) mid-year adjustment are actuarially sound and Idaho has calculated to the best of its knowledge a request for funding without administrative/non-benefit costs, any overpayments or collections shall be recovered, and the federal share of any recoveries associated with the expenditure shall be returned.

Payment Rates: Certified Family Home Rate Increase

Funding: \$5.4M enhanced federal funding (\$17.9M total federal funding)

Lead: Idaho Medicaid's Bureau of Developmental Disabilities Services

Secondary: Idaho Medicaid's Bureau of Long-Term Care

In 2023, the Idaho state legislature approved an increase in reimbursement rates for Certified Family Homes that bill under Medicaid fee-for-service and managed care contracts effective April 1, 2023.

Idaho's Certified Family Homes rate increase would allow Idahoans living in the community with non-family members continued access to these home and community-based supports. The proposed activity would stabilize the provider network that cares for Medicaid participants that cannot fully care for themselves but do not qualify for facility-based or congregate care settings. By increasing the provider reimbursement rate, Idaho can continue to provide services for this unique population served by the 1915(c) developmentally disabled adult and aged and disabled waivers. The reimbursement rate proposal is based on a provider rate review conducted in state fiscal years 2022 and 2023, calculating the average market inflation from the last adjustment made to Certified Family Home rates. To sustain the proposed rate increases to Certified Family Homes, Idaho would need to request roughly \$1.8 million in general funds in state fiscal year 2024 and \$5.4 million in general funds in state fiscal year 2025 from the state legislature.

Certain certified family home providers caring for Medicare Medicaid Coordinated Program (MMCP) and Idaho Medicaid Plus (IMPlus) program participants on the ID.1076 Aged & Disabled waiver bill to Idaho's managed care contractors. Any capitation payment changes may also be included in the request for the ARP enhanced match. Managed care rates will be actuarially sound and follow all requirements outlined in 42 CFR Part 438.

The activity may assist with adopting new HCBS quality measures related to certified family home patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, direct care skillset, direct care retention, access, and placement timeline, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Idaho attests the proposed provider reimbursement rate increases to certified family homes are provided within Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and is increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Table 5. Certified Family Home Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Adult Day Health	S5100	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Adult Residential Care	S5140	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Personal Care Services	T1019	Idaho Medicaid State Plan: ABP Section 1937

Idaho attests that the proposed provider service description amendments and reimbursement rate increases to certified family home provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases.

Payment Rates: Supported Employment Services Rate Increase

Funding: \$467K enhanced federal funding (\$1.5M total federal funding)

Lead: Idaho Medicaid’s Bureau of Developmental Disabilities Services

Secondary: Idaho Medicaid’s Bureau of Long-Term Care

In 2023, the Idaho state legislature approved an increase in reimbursement rates for Supported Employment Services agencies that bill under Medicaid fee-for-service and managed care contracts effective April 1, 2023.

Idaho’s supported employment services agencies assist Medicaid participants who are mentally and/or physically disabled gain and maintain jobs in competitive industries. The agencies provide a support worker for the Medicaid participant who then helps them in selecting, obtaining, and maintaining employment where any job applicant can apply rather than jobs set aside by organizations for people with disabilities. The proposed activity to increase reimbursement rates using the enhanced federal match from ARPA will strengthen the provider network to keep these agencies open and allow for Medicaid participants to continue to find work in the competitive job

market within Idaho. The reimbursement rate increase was calculated using the current rate and inflating it to a current year cost. To sustain the proposed rate increase to supported employment services, Idaho would need to request roughly \$156,000 in general funds in state fiscal year 2024 and \$467,000 in general funds in state fiscal year 2025 from the state legislature.

Certain supported employment service agencies assisting Medicare Medicaid Coordinated Program (MMCP) and Idaho Medicaid Plus (IMPlus) program participants on the ID.1076 Aged & Disabled waiver bill to Idaho’s managed care contractors. Any capitation payment changes may also be included in the request for the ARP enhanced match. Managed care rates will be actuarially sound and follow all requirements outlined in 42 CFR Part 438.

The activity may assist with adopting new HCBS quality measures related to supported employment service patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, direct care skillset, direct care retention, access, and placement timeline, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Idaho attests the proposed provider reimbursement rate increases to supported employment service agencies are provided within Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Table 6. Supported Employment Services Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Supported Employment Services	H2023	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD

Idaho attests that the proposed provider service description amendments and reimbursement rate increases to supported employment services provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases.

Payment Rates: Home Delivered Meal Rate Increase

Funding: \$455K enhanced federal funding (\$1.5M total federal funding)

Lead: Idaho Medicaid’s Bureau of Long-Term Care

Secondary: Idaho Medicaid’s Bureau of Developmental Disabilities Services

In 2023, the Idaho state legislature approved an increase in reimbursement rates for Home Delivered Meal agencies that bill under Medicaid fee-for-service and managed care contracts effective April 1, 2023.

Idaho’s home delivered meal agencies provide one to two meals per day for Medicaid participants that are delivered to the participant’s home. Meal providers are public agencies or private businesses that prepare and deliver meals authorized by registered dietitians that support and promote adequate nutrition. Although it is not a direct care service for medical services, the agencies indirectly support these Medicaid participants staying in their communities. Without proper nutrition and a balanced diet, the state may see an increase in emergency room visits or moves to congregate care or institutional settings for participants who would qualify. The proposed activity increases the provider reimbursement rates that were reviewed by the state’s provider rate review team in 2021 and 2022. The reimbursement rates were calculated using an average inflation to current costs from when the rate was last adjusted. The proposed activity will strengthen the provider network that has been losing agencies since the COVID-19 pandemic in 2019. To sustain the proposed rate increase to home delivered meal agencies, Idaho would need to request roughly \$151,000 in general funds in state fiscal year 2024 and \$455,000 in general funds in state fiscal year 2025 from the state legislature.

Certain home delivered meal agencies providing meals to Medicare Medicaid Coordinated Program (MMCP) and Idaho Medicaid Plus (IMPlus) program participants on the ID.1076 Aged & Disabled waiver bill to Idaho’s managed care contractors. Any capitation payment changes may also be included in the request for the ARP enhanced match. Managed care rates will be actuarially sound and follow all requirements outlined in 42 CFR Part 438.

The activity may assist with adopting new HCBS quality measures related to home delivered meal agency patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, direct care skillset, direct care retention, access, and placement timeline, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Idaho attests the proposed provider reimbursement rate increases to home delivered meal agencies are provided within Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Table 7. Home Delivered Meals Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Home Delivered Meals	S5170	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD

Idaho attests that the proposed provider service description amendments and reimbursement rate increases to home delivered meal provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases.

Payment Rates: Private Duty Nursing Rate Increase

Funding: \$1.4M enhanced federal funding (\$3.2M total federal funding)

Lead: Idaho Medicaid’s Bureau of Long-Term Care

Secondary: Idaho Medicaid’s Bureau of Financial Operations

In 2023, the Idaho state legislature approved an increase in reimbursement rates for Private Duty Nursing agencies that bill under Medicaid fee-for-service contracts effective April 1, 2023.

Private Duty Nursing agencies in Idaho serve a unique population of children (under the age of 21) on the 1915(c) HCBS Waiver ID.1076 Aged & Disabled. The nursing agencies provide care in a home/community-based setting for children under the age of 21 who need specialized nursing care to remain in home and community-based settings. The proposed activity covers four (4) procedure codes used by nurses providing the specialized care. The reimbursement rate was inflated to double the current reimbursement to expand the provider network since there are fewer than 30 providers within the state border providing the specialized care. To sustain the proposed rate increases to private duty nursing agencies, Idaho would need to request roughly \$454,000 in general funds in state fiscal year 2024 and \$1.4 million in general funds in state fiscal year 2025 from the state legislature.

The activity may assist with adopting new HCBS quality measures related to private duty nursing agency patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, direct care skillset, direct care retention, access, and placement timeline, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Idaho attests the proposed provider reimbursement rate increases to private duty nursing agencies are provided within Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Table 8. Private Duty Nursing Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Nursing Assessment	T1001	1915(c) HCBS Waiver: ID.1076 A&D
Nursing Services (RN)	T1002	1915(c) HCBS Waiver: ID.1076 A&D
Nursing Services (LPN)	T1003	1915(c) HCBS Waiver: ID.1076 A&D
Plan of Care Development and Placement	G9002	1915(c) HCBS Waiver: ID.1076 A&D

Idaho attests that the proposed provider service description amendments and reimbursement rate increases to private duty nursing provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases.

Payment Rates: Targeted Service Coordinator and Children’s Services Coordinator Rate Increase

Funding: \$1.4M enhanced federal funding (\$4.8M total federal funding)

Lead: Idaho Medicaid’s Bureau of Developmental Disabilities Services

Secondary: Idaho Division of Family and Community Services

In 2023, the Idaho state legislature approved an increase in reimbursement rates for Targeted Service Coordinator and Children’s Service Coordinator agencies that bill under Medicaid fee-for-service contracts effective April 1, 2023.

Developmentally disabled adults and children on the 1915(c) HCBS Waiver ID.0076 have the option to have their medical services and benefits planned and coordinated with plan developers/service coordinators from agencies specializing in these services. Service coordinators are paid by Medicaid but are divided into two groups: adults served by targeted service coordinators monitored by the Bureau of Developmental Disabilities and children served by children’s service coordinators monitored by the Division of Family and Community Services. A cost survey was completed in November 2022 by a Medicaid contractor with reimbursement recommendations based on inflation of reimbursement rates and costs associated with the program for providing plan coordination services. Without these service plan coordinators, the Medicaid participant may have to rely on family or friends to ensure they receive necessary and appropriate care. The proposed activity covers professional and paraprofessional rates with a total of five (5) procedure codes for the adult coordinators and five (5) procedure codes for the children’s coordinators. Both programs use the same procedure codes for rendering plan development and coordination. To sustain the proposed rate increases to targeted service coordination and children’s service coordination, Idaho would need to request roughly \$476,000 in general funds in state fiscal year 2024 and \$1.4 million in general funds in state fiscal year 2025 from the state legislature.

The activity may assist with adopting new HCBS quality measures related to targeted service coordination and children’s service coordination agency patient-centered quality improvement and oversight activities in Appendix D. Any adoption of new HCBS quality measures shall evaluate the effectiveness of the proposed provider reimbursement rate increase (e.g. training enhancements, direct care skillset, direct care retention, access, and placement timeline, etc.). Idaho is not planning on imposing stricter eligibility standards, methodologies, or procedures with potential new HCBS quality measures. There is no ARP HCBS funding associated with this Appendix D activity. The proposal above and funding requested is solely dedicated to provider reimbursement rate increase activities.

Idaho attests the proposed provider reimbursement rate increases to targeted service coordination and children’s service coordination agencies are provided within Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases. By including this activity, Idaho is not reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community with the amended spending plan request.

Table 9. Service Coordination (Adult and Child) Procedure Code Proposed Rate Amendments

Service Description	Procedure Code	Authority
Service Coordination	G9002	1915(c) HCBS Waiver: ID.0076 DD

Service Coordination (Paraprofessional)	G9002 (HM)	1915(c) HCBS Waiver: ID.0076 DD
Plan Development	G9007	1915(c) HCBS Waiver: ID.0076 DD
Crisis Assistance	H2011	1915(c) HCBS Waiver: ID.0076 DD
Crisis Assistance (Paraprofessional)	H2011 (HM)	1915(c) HCBS Waiver: ID.0076 DD

Idaho attests that the proposed provider service description amendments and reimbursement rate increases to targeted service coordinator and children’s service coordinator provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and individuals and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases.

HCBS Provider Payment Rate and Benefit Enhancements – New/Additional Service Descriptions

Idaho’s home and community-based services are participant-centric, non-institutionalized programs and are found in all seven regions within the state. Idaho’s amended spending plan request is dedicated to provider reimbursement rate increases for certain HCBS provider types, specialties, and procedure codes. The proposed activities below provide for new and amended services to increase the amount, duration, and scope of current service descriptions and methodologies. The proposed activities also include an increase in rates for agencies and providers employing direct care support professionals providing HCBS services under Idaho Medicaid.

Payment Rates: Residential Habilitation Rate Increase

Funding: \$10M enhanced federal funding (\$31.3M total federal funding)

Lead: Idaho Medicaid’s Bureau of Developmental Disabilities Service

Secondary: Idaho Medicaid’s Bureau of Long-Term Care

Currently, Residential Habilitation agencies have four (4) procedure codes associated with the ARP HCBS enhanced funding match. This proposed activity is based on the required cost survey and rate reimbursement review for Residential Habilitation agencies and an HCBS participant and provider stakeholder workgroup. The fiscal impact for residential habilitation providers has been recalculated based on updated provider network and utilization information as Idaho monitors the ARP HCBS funding from its spending plan. With many home and community-based services being appropriated funds in calendar year 2023 for state fiscal year 2024, the state proposes the excess residential habilitation agency funds be utilized to support Certified Family Homes, Supported Employment Services, Home Delivered Meals, Private Duty Nursing, and Targeted/Children’s Service Coordination providers as detailed above in the spending plan narrative.

By funding this proposed activity, the new service descriptions for the Supported Living procedure codes may better reflect a participant’s individual program plan and standardized assessment when establishing levels of needs related to care and services. Idaho will be able to strengthen the established provider network with the proposed changes. The proposed new HCBS services and descriptions are not under a planned pilot and if approved would be implemented as a new, standard service/procedure code for reimbursement. To sustain the proposed rate increases, Idaho

would need to request roughly \$3.1 million in general funds in state fiscal year 2024 and \$9.1 million in general funds in state fiscal year 2025 from the state legislature.

Table 10. Residential Habilitation Proposed Rate Increase

Service Description	Procedure Code	Authority
Hourly Individual Support Living	H2015	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Hourly Group Support Living	H2015 (HQ)	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Daily Supported Living Services High Support	H2022	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD
Daily Supported Living Services Intense Support	H2016	1915(c) HCBS Waivers: ID.1076 A&D and ID.0076 DD

Idaho attests that the proposed provider service description amendments and reimbursement rate increases to residential habilitation provider service categories listed above are provided in the participant’s home or Idaho Medicaid-approved community settings/locations and are not classified as an inpatient or resident of a hospital, nursing facility, intermediate care facility for individuals with intellectual disabilities, or institution for mental diseases.

Additional Attestations

In addition to the attestations in the amended spending plan cover page, Idaho further attests:

- Room and board are entirely excluded from any payments made with ARP HCBS funding and not calculated in any HCBS expenditures from Idaho.
- Consistent with 42 CFR part 447.252(b), Idaho's payment rate methodology within its state plan shall be comprehensive enough to determine the required level of payment and the federal financial participation to allow interested parties to understand both the rate setting process and the items and services that are paid through these rates.
- Idaho's state plan amendment for any approved provider rate reimbursement increase shall specify the methods and standards used to set the payment rate and an end date for the increase in payment.
- Idaho shall submit a section 1915(c) waiver amendment for any rate methodology change and may submit an Appendix K application if opting to utilize the retrospective approval process.
- Idaho's managed care contracted organizations shall comply with all applicable federal requirements, including 42 CFR part 438, for HCBS provider services and activities.
- Idaho shall assess implications for its managed care plan contracts and actuarially sound capitation rates to operationalize any programmatic changes. Any contractually required increase in provider payments shall adhere to 42 CFR Part 438.6(c) including prior approval.
- Idaho's managed care contracted organizations shall comply with applicable federal requirements, including direct payment rules and other existing submission requirements, for any approved increased provider payment rates.
- Idaho is not paying for capital investments with ARP HCBS enhanced funding.
- Idaho is not paying for ongoing internet connectivity costs as part of any ARP HCBS enhanced funding activity.
- Idaho does not have any planned enhancements under ARP section 9817 other than those listed in the initial spending plan or the amended spending plan submission. If Idaho adds activities, including those in Appendices C and D, another amendment shall be submitted for CMS review and approval.
- Idaho's federal matching fund claims are based on actual historical utilization and trend factors and not based upon estimates or projections.
- Idaho does not plan to reduce reliance on a specific type of congregate service to increase participant access to services more integrated into the community.
- If any activities are approved, Idaho shall continue compliance with program requirements as stated in SMD #21-003 and SMD #22-002 that are in effect as of April 1, 2021 through March 31, 2025, or until Idaho has fully expended the funds attributable to the increased FMAP, whichever comes first.