

July 18, 2023

Centers for Medicaid & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

To Whom It May Concern,

Enclosed you will find the Home and Community Based Services (HCBS) Spending Plan Narrative for the State of North Dakota. This update continues to align with the original and goals outlined in the original initial spending plan submitted by the State and approved by the Centers for Medicare and Medicaid Services (CMS) in September 2021.

As identified in State Medicaid Director Letter #21-003, we are pleased to offer the following assurances:

1. North Dakota will use the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid home and community-based services (HCBS) in effect as of April 1, 2021;
2. North Dakota will use the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
3. North Dakota will not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
4. North Dakota will preserve covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
5. North Dakota will maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

The State is very appreciative of CMS' consideration and approval of the updated spending plan and narrative.

Sincerely,



Krista Fremming

MEDICAL SERVICES

600 E Boulevard Ave Dept 325 | Bismarck ND 58505-0250

701.328.7068 | Fax 701.328.1544 | 800.755.2604 | 711 (TTY) | Provider Relations 701.328.7098 |
www.hhs.nd.gov

Table of Contents

Executive Summary	3
Increasing Capacity of Service Delivery System - \$15,396,800	4
Workforce Recruitment and Retention Strategy	4
Development of New Community Services and Supports	5
Workforce Training Strategy.....	6
Supporting Transitions from Life Skills Transition Center - \$4,750,000	6
LSTC Transition and Diversion - Expand Availability and Utilization of Family Care Option	7
LSTC Transition and Diversion - Community Behavioral Supports for Small Scale Residential Settings	7
Transition and Diversion – Flexible Support Fund	8
Piloting New Services to Address Gaps - \$8,900,000	8
Transitions and Diversions – Flexible Transition Supports	8
QSP Rate Innovations and Gap Analysis	10
Behavior Intervention Consultation and Supports.....	10
Enhancing Infrastructure that support HCBS - \$2,925,000	11
Care Connect platform, ADRL and Informed Choice	11
Quality, Outcomes and Impacts.....	12
Enhanced User Experience in core technology systems	12
Section 9817 HCBS Fund Coordination and Implementation	12

Executive Summary

The array of HCBS strategies and approaches described in this spending plan will serve older adults, children and adults with physical disabilities, and children and adults with intellectual or developmental disabilities, to include autism spectrum disorder and brain injury.

This narrative describes a series of initiatives that will help catalyze forward movement for the HCBS sector in North Dakota. The state's HCBS Fund Spending Plan outlines strategies that:

- Improve access to HCBS, through investments in provider start-up and expansions, workforce retention and recruitment, and a modernized approach to training.
- Support an accelerated rate of transition and diversion from the state institution for people with intellectual and developmental disabilities.
- Allow for the exploration of new services that will address gaps in the current state infrastructure.
- Enhance elements of the state infrastructure that serves and supports HCBS in North Dakota.

In each of these initiatives, the state will commit to evaluating the efficacy of the investment to inform future system planning. The plan outlined in this document endeavors to support improvements that will make the HCBS system in North Dakota more financially sustainable, more readily accessible in both under-served and high need geographies and committed to continuous quality improvement.

The North Dakota Plan highlights four key areas of work and is based on an estimated budget of \$31,900,000 which represents approximately 10% of the HCBS total funding.

Since the implementation of the initial approved spending plan activities, the State has continued to receive feedback from providers and have evaluated new pilot initiatives and in doing so have made changes within the spending plan *that have been approved by CMS*. The State is also requesting to extend its spending plan through March 31, 2025.

Key Areas of Work	Initial Approved Estimated Budget	New Approved Budget
Increasing capacity of service delivery system	\$15,850,000	\$15,396,800
Supporting transitions from Life Skills Transition Center	\$4,750,000	\$4,750,000
Piloting new services to address gaps	\$6,600,000	\$8,900,000
Enhancing core systems that support HCBS	\$4,400,000	\$2,925,000

Increasing Capacity of Service Delivery System - \$15,396,800

Workforce availability and its impact on access to services are one of the most common refrains across human serving sectors. Recruiting and retaining well trained direct care staff to serve consumer needs 24 hours per day, 7 days per week in geographies large and small, is a real challenge. The State is proposing a series of strategy pilots to help address this high priority issue, with the intention of increasing access to quality home and community-based services that are well-suited to meeting the complex care needs of individuals, wherever they may choose to live.

Workforce Recruitment and Retention Strategy

Develop a pilot program that supports both the recruitment and retention of direct care workforce in the HCBS industry. Engage workforce partners to identify financial incentives that would be meaningful to members of the workforce and impactful in terms of overall workforce availability. Consider targeted incentives for specified service types (ex. respite), enhanced training/endorsements, duration of service, and complexity of care.

This program officially launched on March 9, 2022, with guidance and application documents shared with HCBS provider agencies. The guidance/application documents for individual and self-directed providers are being issued in late July 2022. A project coordinator was hired and began work on May 3, 2022. Seventy-three HCBS Service Providers have been approved to participate in this program. Thirty-two have requested payment for the recruitment program and forty-seven have request payment for the retention program. The dollar amount of this initiative has increased as the participation of providers in the programs has been significantly higher than initially anticipated. To meet the need and request of providers, funds have been added to involve as many provides as possible and ensuring equitable access for providers in both urban and rural communities. In January of 2023, a survey link was sent to all providers who received payments to measure the impact of these funds. This totals seventy-nine providers that initially received payments and have had time to begin retention and/or recruitment activities. These providers will have a month to submit data through the electronic survey link.

DHHS has evaluated the impact of the workforce retention and recruitment initiative, specifically how funds were utilized by eligible agency employers improve retention and recruitment of direct care workforce. The evaluation approach involves collecting and analyzing both qualitative and quantitative data through an online survey distributed to the 79 eligible agencies identified by DHHS. Respondents reported administering all funds received directly to the direct care workforce. The majority of the respondents saw improvements in retention and recruitment initially with the ARP funds yet reported that this type of one-time monetary increase does not meet support a long-term solution. To improve retention rates for

direct caregivers salary/benefits must improve with a long term plan as the primary resignation reason for direct care workers is dissatisfaction with salary and/or benefits. Open feedback from eligible agencies reveals several central themes regarding the workforce landscape. First, agencies emphasize the need for competitive salaries to attract and retain qualified workers, particularly in comparison to other industries. The cost of living, limited workforce availability, and the demanding nature of the work are identified as hindrances to hiring and retention. Second, while some agencies find the workforce incentive payments beneficial for retaining and rewarding their direct care staff, others express that recruitment incentives alone are not sufficient to retain employees. They emphasize the importance of recognizing and incentivizing committed and high-performing staff. Additionally, agencies face challenges related to recruitment and retention, including turnover rates, limited responsibility/accountability, and the availability of workers with clean backgrounds. The overall workforce shortage in North Dakota is highlighted, along with specific challenges such as childcare availability and the ability to compete with higher-paying industries.

Initial estimated budget: \$7,850,000

Approved budget: \$10,206,800

Development of New Community Services and Supports

Offer a series of tiered start-up grants, incentives and supports to providers who increase their capacity to provide HCBS. Consider incentives for skilled nursing facilities or health systems who open a HCBS service line, for new providers of high priority services (ex. respite, family care option, round-the-clock services, personal care, and nursing), for existing providers who expand into new service geographies, and providers who develop capacity for complex care cases. Awards will incentivize both establishment of new service lines as well as enhancement of established delivery of service. In addition to these awards, new long-term services and supports counselors and non-medical transportation brokers will be hired to support increasing the system capacity (\$595,000).

Developed program design for grants that will incentivize both the start-up and expansion of providers who will offer home and community-based services to public pay consumers. Awarded four (4) start-up grants to agency Qualified Service provider to expand their service array or service territory. Awards totaled \$114,714. The potential new PACE provider for Fargo and Grand Forks is no longer interested in moving forward. The state plans to issue another request for letters of intent for organizations to implement a new PACE program. Program design includes requirements for compliance with the HCB settings rule. Potential PACE providers have not successfully engaged with this process and therefore funds allocated for this expansion are reallocated to support the workforce initiative. State staff are reviewing all applications for community development grants by working with providers to develop scopes that will create new services within the system. Providers were required to submit through an application process that outlined how they would be enhancing or

expanding HCBS services. The initial estimate for community grants was higher than needed based on provider engagement and functional applications received.

DHHS awarded grants through an application evaluation process in amounts up to \$50,000 to assist agencies with their enrollment and/or successful operation as a Medicaid-reimbursable HCBS Agency in North Dakota. Thirty of forty-three providers accepted community grant awards who applied and notified of award.

Agencies could apply for multiple grants, based on their expansion plans. (Deadline was October 2022). Four of the thirty awarded providers are engaged with multiple grants.

Initial estimated budget: \$6,000,000

Approved budget: \$3,240,000

Workforce Training Strategy

Contract with a consultant to overhaul the training system that is currently in place to serve both qualified service providers (QSP) and direct service providers (DSPs) in HCBS service lines. QSPs are North Dakota's name for individuals and agencies that provide personal care services and other home care services. Ensure that the training platform is culturally responsive and infuses person-centered practices, is available in multiple languages, and is delivered in using modern approaches to effective adult learning. Revise the training catalog available to direct care workforce and establish career pathways and progressive endorsements and certifications that allow for additional specialization within the industry, including behavioral health, crisis intervention and de-escalation competencies. Deliver training broadly to people engaged in the work of HCBS in North Dakota.

North Dakota was one of the states selected to receive technical assistance to develop an ARPA HCBS project management plan. Preliminary discussions have been held and a detailed work plan will be developed to successfully complete the expansion of service options with assistance from the ARPA HCBS project management technical assistance team. A contractor will be chosen through the master service agreement within the state to conduct an initial study to assess the current workforce training system to identify gaps and opportunities. After this assessment is complete, additional funds are allocated to support a technology system that the study hopes to identify as the tool to address gaps in training for the workforce while supporting ongoing education and pathways to long-term careers in the HCBS service field. *A contractor has been identified through the master service agreement process with a scope of work developed and work beginning in the summer of 2023.*

Initial estimated budget: \$2,000,000

Approved budget: \$1,950,000

Supporting Transitions from Life Skills Transition Center - \$4,750,000

North Dakota has developed a system of care for children and adults with intellectual and developmental disabilities (IDD) that includes a broad continuum of services, from a robust investment in early intervention to highly specialized institutional care for individuals with intense, complex needs.

Trends in North Dakota largely mirror that of other states in terms of overall growth in the IDD population who are receiving long term services and supports, and the continued shift from institutional to non-institutional settings.

North Dakota has adopted a goal of expanding the continuum of services to either prevent placement in institutions or more rapidly transition behaviorally and medically complex children and adults from institutional to non-institutional settings. In this funding opportunity the state will focus on the role of the Life Skills Transition Center (LSTC) in the state's IDD system to prevent admission and increase discharge. LSTC is a state administered institution for the IDD population.

Over the next two years, the state together with providers, will work to reduce non-crisis placements at LSTC while at the same time increasing the community supports that help people to remain in their homes when they are experiencing crisis. This was identified as a priority in the 2021 North Dakota legislative session.

LSTC Transition and Diversion - Expand Availability and Utilization of Family Care Option

To accomplish the transition and diversion goals established for LSTC, the system needs to increase access to safe, well-supported places for both children and adults with ID/DD, when their current home cannot meet their needs. Currently, there are limited options available to families in this situation.

*North Dakota was one of the states selected to receive technical assistance to develop an ARPA HCBS project management plan. Preliminary discussions have been held and a detailed work plan will be developed to successfully complete the expansion of service options with assistance from the ARPA HCBS project management technical assistance team. A detailed program has been developed with the first step of engaging with stakeholders to participate taking place in the beginning of calendar year 2023. These funds have been lowered as the scope of the pilot has been refined and feedback from the system have indicated a lower participation of providers than initially anticipated. **Additional engagement with stakeholders will take place in the fall of 2023 with refinement to the program prior to launching the pilot.***

Initial estimated budget: \$1,500,000

Approved budget: \$500,000

LSTC Transition and Diversion - Community Behavioral Supports for Small Scale Residential Settings

North Dakota will explore services and supports to help assure successful community living for people with complex behavioral needs, which could include additional staff support, access to behavior or medical supports (nursing, counseling, or psychiatric services, skills training and integration connected to an applied behavioral analyst), respite options, or mobile crisis services.

North Dakota was one of the states selected to receive technical assistance to develop an ARPA HCBS project management plan. Preliminary discussions have been held and a detailed work plan will be developed to successfully complete the expansion of behavioral supports with assistance from the ARPA HCBS project management technical assistance team. The scope of work for this pilot has been developed and stakeholder engagement will take place. Through feedback and scope development, additional funds have been added to meet the system need and qualitative feedback for an increased need of behavioral supports within small scale residential settings. [The piloting process will be refined through 2023.](#)

Estimated budget: \$2,500,000

Approved budget: \$3,500,000

Transition and Diversion – Flexible Support Fund

Establish a transition and diversion fund to supplement the resources that are available to support successful transition or diversion from an institutional setting, including but not limited to emergency respite service for caregivers, access to in-community crisis supports, assistive technology, adaptive equipment and other environmental modifications. Four Community Life Skills providers have been chosen to implement use of flexible funds. This fund will function as a one-time funding opportunity. [Additional stakeholder engagement and planning will take place to continue planning for this pilot.](#)

Approved budget: \$750,000

Piloting New Services to Address Gaps - \$8,900,000

In order to respond to issues identified by consumers, families, and provider partners, the state is proposing a series of efforts that would allow for the exploration of new services and supports to address existing HCBS system gaps. Any pilot included in this spending plan will be evaluated for efficacy, which will then provide meaningful information for future discussions with policy makers in North Dakota. These pilots are by definition time-limited, intended to demonstrate impact, and help state systems and provider communities better understand opportunities for future system change.

Transitions and Diversions – Flexible Transition Supports

State will consider strategies to increase transitions and diversions from institutions to home and community-based settings, and to more appropriate community-based settings, depending on circumstance. Examples include, establishing a transition fund to supplement available resources for people who are transitioning from institutions to community. Funds are meant to be flexible and utilized by Transition and Diversion teams to address unexpected needs that arise in the move to a less restrictive setting. Eligible uses include, but are not limited to, environmental modifications, assistive technology, security deposit, furnishings, moving costs, and utility hook-up fees.

Include as eligible beneficiaries, people who are not currently eligible for transition supports from other Medicaid sources, for example people moving from one community setting to another (i.e., parents' home to independent living or non-accessible home to accessible home).

Consider providing rental assistance to individuals who identify housing costs as a barrier to independent living in the least restrictive setting of their choice. Rental assistance could be first month's rent, deposits for utilities, or supports delivered by housing providers. *Rental assistance does not include payment for room and board.*

Work to enhance access to the full range of environmental modifications that would help people live successfully in home or community settings. Work with a consultant to identify program adjustments that will broaden access to home modification resources, including examining requirements that define who can provide construction-related services and program definitions that consider assistive technologies, equipment. Consider incentives for builders who are willing to engage as a home modification provider. Develop training for case managers and housing facilitators to appropriately access various environmental modification resources.

Contracted with Centers for Independent Living for provision of transition coordination services. Services began Q1-2022. For calendar year 2022, 386 referrals have been made for transition or diversion assistance and 105 individuals have transitioned to an integrated community setting. For 2023, 9 referrals have been made with 3 transitioned to an integrated community setting. Additional funding will be shifted to support a peer support resource center (\$200,000), home modification innovation fund (\$1,250,000), and a state hospital to community transition services pilot (\$600,000). All of these concepts continue to align with enhancing, expanding and strengthening the HCBS system.

An evaluation of Aging and Disability Resource Link (ADRL) Flexible Transition and Institutional Diversion Services Program was completed. The program assisted individuals with a disability of any age to transition from a provider-operated residential situation back to a community residence.

The evaluation aimed to answer several key questions, such as the value of the program to individuals served, whether DHHS should continue funding the program after ARP funding

ends, and recommendations to improve the program. To complete the evaluation, ADRL Program data was analyzed and stakeholders that support the program including Centers for Independent Livings, housing providers, HCBS providers, and other community-based organizations were engaged.

Through the evaluation, it was evident that the transition program provided a tremendous value to individuals served through the Centers for Independent Living and provider stakeholders engaged. All stakeholders echoed how valuable the program was to support individuals who were either in an institutional setting or were at-risk of becoming institutionalized by providing funds for housing applications, moving costs, furnishings, and home accessibility items. Many stakeholders stated that the flexibility on what items are eligible and how quick the ADRL Program applications are processed and approved enables the providers to better serve the individuals. Nearly all stakeholders expressed that the program is very valuable and sees value in expanding the program to other population groups, increasing the service limit, or adding additional eligible services.

Initial estimated budget: \$3,900,000

Approved budget: \$5,950,000

QSP Rate Innovations and Gap Analysis

QSPs provide personal care and other home-based services in North Dakota. This strategy would aim to identify innovative ways to adjust QSP rates so that services with potential high impact on access to HCBS people older adults and people with disabilities are better incentivized. Examples include a shift differential for QSPs who provide care at night, on weekends and on holidays; respite care; system of "backup" or emergency care providers-of-last-resort to address high need cases or staff emergency situations; and rates adjusted for intensity.

Preliminary discussions have been held. State is working through the procurement process to secure a vendor to complete the study. State has secured a vendor to complete this study and the kickoff meeting was held in early July 2022. The study concluded at the end of calendar year 2022 and recommendations from the contractor will be evaluated for future implementation. This contracted work ended up \$50,000 less than initially approved for. *Legislative action was not taken on the findings from the analysis. Additional stakeholder engagement will take place to continue to facilitate meeting the goal of the initiative.*

Estimated budget: \$1,250,000

Approved budget: \$1,200,000

Behavior Intervention Consultation and Supports

The state is aware that oftentimes it is difficult to find HCBS providers who can, and will, serve clients with behavioral health needs. Strategies to increase these services could include

establishing resources for QSPs and other HCBS providers to access, that would create behavior intervention plans, helping staff high need / high complexity cases, and offering consultation to in-home providers as needed.

Preliminary discussions have been held. A detailed work plan will be developed to successfully procure behavior intervention and consultation supports with assistance from the ARPA HCBS project management technical assistance team. A request for proposal will be released in the next quarter for behavioral analyst professionals to do observations and write behavioral plans via telehealth while being available for one-on-one consultations for client provider teams to support individuals receiving services. Additional funds have been allocated to this work to obtain a qualified consultant with the practical experience needed to best support participants and due to the lack of providers within the state to provide behavioral health supports, additional funds will attract providers to complete this necessary work. *A consultant is still being sought.*

Estimated budget: \$1,450,000

Approved budget: \$1,750,000

Enhancing Infrastructure that support HCBS - \$2,925,000

Effective delivery of home and community-based services requires the support of effective infrastructure. This includes technological and human resources; quality, outcomes, and other measures of success; and a relentless focus on use of systems. Infrastructure investments should keep the person at the center of design in every system component.

Care Connect platform, ADRL and Informed Choice

Support the development of a Care Connect platform that facilitates connections between Qualified Service Providers, consumers and families. Invest in Aging and Disabled Resources Link (ADRL) platform to incorporate affordable housing database, and other modifications to support user experience. Enhance availability of resources to support informed choice and HCBS case management. Equip DD and HCBS case managers with resources to facilitate efficient work from home and community-based settings.

Conducted initial exploration of Care Connect platform. A detailed work plan will be developed to support implementation of the Care Connect platform with assistance from the ARPA HCBS project management technical assistance team. The state is working through the required procurement process and the contract is being written. *The requirements gathering process is complete and enhancements should be completed in August and starting the enhancements later in 2023.*

Estimated Budget: \$1,100,000

Quality, Outcomes and Impacts

Strategies to document and improve quality could include develop a strategy to define key measures and metrics that clearly identify outcomes and impacts related to investments in HCBS. Establish a framework for routine, repeatable, timely access to information identified as core. Define quality in each realm of the system, incorporating National Core Indicators and National Core Measures with state defined priorities.

National Core Indicator surveys have been sent and the process of collecting data for analysis will occur next.

Initial estimated Budget: \$1,000,000

Approved budget \$325,000

Enhanced User Experience in core technology systems

Improve ease of use and overall usability of portals in MMIS and SPACES for consumers, families and providers. Consider development of an app that can interface with North Dakota's integrated eligibility system SPACES to assure reliable and understandable mobile functionality for clients.

Work on this initiative to begin Q2-2022. Technology teams have begun working on implementation. The Developmental Disability case management system needs to be redesigned for better functionality (\$50,000). *The QSP enrollment portal is moving through the procurement process.*

Estimated Budget: \$1,000,000

Approved budget \$1,300,000

Section 9817 HCBS Fund Coordination and Implementation

To ensure timely implementation of the ND 10% HCBS Spending Plan, State will secure additional project management resources to help move the work forward.

An RFP for the project manager was issued on March 22, 2022. Anticipate the project manager contract starting by June 1, 2022. The state procured a project management firm - Myers and Stauffer - and their contract began June 2022. Myers and Stauffer continues to provide project management.

Initial estimated Budget: \$400,000

Approved budget: \$200,000

