



**Spending Plan for the American Rescue Plan Act of 2021, Section 9817**



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## Letter from the Pennsylvania State Medicaid Director

Dear Centers for Medicare & Medicaid Services:

Attached please find the initial home and community-based services (HCBS) spending plan and narrative that outlines the Commonwealth of Pennsylvania's use of funding available under the American Rescue Plan Act of 2021, Section 9817.

As a state, Pennsylvania wishes to confirm the following assurances:

- The state is using the federal funds attributable to the increased federal medical assistance percentage (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 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.

Once approved, Pennsylvania has designated a state point of contact, Michael Chmielewski, who will ensure that quarterly spending plans and narratives are provided along with any associated reporting. Please contact him at [REDACTED] with any additional questions.

Sincerely,



Sally Kozak

State Medicaid Director

## Executive Summary

For 2021, Governor Wolf has advised that one of his primary goals includes charting a path to recovery for all Pennsylvanians impacted by COVID-19. For the state to fully recover, Pennsylvania will need to invest in our commonwealth and our people. Pennsylvania's economic vitality is dependent on swift and targeted action to get Pennsylvanians back to work quickly in well-paying jobs in sectors that will lead our economy back to prosperity. The temporary 10 percentage point increase to the FMAP for certain Medicaid expenditures for HCBS will allow the commonwealth to enhance both employment opportunities as well as enhance, expand, and strengthen, Pennsylvania's Medicaid programs.

In Pennsylvania, HCBS takes on a wide range of services that are housed under the Department of Human Services (DHS). The enclosed summary provides a snapshot of the work that DHS hopes to implement. Please note that some activities are contingent upon legislation. DHS will submit state plan amendments as necessary. To strengthen the response to the COVID-19 pandemic, the proposed initiatives will increase access to services for Medicaid beneficiaries, as well as offer protections to the HCBS workforce that so desperately needs relief. In doing so, HCBS providers will regain financial stability and long-term services and supports (LTSS) will be accelerated.

## Stakeholder Feedback

Pennsylvania is proud to say that collaboration and stakeholder engagement have been ongoing throughout the pandemic. Since the March 11, 2021 enactment of the American Rescue Plan Act, DHS has had audience with numerous stakeholders regarding the appropriate administration of this temporary funding. In addition to the utilization of those stakeholder meetings, calls, and letters, Pennsylvania will also engage in a public comment period whereby additional feedback will be garnered regarding the current spending plan. In doing so, DHS hopes to hear from other state agency leadership, participants in HCBS programs, residents in long-term care facilities, HCBS providers, family members and other caregivers, the aging and disability network, health plans, and the direct support workforce.

## Spending Plan Narrative

### Increased Access to HCBS

- Fund a medical home program to focus on the comprehensive coordination of care for children with complex medical conditions.
- Provide financial support to adult daily living providers to make physical, operational, or other changes to ensure services are delivered safely during the reopening of day centers.
- Strengthen county infrastructure by providing funding to expand county staffing to accommodate growth in home and community-based waiver programs.

### HCBS Provider Payment Rate and Benefit Enhancements

- Enhance quality of care by funding a nurse's ability to shadow the current nurse for private duty nursing cases.
- Support provider workforce expansion with funding to issue sign-on and retention bonuses for nurses, direct care workers, and other home and community-based service providers.
- Incentivize the use of value-based purchasing initiatives that reduce missed shifts to strengthen nursing services.
- Increase rates for 0-3 early intervention providers.
- Increase payment rates for direct care workers in the Community HealthChoices and Omnibus Budget Reconciliation Act (OBRA) waivers.
- Increase rates for the Living Independence for the Elderly (LIFE) program.
- Refresh data for Office of Developmental Programs services and adjust rates if necessary.
- Purchase consultation for the development and implementation of selective contracting and alternative contract methods.
- Increase provider rates to support state standards for the facilitation of staff training, education and recruitment based on American Society of Addiction Medicine (ASAM) criteria.

### Supplies and Equipment

- Reimburse early intervention providers for expenses and supplies necessary to safely re-engage in-person visits.
- Fund the purchase of personal protective equipment and testing supplies for HCBS providers.
- Strengthen emergency preparedness of non-residential HCBS residents through provision of emergency preparedness kits.

### Work Force Support

- Create an online education and training portal for shift care nursing to strengthen supports to nursing professionals.
- Enhance shift nursing services through co-training hubs for families and nurses to train together on complex cases.
- Develop a medical home learning network to expand communications and supports to providers serving children with medical complexities.
- Enhance quality of service provision for individuals with intellectual disabilities/autism, provider training and credentialing.
- Expand current training initiatives to include trauma-informed care, wellness, and other self-directed trainings that enhance service delivery.
- Expand the workforce with student loan forgiveness programs to recruit a diversified workforce into employment in mental/behavioral health and substance use disorder fields of work.

### Caregiver Support

- Develop a registry of direct care workers that allows participants to locate, review and contact direct care workers who will best meet their care needs.
- Provide respite and family support services to those on waiting lists for Intellectual Disabilities/Autism Services.

### Support to Improve Functional Capabilities of Persons with Disabilities

- Purchase remote support technology for HCBS providers to enhance transparency and quality assurance in service delivery.
- Provide funding for assistive and remote support technology to enhance service delivery.
- Enhance training on infection control practices.
- Purchase electronic incident detection reporting systems and dashboards to enhance HCBS monitoring.
- Enhance HCBS by improving technology for support coordination organizations.
- Accelerate the adoption of technology by purchasing a consultant to advise agencies seeking to adopt remote supports and other technology solutions for individuals receiving HCBS.

### Transition Support

- Enhance transitions into the community by incentivizing managed care organizations to meet nursing home transition goals.
- Purchase housing adaptations for those transitioning from institutional or congregate settings.
- Expand consolidated waiver capacity to transfer additional individuals from facility care.

### Mental Health and Substance Use Disorder Services

- Establish residential pediatric recovery centers that treat infants born substance-exposed and provide supports to their caregiver.
- Support telehealth services with funding for providers to purchase equipment and training supports to enhance its usage.
- Provide for technical assistance to implement assisted outpatient therapy for enhanced outpatient treatment for individuals in the civil court system who experience serious mental illness.
- Support the reopening and administration of virtual drop-in centers used to provide a non-clinical support setting for persons in mental health and substance use disorder recovery.
- Fund the administration and delivery of mental health counseling and support groups for frontline pandemic workers.
- Employ additional student assistance program liaisons to assist in identifying key behavioral health issues in school-aged children.
- Fund scholarships to expand the number of certified peer specialists in Pennsylvania to ensure a strong workforce in mental health service settings.

### Support State HCBS Capacity Building and LTSS Rebalancing Reform

- Incentivize completion of care plans to improve care coordination and care management activities.
- Provide for enhanced training for private duty nurses to staff cases for children who have complex medical conditions as well as significant behavioral health needs.
- Invest in technology to enhance care coordination for individuals receiving private duty nursing services by connecting home health agencies with Pennsylvania's Patient Provider Network.
- Introduce the use of electronic health records by state hospitals and HCBS facilities and ensure they are interoperable with the Health Information Exchange.

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- Enhance the comprehensive training program for direct care workers to bolster the quality of services for participants.
- Issue one-time grants to HCBS providers that have innovative ideas that will address social determinants of health.

Spending Plan Projection

Commonwealth of Pennsylvania Calculation of Supplemental Funding from 10% FMAP Increase					
ARPA Sec. 9817					
<b>BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP</b>					
Federal Fiscal Year	FFY 21	FFY 21	FFY 22	FFY 22	
Quarter	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Total
<i>Service Categories</i>					
Home and Community Based Services	\$ 2,470,000,000	\$ 2,470,000,000	\$ 2,470,000,000	\$ 2,470,000,000	\$ 9,880,000,000
Case Management Services	\$ 122,500,000	\$ 122,500,000	\$ 122,500,000	\$ 122,500,000	\$ 490,000,000
Rehabilitation Services	\$ 357,700,000	\$ 357,700,000	\$ 357,700,000	\$ 357,700,000	\$ 1,430,800,000
Other	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 400,000,000
Subtotal: Qualifying Expenditures	\$ 3,050,200,000	\$ 3,050,200,000	\$ 3,050,200,000	\$ 3,050,200,000	\$ 12,200,800,000
<i>Funds Attributable to 10% HCBS FMAP Increase</i>					<b>\$ 1,220,080,000</b>
<b>ADDED FUNDING FOR HCBS REINVESTMENT</b>					
Year of Reinvestment	FFY 21	FFY 21	FFY 22	FFY 22	Total
Time Period	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	
Qualifying Expenditures for Reinvestment	\$ 75,000,000	\$ 85,055,670	\$ 85,055,670	\$ 85,055,670	\$ 330,167,010
Subtotal: Qualifying Expenditures	\$ 75,000,000	\$ 85,055,670	\$ 85,055,670	\$ 85,055,670	\$ 330,167,010
<i>Reinvestment Funds Attributable to 10% HCBS FMAP Increase</i>					<b>\$ 33,016,700</b>
<i>Total Funds Attributable to 10% HCBS FMAP Increase</i>					<b>\$ 1,253,096,700</b>

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Commonwealth of Pennsylvania Spending Plan															
ARPA Sec. 9817															
Federal Fiscal Year	FFY 21	FFY 21	FFY 22	FFY 22	FFY 22	FFY 22	FFY 23	FFY 24	FFY 24	FFY 24	TOTAL				
Quarter	Q3: Apr - Jun	Q4: Jul - Sep	Q1: Oct - Dec	Q2: Jan - Mar	Q3: Apr - Jun	Q4: Jul - Sep	Q1: Oct - Dec	Q2: Jan - Mar	Q3: Apr - Jun	Q4: Jul - Sep	Q1: Oct - Dec	Q2: Jan - Mar	Q3: Apr - Jun		
Support Categories															
Enhance Medicaid HCBS	\$ -	\$ 44,621,000	\$ 44,621,000	\$ 44,621,000	\$ 44,621,000	\$ 53,704,000	\$ 53,704,000	\$ 53,704,000	\$ 53,704,000	\$ 55,553,000	\$ 55,553,000	\$ 55,553,000	\$ 55,553,000	\$ 615,512,000	
Expand Medicaid HCBS	\$ -	\$ 2,421,000	\$ 2,421,000	\$ 2,421,000	\$ 2,421,000	\$ 1,119,000	\$ 1,119,000	\$ 1,119,000	\$ 1,119,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 18,160,000	
Strengthen Medicaid HCBS	\$ 31,471,300	\$ 77,295,000	\$ 77,295,000	\$ 77,295,000	\$ 77,295,000	\$ 34,934,000	\$ 34,934,000	\$ 34,934,000	\$ 34,934,000	\$ 34,759,350	\$ 34,759,350	\$ 34,759,350	\$ 34,759,350	\$ 619,424,700	
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Proposed Spending (State Share)</b>	<b>\$ 31,471,300</b>	<b>\$ 124,337,000</b>	<b>\$ 124,337,000</b>	<b>\$ 124,337,000</b>	<b>\$ 124,337,000</b>	<b>\$ 89,757,000</b>	<b>\$ 89,757,000</b>	<b>\$ 89,757,000</b>	<b>\$ 89,757,000</b>	<b>\$ 91,312,350</b>	<b>\$ 91,312,350</b>	<b>\$ 91,312,350</b>	<b>\$ 91,312,350</b>	<b>\$ 1,253,096,700</b>	