

# ARKANSAS HCBS SPENDING PLAN

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Implementation of the  
American Rescue Plan Act  
of 2021, Section 9817



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## Executive Summary

Arkansas Medicaid provides a range of home and community-based services (HCBS) that will benefit from the American Rescue Plan Act of 2021 (ARPA), Section 9817 increased federal medical assistance percentage (FMAP). Section 9817 provides a unique provision that allows states to apply for enhanced FMAP, with a state general revenue match, for one-time funding to enhance, expand, or strengthen home and community-based services and programs submitted in their proposal. The programs outlined in Arkansas's proposal span several populations and will benefit our specialty populations of developmentally disabled, aging, physically disabled, and those with functional deficits due to their behavioral health needs.

Arkansas's proposal complements, expands, and enhances HCBS for all four populations. The enhanced funds will provide us with the opportunity to make substantial investments in our HCBS programs.

Specifically, working with our stakeholder network, we developed this proposal to benefit providers who serve our specialty populations services in the following HCBS programs:

- ✓ AR Choices 1915(c) HCBS Waiver
- ✓ Independent Choices 1915(j) State Plan
- ✓ Living Choices Assisted Living 1915(c) HCBS Waiver
- ✓ Community and Employment Supports 1915(c) HCBS Waiver within PASSE
- ✓ 1915(i) State Plan Behavioral Health Services within PASSE
- ✓ Autism 1915(c) Waiver
- ✓ Adult Behavioral Health Services for Community Independence 1915(i) State Plan
- ✓ State Plan personal care services
- ✓ State Plan home health services
- ✓ Program for All-Inclusive Care for the Elderly (PACE)

The spending proposal outlines the activities and projects Arkansas intends to implement, the large amount of stakeholder engagement that was conducted in the development of the proposal, and the overall estimated funds attributable to the increase in FMAP that Arkansas anticipates claiming between April 1, 2021 and March 31, 2022. However, Arkansas does intend to utilize these funds through March 31, 2024 as allowed by CMS. Arkansas estimates it will provide approximately \$23.9 million of State General Revenue (SGR) to fund the activities outlined below, for a total budget of \$122.7 million.

The proposal is written in accordance with CMS guidance. Pursuant to that Guidance, Arkansas will meet the following requirements until all state funds equivalent to the amount of federal funds attributable to the increased FMAP are expended:

- Not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- Preserve covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- Maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

Arkansas will maintain all standards, methods or procedures, including expansion of services and rates that were put in place during the COVID-19 public health emergency through an Appendix K for as long as allowable under the Appendix K authority; however, the ending of Appendix K policies is not considered non-compliance with the requirements outlined above.

The proposal is mindful that these requests will be funded with one-time investment funds. The proposal outlines utilizing the enhanced federal funding for the following categories of expenditures:

- HCBS Workforce Stabilization and Quality Improvement
- Planning for the Future: Technology and Education
- Expanding and Enhancing HCBS Services
- Administrative Support for distribution and oversight of these funds

## Stakeholder Input and Engagement

Arkansas engaged in a robust dialogue with key stakeholders to provide information, answer questions, and solicit vital feedback on the most impactful and efficient methods of utilizing these funds.

A timeline of the key dates and events follows.

Date	Activity
May 13, 2021	CMS released guidance on American Rescue Plan Funding for Medicaid Home and Community Based Services
May 20, 2021	Arkansas DHS emailed stakeholders from the four specialty populations and included CMS guidance, a highlight of a few major requirements and an invitation to attend a Zoom call
May 25, 2021	A stakeholder call was held with approximately 50 provider association representatives and advocacy organizations where topics were discussed and categorized for the proposal and three workgroups were formed
June 7, 2021	State and Workgroup 3 Zoom call
June 11, 2021	State and Workgroup 1 & 2 Zoom calls

	Extension Request for ARPA proposal submitted to CMS; CMS approved
June 14 - June 21, 2021	Stakeholder Committee Meetings and committee proposals drafted
June 21, 2021	Committee proposals discussed in Workgroups via Zoom
June 22 - July 11, 2021	Arkansas DHS compiled proposal and developed cost projections
July 12, 2021	Stakeholder call to review final draft proposal
July 12, 2021	Proposal submitted to CMS

Arkansas DHS requested the assistance of provider associations, councils, our university partners, Disability Rights Arkansas, and client advocacy groups, as well as multiple DHS Division Directors and Medicaid providers to develop the proposal. The large group meetings and committees outlined above had representation across all four specialty provider types to ensure that the proposal included projects that benefited all programs listed in the initial executive summary. Arkansas DHS is grateful for the stakeholder's ideas and their ability to work and collaborate across the aisle with each other for the betterment of all Medicaid clients in HCBS programs not just the ones in their population.

## Planned Projects and Expenditures

### HCBS WORKFORCE STABILIZATION AND QUALITY IMPROVEMENT

*Estimated Cost: approximately \$60 million*

Across all HCBS service delivery systems, Arkansas, like many States, is struggling to recruit and retain direct care and clinical staff. In addition to recent State minimum wage increases and the general labor workforce shortage, HCBS providers are competing with hospitals, nursing homes, and other

employers to maintain staff employed to care for approximately 78,000 clients across all HCBS service programs and waivers.

The stakeholder committees charged with submitting ideas for this category were asked to identify the best use of the increase in FMAP to help HCBS providers recruit and retain staff. The committees proposed recruitment and retention efforts along with additional training opportunities to increase the quality of care to these populations.

**OVERARCHING GOAL:** A comprehensive statewide strategy outlining the HCBS workforce that contains quality levels, as well as more a more stable provider structure with knowledgeable and invested HCBS employees.

The following is the proposal for HCBS Workforce Stabilization and Quality:

- **HCBS Workforce Stabilization and Quality Improvement** - Support the stabilization and enhance the quality of the HCBS by assisting providers with funding to stabilize current operations and develop provider-based plans for quality implementation, staff advancement and retention, both short and long term.
- **HCBS Workforce Quality and Structure Study** - Procure to conduct statewide outreach and an in-depth study focused on analyzing the specialty population needs and any future workforce needs that should be cultivated. This study will include a HCBS workforce quality structure, as well as a long term, statewide strategic plan for HCBS.

#### **PLANNING FOR THE FUTURE: TECHNOLOGY AND EDUCATION**

*Estimated Cost: approximately \$16 million*

The COVID-19 pandemic has shown us that technology-assisted support and digital health can benefit a large range of Medicaid clients in the community. We also recognize that most technology initiatives begin by purchasing equipment but fail to maximize the effectiveness with appropriate staff, client, and caregiver training or support.

Technology, digital health, and other modifications, in some cases, allows clients to access support without having onsite direct care, which fosters independence in the community while maintaining safety. While these initiatives can be used to safely enhance a HCBS service, the stakeholder discussions on this topic led to a larger discussion about client and caregiver education.

For this reason, the stakeholder committees charged with this section of the proposal were asked to identify the best use of the one-time increase in FMAP to better utilize the proposal's programs and initiatives, as well as other current HCBS services that should be highlighted to promote greater client independence. They were also charged with drafting a proposal for a HCBS client and caregiver educational campaign focused on making sure our clients know the breadth of HCBS that are available in our State.

**OVERARCHING GOAL:** Better access to HCBS services that foster independence in the community.

The following is the stakeholder proposal for Planning for the Future: Technology and Education:

- Funding for provider and client consultation, training, and capacity building focused on Enabling Technology and "Tech First" provider distinctions; providers in conjunction with their clients may access Enabling Technology devices to support their greatest level of independence.
- Providers in conjunction with their clients may access funding for environmental and home modifications that exceed the current limits on services or for clients who do not have access to funding for those supports.
- Targeted educational campaign for HCBS.

#### **EXPANDING AND ENHANCING HCBS SERVICES**

*Estimated Cost: approximately \$40 million*

In order to better support successful transitions and expand the current availability of appropriate placements for our most complex clients, we will utilize



funding for renovation and infrastructure builds, as well as design a process to streamline faster access to HCBS services when a client is discharging from a more restrictive setting.

Challenges with transitions occur within all the specialty populations covered by this proposal. Discharge planning is often disconnected or reaches an emergent status. A successful transition program will assist clients transitioning from or entering a more restrictive setting.

Challenges with appropriate HCBS placements goes hand in hand with a transition program. Any appropriate transition requires an appropriate placement to exist, especially for clients with multiple diagnoses. We have an increased need for crisis or emergent services, therapeutic communities, and community reintegration programs. Allowing funds to be available for renovation or infrastructure building will allow expansion of these much-needed services.

**OVERARCHING GOAL:** Appropriate placement options for complex clients and a streamlined transition process.

The following is the proposal for Expanding and Enhancing HCBS:

- **HCBS Transition Study** - Procure to conduct an in-depth study focused on analyzing the current process for discharge planning, HCBS waiver application process, and develop a streamlined process that allows better and faster access to HCBS when transitioning from a more restrictive setting.
- **Funding for renovation and infrastructure build to serve our complex clients**- The stakeholders outlined criteria to apply or qualify for these funds, suggestions will be incorporated into the award/allocation process and include, but are not limited to:
  - The number of clients who can be treated with the program or placement
  - A demonstration of how the funding will continue after the one-time money is exhausted
  - A detailed implementation timeline
  - The outcomes that will be measured and achieved

## ADMINISTRATIVE SUPPORT

*Estimated Cost: not to exceed 8% of this proposal*

Up to eight percent will be used to effectively administer, distribute, and audit the funds and programs outlined above.

Below is estimated funding breakdown by proposal initiative:

<b>Project Area</b>	<b>Total Funds Impact</b>
HCBS Workforce Stabilization and Quality Improvement	\$ 60,162,601.63
State Share	\$ 11,100,000.00
Federal Funds	49,062,601.63
FFP	81.55%
Planning for the Future: Technology and Education	\$ 16,260,162.60
State Share	\$ 3,000,000.00
Federal Funds	13,260,162.60
FFP	81.55%
Expanding and Enhancing HCBS Services	\$ 40,054,200.54
State Share	\$ 7,390,000.00
Federal Funds	32,664,200.54
FFP	81.55%
Admin Match	\$ 6,250,000.00
State Share	\$ 2,500,000.00
Federal Funds	3,750,000.00
FFP	60.00%
<b>Total Computable</b>	<b>\$ 122,726,964.77</b>
<b>Total State Share</b>	<b>\$ 23,990,000.00</b>
<b>Total Federal Funds</b>	<b>\$ 98,736,964.77</b>