

Home and Community Based Services Spending Plan and Narrative

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



**Florida Agency for Health Care Administration
Florida Medicaid Program
September 2021**

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September 24, 2021

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

Dear Ms. Bowdoin:

In response to the technical assistance call on September 23, 2021, with the Centers for Medicare & Medicaid Services' (CMS) regarding Florida's American Rescue Plan Act of 2021 (ARP) section 9817 initial spending plan and spending narrative, Florida has updated our spending plan and narrative specific to the proposed delayed egress activity (page five).

Thank you for your continued cooperation as we move forward.

Sincerely,

Tom Wallace
Deputy Secretary for Medicaid



Executive Summary

Florida's Home and Community-Based Services Programs

Florida's HCBS programs serve Florida's growing 65+ population, as well as beneficiaries with physical, intellectual, and/or developmental disabilities. As of May 2021, there were over 108,000 individuals enrolled in Florida's HCBS Waiver programs. The State's HCBS programs strive to ensure each recipient receives equity and access to the diverse services they require, so they might thrive in their community and live in the least restrictive setting possible. The Agency for Health Care Administration (Agency), which administers Florida's Medicaid program, does so through Medicaid Managed Care and fee-for-service Medicaid through the following Federal Authorities:

- 1915(c) Developmental Disabilities Individual Budgeting (iBudget) Waiver
- 1915(c) Model Waiver
- 1915(c) Familial Dysautonomia (FD) Waiver
- 1915(b)/(c) Long Term Care (LTC) Waiver
- 1915(j) Consumer Directed Care Plus (CDC+) Program
- State Plan

As Florida's population grows, Florida's HCBS programs continue to evolve to serve the distinct needs of their beneficiaries.

Florida's Healthcare Workers

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

Florida's HCBS Plan and Stakeholder Input

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

Several stakeholders reinforced the necessity to provide caregiver and healthcare worker support, particularly through workforce retention payments. In addition, stakeholders suggested funding technology programs which would help HCBS beneficiaries combat social isolation and allow for compliant telehealth services. State agency partners reinforced the need for opportunities to improve the quality of care, recruit and retain health workers, and assist Floridians in maintaining independence in their community. All HCBS stakeholders' initiatives were considered in developing the final HCBS spending plan.

Florida's Increased HCBS FMAP Plan

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

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

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

Proposed Activities for Florida – Summary

Activities to Support State HCBS Capacity Building:

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

Activities to Support COVID-19 Related HCBS Needs:

- Help recipients regain skills lost during the COVID-19 Public Health Emergency

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

The American Rescue Plan, Section 9817, and Center for Medicare & Medicaid Services Guidance

Section 9817 of the ARPA stipulates that the ten (10) percentage point FMAP increase will be based on State Medicaid spending on HCBS services during the period between April 1, 2021, and March 31, 2022, and that these funds must be expended by March 31, 2024. Furthermore, Center for Medicare & Medicaid Services (CMS) guidance that requires states to use state funds equivalent to the amount of federal funds attributable to the FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.

Budget Overview

Initial estimates indicated that the State of Florida will save approximately \$435 million in state funds from the 10 percentage points of enhanced FMAP for HCBS expenditures between the eligible period of April 1, 2021 and March 31, 2022.

Proposed Activities for Florida

I. Improving Provider Delivery System Capacity

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

One-Time Provider Stipends:

This proposal provides a one-time stipend to HCBS providers providing services specified in the SMDL #21-003, Appendix B. Each provider will determine the criteria for distributing the funds to build provider capacity and identify areas of workforce development. These funds would be available to providers of HCBS Waiver services and delivered through both the managed care and fee-for-service delivery systems.

One-Time Provider Retention Payments:

This proposal provides a one-time direct retention payment to HCBS providers eligible for funding per SMDL #21-003, Appendix B, who employ direct service workers. These funds will be used to create financial incentives to both recruit new workers and increase the retention rates of the direct care workforce.

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

Florida is committed to ensuring its HCBS population can not only live safely, but also thrive within their communities. To that end, the Agency wants to provide an infrastructure that will allow beneficiaries to flourish in the least restrictive setting possible. As a component of its HCBS FMAP increase strategy, Florida is proposing a series of incentives to meet the many needs of our residents. The measures proposed to strengthen infrastructure include:

Implement Improvements to Quality Oversight Activities:

Prior to requesting utilization of enhanced funding for delayed egress systems, the State of Florida analyzed incident report data over the past several years involving the elopement of individuals with developmental disabilities from group homes and Adult Day Training (ADT) facilities. This analysis revealed that the majority of such incidents were reported in settings that were not previously classified as behavioral facilities. For this reason, the amount of funding requested was calculated using the total number of Florida group homes and ADT facilities.

Florida is currently evaluating and discussing strategies for instituting delayed egress systems that will serve to protect the health and safety of Floridians with developmental disabilities, allow individuals to continue living and receiving services in home and community-based settings, and ensure that all activities meet the requirements set forth in 42 CFR § 441.301(c)(4).

One-Time Subsidy Payment:

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

The State intends to use funds to build upon the HCE program in three important ways. First, during the period of increased FMAP funding, the State will convert HCE caregiver support and home modification services from passive reaction depending on participant or caregiver request to active appraisal, recommendation, and intervention. Second, home modifications will be orchestrated by a multidisciplinary team, for example including a nurse, occupational therapist, handiworker, information technology specialist, and care coordinator. Third, the home modification intervention will take place over a concentrated period, such as four months, and with adequate funding for durable infrastructure changes for the elder, consistent with evidence-based practice in peer-reviewed literature.

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

Assistance with Implementation Services:

To ensure the highest quality of care is received and to avoid fraud, waste, and abuse, the Agency would direct a portion of funds to contract additional technology and personnel services to assist with program implementation, reporting, and accountability.

III. Expanding Patient Access to HCBS Services
Providing Additional Equipment or Devices:

Funds would provide technology resources such as smartphones, computers, and/or internet activation fees for people receiving HCBS services to address functional needs, promote independence, and/or support community integration. Other cost(s) covered by this activity includes the initial fee(s) associated with ensuring that the individuals receiving the equipment will be able to utilize them appropriately. This activity does not include a plan to pay for ongoing internet connectivity costs and we are encouraging families to access subsidies to internet connectivity such as government programs like the Federal Communications Commission's Emergency Broadband Benefit program (<https://www.fcc.gov/broadbandbenefit>) and subsidies from Internet service providers for low-income families. All participants eligible for "Additional Equipment or Devices" are Medicaid eligible and are receiving 1915(c) waiver services specified in the SMDL #21-003, Appendix B.

Access to Additional Equipment that Promotes Independence:

These funds would support the purchase of eyeglasses, wheelchair transfer boards, adaptive cooking equipment (as not otherwise available), and additional environmental modifications that address functional needs, promote independence, and/or support community integration. All participants eligible for "Additional Equipment that Promotes Independence" are Medicaid eligible and are receiving 1915(c) waiver services specified in the SMDL #21-003, Appendix B.

Expand iBudget Waiver:

As legislatively appropriated during the 2021 legislative session for state fiscal year 21/22, these funds would expand the iBudget Waiver (a 1915(c) HCBS waiver) by removing the greatest number of individuals permissible from the waiting list. Removing individuals from the wait list directly impacts the ability for additional individuals to have access to crucial HCBS services. The State confirms that the use of ARP section 9817 funding for the "Expand iBudget Waiver" activity is limited to the services listed in the SMDL #21-003, Appendix B.

Prescribed Pediatric Extended Care (PPEC) Rate Increase:

As legislatively appropriated during the 2021 legislative session for state fiscal year 21/22, this rate increase assists eligible children with medically complex conditions to receive continual medical care. Florida PPEC services are available to Florida Medicaid recipients under the age of 21. Services provided through PPEC include developmental therapies and medical, nursing, personal care, psychosocial and respiratory therapy services. Florida PPEC services are delivered in day centers licensed by the Agency; all of the services provided are eligible for funding as specified in the SMDL #21-003, Appendix B. Additional criteria related to PPEC services are specified in the following Florida rules:

Rule 59A-13.004, Florida Administrative Code (F.A.C.), License Procedure
https://www.flrules.org/gateway/notice_files.asp?ID=194890

**Rule 59G-4.260, F.A.C., Prescribed Pediatric Extended Care Services
General Criteria**

https://ahca.myflorida.com/medicaid/review/Specific/59G-4.260_PPEC.pdf

IV. COVID-19 Related HCBS Needs

Mental Health and Substance Use Disorder Services:

This proposal would allow the Agency to distribute funds to assist eligible individuals in receiving mental health services, substance abuse treatment and recovery services, and necessary rehabilitative services to regain skills lost during the pandemic. This goal will be accomplished by providing funds to eligible providers, including providers of School-Based Medicaid services, to incentivize expanded provider capacity and broader access to services. All of the recipients who will participate in the “Mental Health and Substance Use Disorder” activity are receiving rehabilitative and school-based services specified in the SMDL #21-003, Appendix B

Appendix A: Proposed Activities for Florida – Spending Plan

Activity Title	Description	Cost Estimate ¹
<p><u>HCBS Capacity Building- Expanding Provider Capacity: One-time provider stipend</u></p>	<p>Offer one-time stipend to HCBS waiver providers to support program activities.</p>	<p>\$356,426,996</p>
<p><u>HCBS Capacity Building- Expanding Provider Capacity: Creating financial incentives to both recruit new workers and increase the retention rates of the direct care workforce</u></p>	<p>Offer one-time direct payments to all HCBS waiver providers for capacity building and workforce retention/development.</p>	<p>\$266,604,000</p>
<p><u>HCBS Capacity Building- Quality Improvement Activities: Implementing Improvements to quality oversight activities</u></p>	<p>Purchased delayed egress systems for group homes and adult day training centers.</p>	<p>\$12,000,000</p>
<p><u>HCBS Capacity Building- Expanding Use of Technology</u></p>	<p>Not limited to the purchase of smartphones, computers, and/or internet activation fees for people receiving HCBS to address functional needs, promote independence, and/or support community integration.</p>	<p>\$63,584,500</p>

¹ Cost estimate includes both federal and state funds

Activity Title	Description	Cost Estimate ¹
<u>HCBS Capacity Building- Providing Access to Additional Equipment or Devices</u>	Not limited to the purchase of eyeglasses, wheelchair transfer boards, adaptive cooking equipment (as not otherwise available), and additional environmental modifications that address functional needs, promote independence, and/or support community integration.	\$63,584,500
<u>HCBS Capacity Building- Addressing Social Determinants of Health and Health Disparities</u>	Supports care for Floridians aged 60 and older in family-type living arrangements within private homes, as an alternative to institutional or nursing home care.	\$127,932,000
<u>COVID Related HCBS Needs - Mental Health and Substance Use Disorder Services</u>	Assist eligible individuals in receiving mental health services, substance abuse treatment and recovery services, and necessary rehabilitative services to regain skills lost during the pandemic by expanding provider capacity.	\$50,000,000
<u>HCBS Capacity Building- Implementation</u>	Use contracted services funding to assist with implementation activities and required reporting.	\$4,000,000
<u>HCBS Capacity Building- Expand iBudget Waiver</u>	Expand the Home and Community Based Services Waiver by removing the greatest number of individuals permissible under the additional funding from the waiting list.	\$191,333,692
<u>HCBS Capacity Building- PPEC Rate Increase</u>	Increasing provider rates to assist eligible children with medically complex conditions to receive continual medical care.	\$10,755,580
<u>TOTAL</u>		\$1,146,221,268