

Section 9817 of the
American Rescue Plan:
Vermont's Proposal to
Enhance, Expand or
Strengthen HCBS under
the Medicaid Program

Senate Appropriations
Committee

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Program Overview

- ▶ Section 9817 of the American Rescue Plan Act provides states with a 10% federal medical assistance percentage (FMAP) increase for Medicaid home and community-based services (HCBS) for activities to enhance, expand, or strengthen HCBS.
- ▶ HCBS is defined broadly within Centers for Medicare and Medicaid Services (CMS) Guidance.
- ▶ Vermont claimed over \$69M in funds attributable to the increase in FMAP which will be employed as the state share to implement approved activities. The value of these activities is *estimated* to be \$157M.
- ▶ Time periods
 - ▶ Increased FMAP is for expenditures occurring between 4/1/21 and 3/31/22
 - ▶ Funding must be used by 3/31/25

HCBS Services

State Plan Services	HCBS Authorized under 1115 waiver
<ul style="list-style-type: none"> • Home Health Care • Personal Care Services • Case Management • School Based Services • Rehabilitative Services • Private Duty Nursing 	<ul style="list-style-type: none"> • Brain Injury Program • Developmental Disability Services • Choices for Care Highest/High (excludes skilled nursing facilities) • Choices for Care Moderate Needs (for participants who are Medicaid-eligible only) • Community Rehabilitation and Treatment (CRT) (for participants who are Medicaid-eligible only) • Children's Mental Health

HCBS Spending Plan Overview

- ▶ The [HCBS Spending Plan](#) outlines how the state will use these funds.
 - ▶ Funding may only be used on activities that are in the HCBS Spending Plan and are approved by CMS.
 - ▶ Updates are provided to CMS through the quarterly reporting process.
 - ▶ Approval of the HCBS Spending Plan does not constitute approval for claiming federal financial participation for the activities within the plan.

Focus on One-Time Investments

- ▶ The HCBS Spending Plan has a strong emphasis on one-time, transformational investments to minimize ongoing sustainability concerns while strengthening the HCBS system such as:
 - ▶ Supporting the availability of high-performing providers,
 - ▶ Promoting value-based purchasing within HCBS programs,
 - ▶ Developing infrastructure and systems to support program improvement and population health management, and
 - ▶ Furthering care integration across the care continuum including SDOH.
- ▶ The emphasis on one-time investments reflects concerns about ongoing budget pressures as well as CMS requirements to include a sustainability plan.

Process Steps

Requirement	Status
CMS approval of HCBS Spending Plan	Vermont received full approval of its spending plan in May 2022.
State submission of CMS forms to claim enhanced federal medical assistance percentage (FMAP)	Vermont has successfully claimed the enhanced funding.
CMS Approval of Medicaid Match for Planned Activities	CMS approved the use of Investment expenditures on activities to enhance, expand and strengthen HCBS. Notification prior to implementation is required.
State appropriation of funds for HCBS Spending Plan activities	3% rate increases approved in 2021 (Act 154). Additional appropriations approved in 2022 (Act 83) and 2023 (Act 185).
Implementation of HCBS Spending Plan activities	AHS and Departments are implementing activities within the HCBS Spending Plan through March 2025. 26% of the spending is completed.

HCBS Spending Plan Budget (Revised 10/22)

Funding Category	Activity	Budget
Improve Services	New and/or Additional Services	\$12,950,776
	Increase Payment Rates	\$51,839,612
	Strengthen Assessment and Person-Centered Planning Processes	\$6,861,503
	Address COVID-19 related concerns	\$662,721
Promote a high-performing and stable workforce	Training	\$3,000,000
	Recruitment and Retention	\$31,480,000
Utilize Systems and Data to Improve Care, Promote Value-Based Payment Models and Support Program Oversight	Quality Improvement	\$12,570,270
	Use of Technology and Cross-system Data Integration Efforts	\$20,151,084
	Improve Care Coordination and Care Management	\$4,580,028
	Address Social Determinants of Health (SDOH)	\$3,000,000
	Administration of Activities	\$3,876,516
	Capital Investments	\$6,000,000
	Total	\$156,972,510

Premium Pay for Workforce Recruitment and Retention Program

- ▶ Act 83 of 2022 allocated \$60M for certain health care and social service employers to provide premium pay for workforce recruitment and retention.
 - ▶ \$25M HCBS FMAP funds, \$30M SFR funds, \$5M general funds
 - ▶ Grant awardees received \$2k/full-time equivalent employee
- ▶ 140 first round applicants qualified and were awarded \$33.1M.
 - ▶ Over \$23M in HCBS FMAP-funded awards and \$10M in SFR-funded awards
 - ▶ Nearly half of all awards were taken under a quarterly disbursement option that allows grantees to issue premium pay through June 2023
 - ▶ AHS is collecting data to evaluate the program in January and July
- ▶ AHS anticipates accepting Round 2 applications in February.
 - ▶ Newly eligible employer types include primary care practices, dental offices or facilities, Therapeutic Community Residences, and High-Tech Independent Home Nursing Providers