



All-State Medicaid and CHIP Call

May 25, 2021



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Agenda

- Implementation of American Rescue Plan Act of 2021 (ARP) Section 9817: Additional Support for Medicaid Home and Community-Based Services during the COVID-19 Emergency
- Retainer Payment Policy Update
- Open Mic Q and A

ARP Section 9817

- Provides states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for home and community-based services (HCBS)
 - Increased FMAP for HCBS for any state or territory cannot exceed 95 percent.
 - Federal funds attributable to the FMAP increase under section 9817 will not be applied to the territories' payment limits.
- State Medicaid Director Letter (SMDL) released on 5/13/2021 provides guidance on implementation of ARP section 9817, including:
 - Eligible services for which states can claim the increased FMAP,
 - Requirements for states to receive the increased FMAP,
 - Process of claiming the increased FMAP, and
 - Examples of activities that states can implement to enhance, expand, or strengthen HCBS.
- SMDL is available at <https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf>

Services Eligible for FMAP Increase

- Home health care
- Personal care services
- Case management
- Rehabilitative services
- Private duty nursing delivered in a beneficiary's home
- Section 1915(c) waiver program services
- Section 1915(i) state plan services
- Section 1915(j) self-directed service
- Section 1915(k) Community First Choice
- Program for All-Inclusive Care for the Elderly (PACE)

Services Eligible for FMAP Increase (cont.)

- States can also claim the increased FMAP for:
 - Eligible services authorized under Alternative Benefit Plans.
 - Eligible services authorized under Section 1115 demonstrations.
 - School based services that meet the definition of eligible services.
 - Eligible services delivered under managed care.
 - NOTE: States should claim only the applicable portion of the capitation rate attributable to eligible services.

Requirements to Receive the FMAP Increase

1. States must supplement but not supplant state funds expended for Medicaid HCBS in effect as of April 1, 2021 .
 - To demonstrate compliance, states must:
 - 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.
 - CMS will not apply penalties or non-compliance restrictions on the receipt of the increased FMAP once the authority for temporary changes expires or if a state needs to implement changes to comply with other federal statutory or regulatory requirements.

Requirements to Receive the FMAP Increase

2. States must use state funds equivalent to the amount of additional federal funds they receive as a result of the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.
 - States must submit initial and quarterly spending plans and narratives.
 - States must comply with the reporting requirements in order to receive the increased FMAP.

Reporting Requirements

- Initial spending plan and narrative:
 - May be submitted in a state preferred format.
 - Due within 30 days of the release of the guidance.
 - CMS will review within 30 days.
 - *New:* States may request an extension to submit within 60 days.
 - Must include assurances that the state is meeting the requirements of section 9817.
 - Should be submitted HCBSincreasedFMAP@cms.hhs.gov.

Reporting Requirements (cont.)

- Quarterly spending plans and narratives:
 - States can update/modify the initial spending plan and prior quarterly submissions.
 - Due 75 days prior to the beginning of each federal fiscal quarter beginning October 1, 2021.
 - Must be submitted until the state's funds in an amount equivalent to the enhanced FMAP received by the state have been expended.
 - Must include assurances that the state is meeting the requirements of section 9817.
- CMS will post summary information reported by states.

Activities to Enhance, Expand, or Strengthen HCBS

- States can implement a variety of activities under section 9817.
 - Examples in appendices C and D are not exhaustive.
- States have until March 31, 2024, to fully expend funds on activities to enhance, expand, or strengthen HCBS.
 - If states are making changes to an HCBS program that operates under a Medicaid authority, states should follow the applicable rules and processes that apply to the Medicaid authority.
 - CMS will do our best to process these action as expeditiously as possible, particularly if they are flagged as 9817 actions.
- If states provide additional Medicaid-covered HCBS, they may be eligible for the increased FMAP on those expenditures one additional time.
 - States should not claim the HCBS increased FMAP for subsequent expenditures between April 1, 2021, and March 31, 2022.

Claiming the FMAP Increase

- Once the state completes the initial Spend Plan and narrative, CMS will provide federal financial participation (FFP) associated with the increased FMAP to states through the regular process for state quarterly budget estimates submitted through the Form CMS-37, including supplemental grant awards requests.
- CMS will provide FFP associated with the increased FMAP to states through the regular process for allowable state quarterly expenditures submitted through the CMS-64.
 - The applicable FMAP is based on date of payment, not date of service for current quarter original expenditures.

Claiming the FMAP Increase (cont.)

- CMS is working to modify the Medicaid (and CHIP) Budget Expenditure System (MBES/CBES) as soon as possible to reflect each state's increased FMAP. The system updates relating to expenditure reporting for the increased FMAP for Q3 of FY21 may be delayed. In those cases, states may need to make prior period adjustments once system updates are completed.
- **For Managed Care:** States should report expenditures eligible for the 10 percentage point increase on the Form CMS-64.
- The portion of the capitation rate that is attributable to only qualifying HCBS services should be determined with the data utilized to develop the applicable capitation rates.

Retainer Payment Policy Update

- Due to the duration of the COVID-19 PHE, states can offer up to three additional 30-day periods in calendar year 2021.
 - May be retroactively effective to January 1, 2021.
 - Guardrails in the retainer payment guidance in Frequently Asked Questions issued on June 30, 2020 continue to apply to retainer payments authorized in 2021 <https://www.medicaid.gov/state-resource-center/downloads/covid-19-faqs.pdf>.

Questions
