

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
August 2021**

This page intentionally left blank.

Table of Contents

Letter.....	1
Executive Summary.....	6
Florida’s Home and Community-Based Services Programs.....	6
Florida’s Healthcare Workers.....	6
Florida’s HCBS Plan and Stakeholder Input.....	6
Florida’s Increased HCBS FMAP Plan.....	7
Proposed Activities for Florida – Summary.....	7
American Rescue Plan Act of 2021 (ARPA) and Enhanced Home and Community- Based Services (HCBS) Funding.....	7
Budget Overview.....	8
Proposed Activities for Florida.....	8
Proposed Activities for Florida – Spending Plan.....	Appendix A

This page intentionally left blank.



RON DESANTIS
GOVERNOR

SIMONE MARSTILLER
SECRETARY

August 26, 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 Centers for Medicare & Medicaid Services' (CMS) request for additional information regarding Florida's American Rescue Plan Act of 2021 (ARP) section 9817 initial spending plan and spending narrative, please see the responses below and updated in our spending plan and spending narrative.

- Estimate of the total amount of funds attributable to the increased FMAP that the state anticipates claiming between April 1, 2021, and March 31, 2022.
State Response: Initial estimates indicate that the State of Florida will save approximately \$435 million in state funds from the 10 percentage points of enhanced federal medical assistance percentage (FMAP) for HCBS expenditures between the eligible period of April 1, 2021 and March 31, 2022. This has been updated in our spending plan.
- Estimate the anticipated expenditures for the activities the state intends to implement to enhance, expand, or strengthen HCBS under the state's Medicaid program between April 1, 2021, and March 31, 2024.
State Response: Initial estimates indicate that the State of Florida will expend approximately \$1.146 billion between April 1, 2021, and March 31, 2024. The fiscal breakdown by activity is included in Appendix A.
- Clearly indicate if any of the providers receiving one-time provider stipends or one-time provider retention payments are not delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If any of the providers are not providing the services that are listed Appendix B or that could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid.



State Response: This proposal provides a one-time stipend to HCBS providers providing services specified in the SMDL #21-003, Appendix B.

- Provide more information to demonstrate that the activity to fund delayed egress systems is fully compliant with the home and community-based settings criteria.
State Response: 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.

All group homes and ADTs in Florida have been assessed for compliance with the home and community-based settings criteria. The State will only approve use of enhanced funding for the installation of delayed egress systems in group homes and ADTs that comport with the home and community-based settings criteria.

Currently, Florida allows for delayed egress systems in facilities that serve individuals with developmental disabilities under the following conditions:

- Egress is prevented for a maximum of 30 seconds
- The local authority having jurisdiction over fire safety or the State Fire Marshall has approved the system
- Locks are automatically disengaged in the event of a fire, power outage, or activation of the fire alarm

Waiver settings that request delayed egress systems installed will document the specific requirements from s. 441.301(c)(4)(vi)(F)(1-8), Florida Statutes (F.S.), which outlines person-centered allowable restrictions when necessary to ensure the health and safety of individuals with developmental disabilities.

Any individual who does not have a need for such restriction and who wishes to receive services in a setting approved for a delayed egress system will be asked to provide a written acknowledgment that they are aware that a delayed egress system is in use but it will not impede their ability to safely enter and leave the premises.

The installation of delayed egress systems will ultimately serve to protect the health and safety of Floridians with developmental disabilities and allow individuals to continue living and receiving services in non-secure community settings.

This has been updated in our narrative.

- Indicate whether the “one-time subsidy for aging in place” is in addition to the services already available through the Florida Department of Elder Affairs (DOEA) public assistance program, the proportion of individuals targeted with the subsidy who are expected to be Medicaid beneficiaries, and the anticipated percentage of Medicaid-eligible participants targeted with the subsidy who are receiving the services listed in Appendix B or services that could be listed in Appendix B.

State Response: The DOEA 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, 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.

- Provide more information about the population eligible for the “Providing Additional Equipment or Devices” and “Additional Equipment that Promotes Independence” activities, including the percentage of participants who are expected to be Medicaid eligible and the percentage of Medicaid-eligible participants receiving the services listed in Appendix B or services that could be listed in Appendix B. If the participants are not Medicaid eligible and/or are not receiving services listed in Appendix B or that could be listed in Appendix B,

explain how this activity expands, enhances, or strengthens HCBS under Medicaid.

State Response: All participants eligible for “Additional Equipment or Devices” or “Additional Equipment that Promotes Independence” are Medicaid eligible and are receiving 1915(c) waiver services specified in the SMDL #21-003, Appendix B.

- Clearly indicate if your state plans to pay for ongoing internet connectivity costs as part of the “Providing Additional Equipment or Devices” activity. Please note that ongoing internet connectivity costs are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how ongoing internet connectivity costs would expand, enhance, or strengthen HCBS. Further, approval of ongoing internet connectivity costs in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP).

State Response: The State does not plan to pay for ongoing internet connectivity costs as part of the “Providing Additional Equipment or Devices” activity. The costs that will be covered through this activity include the acquisition costs for the equipment or devices as well as any initial activation costs associated with ensuring that the individuals receiving the equipment or devices will be able to utilize them appropriately.

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.

- Under the “PPEC rate increase” activity, please confirm that “PPEC” means Florida Medicaid “Prescribed Pediatric Extended Care” services. Also confirm if the PPEC providers receiving the rate increase are delivering services listed in Appendix B or that could be listed in Appendix B and indicate if the services are being delivered in an HCBS or institutional setting. If this activity is not directly related to the services listed in Appendix B or services that could be listed in Appendix B, please explain how the activity expands, enhances, and strengthens HCBS under Medicaid.

State Response: The State confirms that “PPEC” means Florida Medicaid Prescribed Pediatric Extended Care services. 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 Florida Agency for Health Care Administration (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

- Clarify whether use of the ARP section 9817 funding for the Expand iBudget Waiver activity is limited to the services listed in Appendix B or that could be listed in Appendix B for individuals removed from the iBudget Waiver wait list. If the state intends to use the funds to pay for any services other than those listed in Appendix B or that could be listed in Appendix B, explain how the use of funds for those services expands, enhances, or strengthens HCBS under Medicaid.
State Response: The State confirms that the use of ARP section 9817 funding for the “Expand iBudget Waiver” activity is limited to the services listed in Appendix B. The iBudget Waiver is a 1915(c) HCBS waiver. Removing individuals from the wait list directly impacts the ability for additional individuals to have access to crucial HCBS services.
- For the Mental Health and Substance Use Disorder Services activity, clearly indicate if any of the activities are focused on behavioral health services and providers that are not delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B; or individuals with mental or substance use disorders who are not receiving any of the services that are listed in Appendix B or that could be listed in Appendix B. If any activities are not directly related to the services that are listed in Appendix B or could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid.
State Response: All of the recipients who will participate in the “Mental Health and Substance Use Disorder” activity are receiving rehabilitative services specified in the SMDL #21-003, Appendix B.

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.

All group homes and ADTs in Florida have been assessed for compliance with the home and community-based settings criteria. The State will only approve use of enhanced funding for the installation of delayed egress systems in group homes and ADTs that comport with the home and community-based settings criteria.

Currently, Florida allows for delayed egress systems in facilities that serve individuals with developmental disabilities under the following conditions:

- Egress is prevented for a maximum of 30 seconds
- The local authority having jurisdiction over fire safety or the State Fire Marshall has approved the system
- Locks are automatically disengaged in the event of a fire, power outage, or activation of the fire alarm

Waiver settings that request delayed egress systems installed will document the specific requirements from s. 441.301(c)(4)(vi)(F)(1-8), Florida Statutes (F.S.), which outlines person-centered allowable restrictions when necessary to ensure the health and safety of individuals with developmental disabilities.

Any individual who does not have a need for such restriction and who wishes to receive services in a setting approved for a delayed egress system will be asked to provide a written acknowledgment that they are aware that a delayed egress system is in use but it will not impede their ability to safely enter and leave the premises.

The installation of delayed egress systems will ultimately serve to protect the health and safety of Floridians with developmental disabilities and allow individuals to continue living and receiving services in non-secure community settings.

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
<u>HCBS Capacity Building- Expanding Provider Capacity: One-time provider stipend</u>	Offer one-time stipend to HCBS waiver providers to support program activities.	\$356,426,996
<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>	Offer one-time direct payments to all HCBS waiver providers for capacity building and workforce retention/development.	\$266,604,000
<u>HCBS Capacity Building- Quality Improvement Activities: Implementing Improvements to quality oversight activities</u>	Purchased delayed egress systems for group homes and adult day training centers.	\$12,000,000
<u>HCBS Capacity Building- Expanding Use of Technology</u>	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.	\$63,584,500

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