

State of Alabama

Spending Plan for Implementation of American Rescue Plan Act of 2021, Section 9817

Additional Support for Medicaid Home and Community-Based Services during the COVID-19 Emergency

July 12, 2021

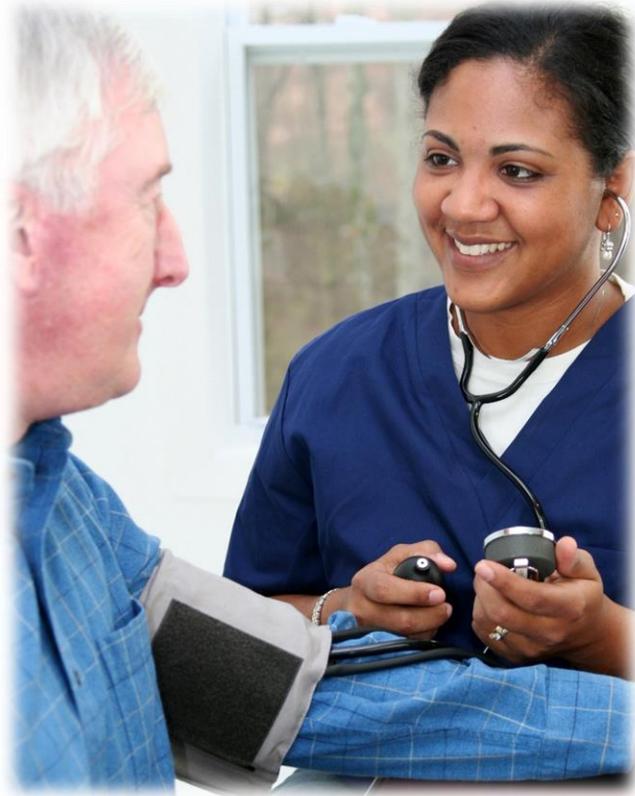


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Letter from the Alabama Medicaid Agency Commissioner



KAY IVEY
Governor

Alabama Medicaid Agency

501 Dexter Avenue
P.O. Box 5624
Montgomery, Alabama 36103-5624
www.medicaid.alabama.gov
e-mail: almedicaid@medicaid.alabama.gov

Telecommunication for the Deaf: 1-800-253-0799
334-242-5000 1-800-362-1504



STEPHANIE MCGEE AZAR
Commissioner

July 12, 2021

David L. Meacham, Director
Division of HCBS Operations and Oversight
Centers for Medicare & Medicaid Services (CMS)
U.S. Department of Health and Human Services (HHS)
601 E. 12th Street, Room 355
Kansas City, Missouri 64106

Dear Mr. Meacham,

Please accept the attached HCBS spending plan projection and narrative from the State of Alabama.

Alabama provides the following assurances:

- Alabama is using the federal funds attributable to the increased FMAP to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;
- Alabama is using the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- Alabama is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- Alabama is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- Alabama is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

The HCBS spending plan provides a high-level overview of the areas the State believes will be the best utilization of the increased FMAP. The spending plan focuses not only on enhancing HCBS services in the community but reflects an investment in workforce development which increases access and quality of care. Alabama recognizes it must seek all necessary approvals for each area of the HCBS spending plan and looks forward to the important discussions to assist with obtaining additional support for our HCBS community.

The point of contact for the State of Alabama will be Ginger Wettingfeld, Director of Long Term Care Healthcare Reform Development. She may be reached at Ginger.Wettingfeld@medicaid.alabama.gov or (334) 242-5018.

Thank you for your consideration,


Stephanie McGee Azar
Commissioner

Executive Summary

President Joseph R. Biden signed the American Rescue Plan Act of 2021 (ARP) on March 11, 2021. Section 9817 of the ARP provides qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS).

Alabama recognizes it must utilize federal funds attributable to the increased FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021, and the state must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program. Alabama also must increase access to HCBS for Alabama Medicaid beneficiaries, adequately protect the HCBS workforce, safeguard financial stability for HCBS providers and accelerate long-term services and supports (LTSS) reform under section 9817 of the ARP. The federal funding increase described by the ARP will also allow Alabama to increase community living options for people with disabilities, in accordance with Title II of the Americans with Disabilities Act, 42 U.S.C. §§ 12131–12134, as interpreted by the Supreme Court in *Olmstead v. L.C.*, 527 U.S. 581 (1999), which requires public entities to administer services to individuals with disabilities in the most integrated setting appropriate to their needs.

The purpose of this document is to provide an overview of the State of Alabama’s intended implementation of section 9817 of the ARP, as well as to describe the state’s utilization opportunities to strengthen the HCBS system in response to the COVID-19 Public Health Emergency (PHE).

Spending Plan Narrative

The State of Alabama offers a wide array of Home and Community Based Programs designed to provide the most convenient and appropriate setting for delivery of health care services to its recipients. These services are administered through various State Agencies that target groups of individuals with common needs. Primarily these populations consist of:

- Elderly and Disabled
- Individuals with Mental Health needs:
 - Intellectual Disabilities
 - Mental Illness
 - Substance Abuse Disorders
- Individuals needing Home Health Services
- Youth who need Behavioral Health Services
- Foster Children

Medicaid is a crucial partner in coordinating the provision of these services to eligible Medicaid beneficiaries. The American Rescue Plan 10% enhanced FMAP will be used to Expand, Enhance and Supplement the current Statewide programs in the following specific ways:

Long Term Services and Supports for the Elderly and Disabled:

The State implemented a 1915b Primary Care Case Management Entity program to provide Medical Management resources to expand the capability of the system to provide a higher level of care outside of an institution. Additional funding will be used to enhance the 1915b (AL 08) and 1915c (0407, 068, 241, 0878) services provided.

- **Increase the reimbursement rate to Direct Service Providers (DSP).** The current PHE created challenges to the recruitment and retention of qualified personal care workers and has exacerbated the critical need in Alabama for these workers. Alabama is proposing to increase the reimbursement rate of DSPs and provide a per service increase to the providers (above the current PHE rate). These funds will be used for incentives or salary increases for the workers and not as an administrative increase.
- **Add slots for the Elderly and Disabled waiver program to increase capacity of the program. (AL 068 amendment approved 6/1/21)**
- **Workforce Support and Training.** Provide recruitment and retention incentives. Initiate a workforce development initiative.
- **Expand Provider Capacity.** Provide payment for services not currently covered in the 1915c waivers. Amendments will be submitted for 0878 and 068 to provide reimbursement to DSP's for Supervisory Visits.
- **Minor Medical Supplies.** AL 068 will be amended to add a service providing minor medical supplies to individuals.
- **Add Services.** AL 068 will be amended to add services that enable continued living in a community setting. Services will include assistive technology and home modifications.
- **Support the payment of family caregivers as personal care workers in areas where vendors are unable to provide service coverage.** Allow waiver recipients to have the ability to choose a family member to be their worker, but not have to participate in the current 1915j. Workers who are related to the recipient could work through an approved DSP vendor, undergoing the same application process, background check, and training as all other personal care workers. Amendments to AL 241, 068, 878, and 0407 may be required.
- **Enhance the Hospital to Home program which is designed to support transitions back to the community via the hospital setting.** This process is especially needed for older adults and adults with disabilities who normally live in the community setting, but after an acute care hospitalization find themselves at risk of nursing home placement because of a need for additional supports and services to maintain their health.

Mental Health Services:

The Alabama Department of Mental Health will use the FMAP increase to provide “bridge money” to enhance existing services. Currently, the biggest barriers to service are lack of workforce and lack of provider capacity.

The spending plan reflects significant investment in workforce development and expansion of services that support individuals in the community. The FMAP increase will provide funding to stabilize services as the state develops a comprehensive workforce development plan and rate restructure. This investment will allow development of a 2024 budget request built on solid workforce data, well-trained providers and experience with new service delivery so that services moving forward are built on a solid foundation.

Critical to the success of this effort is CMS approval of the following items:

- Community Waiver Program (CWP 1746) – the legislature approved funding in 2019 and work with CMS began. The continued delay in approval is eroding the confidence of providers who have agreed to provide services. The delay combined with the workforce issues caused one provider to withdraw from the program and several to reconsider their decision.
- Appendix K (ID 0001.R09.03 LAH 0391.R04.03) - the pending Appendix K would provide rate increases to certain providers and increase provider capacity. Funding cannot be provided to providers until the Appendix K is approved.
- 1115 Substance Abuse – the FMAP increase will provide a bridge to funding under the 1115. If the waiver is not approved, services will have to be discontinued until the waiver is approved.

Developmental Disabilities:

- **Workforce Support and Training.** Provide recruitment and retention incentive grants. Initiate a workforce development initiative. Utilize a subject matter expert for development of provider staff competency training opportunities for waivers. Provide training for home health workers and direct support professionals that is specific to COVID-19, i.e. Infection Control, FIT Testing of N-95, and proper use of PPE.
- **Expand Provider Capacity.** Provide Provider Service Grants to incentivize expansion of waiver services. Incentives will be provided to reduce service gaps and/or improve individual outcomes and will expand clinical teams.
- **Training and Respite.** Enhance self-directed services training. Provide education and training. Development of resources and training materials. Expand Life Course training opportunities to youth.
- **Improve Tele-Health Infrastructure.** Expand the use of technology and telehealth which will increase access to services. Provide EVV equipment grants and provide funding for Data Management System Enhancements.

Substance Abuse:

- **Increase the reimbursement rate to Direct Service Providers (DSP).** The current PHE created challenges to the recruitment and retention of qualified personal care workers and has exacerbated the critical need in Alabama for these workers. Alabama is proposing to increase the reimbursement rate of DSPs and provide a per service increase to the providers (above the current PHE rate). These funds will be used for incentives or salary increases for the workers and not as an administrative increase. State Plan Amendment (SPA) to be submitted.

- **Increase Capacity for Opioid Treatment Program.** Increasing the capacity for Opioid Treatment Programs will allow for an expansion of these services for the Medicaid population.

Mental Illness:

- **Increase the reimbursement rate to Direct Service Providers (DSP).** The current PHE created challenges to the recruitment and retention of qualified personal care workers and has exacerbated the critical need in Alabama for these workers. Alabama is proposing to increase the reimbursement rate of DSPs and provide a per service increase to the providers (above the current PHE rate). These funds will be used for incentives or salary increases for the workers and not as an administrative increase. SPA to be submitted.
- **Increase Capacity for Mental Health Services.** This will address increases in mental health services needs by recruiting additional behavioral health providers and implementing new behavioral health services through Adult Peers and High Intensity Care Managers.
- **Transitional Housing Supports.** Providing Transitional Housing Supports will help address social determinants of health and health disparities. This will include housing related supports such as one-time transitions costs, employment supports, and community integration. This is a new service that is eligible for ARPA funding. This service is to facilitate individuals transitioning from an institutional or other group home to community-based living arrangement.
- **Workforce Support.** Provide recruitment and retention incentive grants. Initiate a workforce development initiative. Utilize a subject matter expert for development of provider staff competency training opportunities for waivers. Provide training for direct support professionals.

Home Health:

ADPH (Alabama Department of Public Health) will enhance the Home Health Services it provides. Home Health services are mandatory services authorized at section 1905(a)(7) of the Act, and defined in regulations at 42 C.F.R. § 440.70. Home Health services include nursing services, home health aide services, medical supplies, equipment, and appliances, and may include therapy services (physical therapy, occupational therapy, speech pathology and audiology).

- **Workforce Training.** Provide training for home health workers and direct support professionals that is specific to COVID-19, i.e. Infection Control, FIT Testing of N-95, and proper use of PPE. Provide training for direct support professionals.

Children Specific Services:

The State proposes to add a new service type to enhance, expand, and strengthen community-based services that provide services consistent with nationally recognized best practices. It is anticipated that the creation of this new service delivery practice will result in improved outcomes for youth who need behavioral health services. These programs will be targeted in the larger metropolitan areas of the state where most of admissions to DYS and commitment to state custody come from. These enhancements will require capacity enhancement and development of reimbursement methodologies. It is anticipated that other child-serving agencies such as mental health and child welfare could benefit from similar service development/expansion of evidence-based practices.

- **Expand services for Department of Youth Services (DYS).** Create a new service delivery method to serve children in the custody of the DYS. SPA to be submitted.

The Alabama Department of Human Resources will develop an enriched community-based home model to serve children and youth with complex emotional and behavioral needs. Children and youth targeted for this type of program include those diagnosed with mental health conditions, such as autism, bipolar disorder, schizophrenia, oppositional defiant disorder, conduct disorder, and others. This target group may have current or prior involvement with the juvenile justice and mental health systems.

The enriched homes would act as an extended community, managed by professionals in a home setting. Services provided by these programs would be tailored to each individual's needs. Overall, these services would address safety, emotional and physical well-being, educational needs, and other areas crucial to a successful transition from foster care. Psychological testing and other services would be available.

- **Expand mental health services for Department of Human Services.** Create a new community-based model to serve children with mental health/behavioral health/psychiatric needs in the custody of DHR. SPA to be submitted.

Statewide Improvements:

- **Provide broadband installation and equipment.** The HCBS population has been significantly affected by the pandemic as changes in service provision and quarantine recommendations have increased isolation and decreased access to the community at large. Providing assistive technology to support access to virtual services will enhance access to health and mental health services, allow for social interaction, and support person-centered service provisions. Internet access has the potential to reduce social isolation and to allow successful participation in telehealth opportunities. Such virtual appointments are now commonplace due to both closure of rural hospitals and individual transportation issues. The administration of waiver programs will be positively affected by this service because self-directed waiver recipients will have increased access to Electronic Visit Verification (EVV) options, which will provide a more consistent oversight of needed services.
- **Purchase Personal Protective Equipment (PPE).** Purchase PPE and COVID supplies for direct service workers and people receiving HCBS, to enhance access to services and to protect the health and well-being of home health workers and direct support professional. Supplies to purchase would be gowns, gloves, face shields, N95 mask, KN95 mask (for those not able to be fit tested), surgical mask, and hand sanitizers. To help prevent the spread of COVID and other germs several of each these items may be needed or utilized on one visit.
- **Improve Tele-Health Infrastructure.** Expand the use of technology and telehealth. Alabama will make investments in technology infrastructure to cover telecommunication start-up costs, which will increase access to services. Provide EVV equipment grants and provide funding for Date Management System Enhancements.
- **Improve technology and upgrade Information Technology systems.**

Spending Plan Projection

Program	2021 (Partial)	2022	2023	2024	Total Expenditures		
Long Term Services and Supports - HCBS Services	\$ 4,164,578.87	\$ 19,363,410.13	\$ 31,601,288.80	\$ 43,834,667.47	\$ 98,963,945.27		
Developmental Disability	\$ 31,105,804.18	\$ 134,938,792.45	\$ 127,238,792.45	\$ 117,188,792.45	\$ 410,472,181.52		
Substance Use Disorder	\$ 1,269,220.35	\$ 2,245,806.19	\$ 2,245,806.19	\$ 1,505,806.19	\$ 7,266,638.93		
Mental Illness	\$ 19,469,703.98	\$ 35,782,050.87	\$ 33,382,050.87	\$ 26,662,050.87	\$ 115,295,856.60		
Home Health	\$ 250,000.00	\$ 933,000.00	\$ 933,000.00	\$ 933,000.00	\$ 3,049,000.00		
Children Specific Services	\$ 5,000,000.00	\$ 20,333,000.00	\$ 20,333,000.00	\$ 20,333,000.00	\$ 65,999,000.00		
Statewide Improvements		\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 1,050,000.00		
total increased expenditures	\$ 61,259,307	\$ 213,946,060	\$ 216,083,938	\$ 210,807,317	\$ 702,096,622.32	*	
Estimated State share from 10%					\$ 78,410,885		
Footnote:							
* \$702 million includes \$437M previously budgeted and planned expenditures plus an additional \$265M in expenditures all of which qualify for the usage of the 10% enhanced FMAP							

Stakeholder Feedback

On Friday, June 25, 2021 the Alabama Medicaid Agency sent the draft spending plan and narrative to stakeholders throughout the State of Alabama. These stakeholders included other state agencies, advocacy groups, and other interested parties. Medicaid received comments from several groups. A large portion of the requests received from stakeholders were already included in the draft spending plan and narrative. Alabama Medicaid plans to continue to evaluate the stakeholder’s proposals and research further some of the suggestions before incorporating changes into future iterations proposed to CMS. Alabama Medicaid is eager to receive feedback from CMS on the content of Alabama’s proposed plan.

Alabama looks forward to working with CMS to bring this great opportunity to the State and most importantly the most vulnerable of our population.