STATE OF CONNECTICUT

DEPARTMENT OF SOCIAL SERVICES

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Commissioner

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Governor

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Lt. Governor

OFFICE OF THE COMMISSIONER

September 24, 2021

Jennifer Bowdoin
Director, Division of Community Systems Transformation
Disabled and Elderly Health Programs Group
Center for Medicaid and CHIP Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Ms. Bowdoin,

Thank you very much for your memo dated August 30, 2021 regarding Connecticut's Spending Plan for Implementation of the American Rescue Plan Act of 2021, Section 9817.

The State of Connecticut is pleased to receive partial approval for the initial state spending plan and spending narrative submitted on July 12, 2021, and to receive your verification that it met the requirements set forth in the May 13, 2021, Centers for Medicare & Medicaid Services (CMS), State Medicaid Director Letter (SMDL) #21- 003. We in Connecticut are deeply grateful for the myriad of opportunities that are being engendered by this significant new funding, and appreciate the considerable flexibility that has been extended to states in applying new resources in the manner that best fits our respective environments.

The State of Connecticut acknowledges that CMS' full approval of the state spending plan and spending narrative is conditioned upon resolving the issues described in the CMS partial approval memo dated August 30, 2021 and that continued compliance with program requirements as stated in SMDL #21-003 is expected. Further, the State of Connecticut acknowledges that requirements are in effect as of April 1, 2021, and continue until March 31, 2024, or until the state has fully expended the funds attributable to the increased FMAP, whichever comes first.

Specifically, by copy of this letter, I attest that:

Connecticut is targeting the following activities solely at providers delivering services that are listed in Appendix B of the 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

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services benefit). Such activities are described in Connecticut's spending plan and spending narrative submitted on July 12 and further defined below:

o Increase Provider Rates;
o Fund Temporary Workforce and Provider Stabilization;
o Reduce Racial Health Inequity;
o Provide Provider Training to Support Evidence-Based Models;
o Improve Medication Assisted Treatment;
o Improve Service Delivery for Members with Acquired Brain Injury (ABI);
o System Transformation initiatives under Enhance and Expand HCBS Delivery Transformation; and
o Pay-for-Performance (P4P) Initiative.

Connecticut plans to pay for ongoing internet connectivity costs as part of the activities to "Expand Integration and Use of Assistive Technology (AT)" as defined in the state's spending narrative. Internet connectivity is the foundation for accessing and enhancing opportunities for participation in HCBS. Once connectivity is achievable, then the AT component will be available to access. AT focuses on improving independence and community integration by allowing an individual to access supports with autonomy. As a service in collaboration with in-person staffing compliments, AT promotes the highest level of support through connection, while maintaining health and safety measures.

Connecticut acknowledges that ongoing internet connectivity costs are not authoirzed for FFP.

Connecticut confirms that APRA funds will not be used to pay for room and board in ARPA initiatives to: 1)Expand Supportive Housing Models; and, 2) System Transformation initiatives under Enhance and Expand HCBS Delivery Transformation.

Connecticut confirms that all initiatives that will be funded under the "Fund Innovative Quality Improvement Initiatives" will be targeted at providers delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B, or individuals who are receiving any of the services listed in Appendix B or services that could be listed in Appendix B.

CMS requested additional detail on Innovative Quality Improvement Initiatives. Additional detail is provided below:

Connecticut seeks to establish innovative, integrated, person-centered quality improvement initatives across the Medicaid healthcare system.

ARPA quality improvement initiatives will work with stakeholders to integrate the CMS QI HCBS Framework within the Department's ongoing QI activities, such as the state's Medicaid Transparency Board, primary care payment reform, maternity bundle and behavioral health

initiatives. In particular, through this funding, Connecticut is interested in advancing, measuring and/or improving key elements of QI as defined by CMS including: 1) Person-centered asessments and care plans; 2) Person-reported outcomes, including choice and decision making, community participation, and experience of care;3) Rebalancing the long-term services and supports (LTSS) system toward HCBS. In general, the state anticipates that improved metrics defining a team based approach with coordinated person-centered delivery systems of care will emerge.

The state expects that funding will be used for,but not limited, to:

1) Administration costs for the design and implementation of the quality initiatives;
2) Provider infrastructure costs to improve internal tracking related to requred data collection and continual learning;
3) Provider training related to how providers can learn from data for continual improvement
4) Provider based infrastructure costs associated with implementation of best practice, integrated team models of care
5) Surveys of HCBS participants
6) Development and testing of new metrics
7) Establishment and testing of value based payments aligned with the QI best practices

All funding to providers will be limited to providers delivering services that are listed in Appendix B of the 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).

Connecticut confirms that the state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021 through the "Comprehensive Review of Universal Assessment and Level of Need Groupings" activity or the implementation of the universal assessment under the "Improve and Expand Universal Assessment System" activity.

General Considerations

Connecticut confirms that the state will notify CMS as soon as possible if activities to expand, enhance, or strengthen HCBS under ARPA section 9817 :1) Are focused on services other than those listed in Appendix B 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 activities are not directly related to the services listed in Appendix B or services that could be listed in Appendix B, Connecticut will explain how those activities expand, enhance, or strengthen HCBS under Medicaid; 2) Include room and board (which CMS would not find to be a permissible use of funds); and/or, 3) Include activities other than those listed in Appendices C and D.

Connecticut confirms that an updated rate methodolgy will be submitted to CMS for the HCBS provider pay increases funded through the 10 percent temporary increased FMAP. Connecticut confirms that for section 1915(c) waiver programs, Connecticut will submit a waiver amendment for any rate methodology change.

Connecticut confirms that an Appendix K application will be submitted for any retrospective approval related to rate increases.

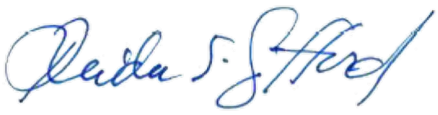
Connecticut acknowledges that consistent with regulations at 42 C.F.R. § 447.252(b), the state plan methodology must specify comprehensively the methods and standards used by the agency to set payment rates. Further, Connecticut acknowledges that the state plan methodology must be comprehensive enough to determine the required level of payment and the FFP to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Connecticut acknowledges that claims for federal matching funds cannot be based upon estimates or projections and that the reimbursement methodology must be based upon actual historical utilization and actual trend factors.

Connecitcut confirms that any plan related to reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community, will only occur after active stakeholder input, as well as in submissions to CMS of required ARP section 9817 spending plans and narratives and any resulting waiver or state plan amendments, about how these changes enhance the availability of integrated services in the specific waiver or state plan, and offset any reductions in previously covered services, in compliance with the home and community-based settings criteria or other efforts to increase community integration.

Thank you once again for your partial approval of Connecticut's Spending Plan for Implementation of theAmerican Rescue Plan Act of 2021, Section 9817 and in advance for your consideration of Connecticut's responses to your request for additional information.

We look forward to partnering with CMS on the implementation of these historic opportunities funded by ARPA to improve HCBS in Connecticut.

Best regards,



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c: Dawn Lambert