



State of Connecticut
Department of Developmental Services

DDS

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Operations Center Memo FY 2022-22

To: DDS Qualified Providers

From: Scott McWilliams, Chief of Fiscal/Administrative Services

CC: Jordan Scheff, Commissioner, Elisa Velardo, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, Krista Ostaszewski, Health Management Administrator, Operations Center Director, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The Arc CT

Date: April 19, 2022

RE: **American Rescue Plan Act of 2021 Home and Community Based Services Provider Payments**

The intent of this memo is to provide the following updates:

- I. An overview of the American Rescue Plan Act (ARPA) of 2021 Home and Community Based Services (HCBS) spending plan;
- II. provide details on acceptable uses for the ARPA HCBS payments already issued for such purposes; and
- III. outline the reporting process for providers to attest that such payments were used for the intended purposes.

I. Overview of ARPA HCBS Spending Plan

As you are aware, the American Rescue Plan Act (ARPA) enables states to earn an extra 10% federal reimbursement on a range of Medicaid waiver and related services from April 1, 2021, through March 31, 2022. The Centers for Medicare and Medicaid Services (CMS) articulated that the extra federal reimbursement must be reinvested in *enhancing, expanding and strengthening qualifying services which support community-based long-term services and supports* over the three-year period ending March 31, 2024.

The state received conditional approval for the Connecticut Home and Community Based Services (HCBS) spending plan in early December of 2021. A copy of the approved spending plan, which include provisions for both DSS and DDS can be located here: <https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Press-Releases/2021/State-of-Connecticut-ARPA-Spending-Plan-2021-FINAL-71221.pdf>

Below is an overview of DDS options that focus on enhancing, expanding and strengthening HCBS through the DDS qualified provider network. These options represent over 75% of the total spending plan approved for DDS initiatives. Now that the plan is approved, DDS will continue to work with partners and stakeholders to further develop the specific mechanisms by which these initiatives will be implemented for DDS participants and providers.

Enhance HCBS Workforce

Fund Temporary Workforce and Provider Stabilization payments to assist DDS qualified providers impacted by the pandemic as well as assist with recruitment and retention of provider staff.

The first two payments for workforce payments and provider stabilization payments to DDS waiver providers as specified in the Appendix K were posted between March 22, 2022 and March 24, 2022. Please see section II of this memo for more information on acceptable uses for these payments.

Expand Integration and Use of Assistive Technology

Expand Access to and Use of Assistive Technology in group settings to promote independence while providing a cost-effective option for assistance that maintains quality and oversight of health and safety measures. Also increases waiver caps from \$15,000 to \$30,000 beginning 7/1/2023.

Enhance and Expand HCBS Delivery Transformation

Expand Supportive Housing Models-Coordinate supports in collaboration with sister state agencies to expand supportive housing models that are integrated in the community and promote the highest level of independence for individuals with ID. This initiative will enhance staffing supports and provide training in either a transitional housing program or within the supportive housing setting to provide support to individuals who may require additional assistance.

System Transformation- This multi-pronged approach includes three initiatives to meet the ultimate goal of transforming both residential and day supports and services away from traditional congregate settings towards more integrated and efficient settings that promote independence and freedom of choice.

1) The first initiative proposes to develop an **incentive payment program** to encourage providers to consolidate current vacancies in congregate settings and redistribute the savings to individuals on the state's residential waiting lists

2) The second initiative focuses on stability of the newly designed system by issuing **payments for authorizations that move individuals to more independent residential settings** or toward competitively based employment. These payments will support providers whose authorized funding decreases due to the individual's transition to more cost effective and independent supports.

3) The third and final initiative will **work to train, facilitate and assist the state provider network in developing transformation plans** that focus on moving away from congregate settings, both residential and day focused, while promoting independence, community integration, and employment-based services.

Enhance Provider Infrastructure

Stability and Infrastructure Improvements through Technology- payments to providers to help modernize billing processes and systems. A small portion (1%) of this specific budget will also go toward technology improvements that include software replacements for business intelligence to improve public regarding of HCBS metrics and update system licenses.

The first two payments to DDS waiver providers as specified in the Appendix K were posted between March 22, 2022 and March 24, 2022. Please see section II of this memo for more information on acceptable uses for these payments.

Creation of Outcome-Based Incentive Program-The state will begin to develop a plan for an outcome-based payment program for qualified providers of DDS. The state will focus on developing metrics to determine criteria for eligibility. This initiative is focused on planning for future implementation after the ARPA period.

Other DDS spending plan options do not directly fund providers, but will improve HCBS and how individuals and providers interact with the state in many areas. These projects include:

Enhance Self-Direction

Create and Implement an Employment Network- this initiative will facilitate enrollment for direct care professionals seeking employment and Medicaid members seeking employees. The employment network will also facilitate the ability of members (employers) to quickly locate backup workers.

Expand Self-Direction Supports Available through the Fiscal Intermediary- This initiative aims to expand the range of supports available through the fiscal intermediary in order to build capacity in the self-directed Medicaid system.

Strengthen Quality

Comprehensive Review of Universal Assessment and Level of Need Groupings- The state will review of the universal assessment and make recommendations for improvement, for establishment of related need groupings. This initiative aligns with the state's "no wrong door" approach to assessing and providing supports across the statewide health and human services delivery system.

Case Management System with Capacity for Universal Modality- The state will explore a case management system with capacity for universal modality that takes a "no wrong door" approach to providing supports across the statewide health and human services delivery system. This will include modernization of core departmental functions, such as housing and providing electronic access to Individual Plans.

Critical Incident Management System Enhancements and Improvements- DDS' critical incident management system used to identify critical incidents for waiver participants served by DDS is currently based on Medicaid claims only. This initiative will add Medicare and level of need data as well as admission, discharge and transfer information to the claims that are reviewed. Overall, this will help the department to more effectively ensure the health and safety of individuals.

Participant Survey Improvement and Expansion- The state will contract with a third party to implement the National Core Indicators (NCI) survey to HCBS waiver participants served by DDS. This participant-based survey will collect feedback about the quality and satisfaction of services and supports provided by the state.

II. Acceptable Uses for ARPA HCBS Payments

At the end of March, DDS issued the first two ARPA HCBS payments to specific DDS waiver providers under three initiatives, as specified in the Appendix K. The payments were made for the three initiatives specified below. This document provides additional detail on acceptable uses for such payments.

1. *Temporary Provider Stabilization Funds* – Based on 3.39% of payments for services between 7/1/2021 – 11/30/2021. This initiative represents 32.73% of the payment you received the end of March 2022.
Based upon the approved ARPA HCBS spending plan, below are acceptable uses for these funds. Expenses should occur between 7/1/2021 and 6/30/2022:
 - Overtime costs due to the pandemic and workforce shortage
 - Time limited position costs due to the pandemic and workforce shortage
 - Temporary staff costs due to the pandemic and workforce shortage
 - Additional staff costs related to Electronic Visit Verification (EVV) implementation during the pandemic and workforce shortage
 - Staff increases to ensure retention of employees outside of the CT Wage Bill
 - Increased administrative costs due to the pandemic and workforce shortage

2. *DDS Workforce Stability Incentive* – Based on 4.12% of payments for services between 7/1/2021 – 11/30/2021. This initiative represents 39.75% of the payment you received the end of March 2022.
Based upon the approved ARPA HCBS spending plan, below are acceptable uses for these funds. Expenses should occur between 4/1/2022 and 6/30/2022:
 - Staff hiring incentives
 - Staff retention incentives
 - Staff referral incentives

3. *DDS Stability and Infrastructure Improvements through Technology* - Based on 2.85% of payments for services between 7/1/2021 – 11/30/2021. This initiative represents 27.52% of the payment you received the end of March 2022.
Based upon the approved ARPA HCBS spending plan, below are acceptable uses for these funds. Expenses should occur between 7/1/2021 and 6/30/2022:
 - Cost of purchased, rented or leased hardware (PCs, Servers, Tablets, Cell Phones) or other technology to modernize business systems
 - Technology purchases made for EVV, including the cost of internal system modifications
 - Software Purchases and/or Licensing Costs
 - IT Consultants
 - IT staff that are working on system improvements and/or agency system's infrastructure

Items and initiatives NOT listed in this memo may be acceptable, but providers utilizing funds for such items assume the risk associated. Based upon the approved ARPA HCBS spending plan and the associated Appendix K approved by the CMS on March 17, 2022, providers will be required to attest that the spending of such payments were for purposes that align with the ARPA HCBS spending plan.

III. Reporting and Attestation Requirements

DDS is working on more specific guidelines for reporting and attestations related to Temporary Provider Stabilization Funds, DDS Workforce Stability Incentive and DDS Stability and Infrastructure Improvements through Technology. The current plan is to add a sheet in the cost report for providers to categorize the funds spent in each ARPA initiative. Below is an example of what the cost report sheet may look like:

Date	Description	Provider Stabilization	Workforce Stability	Technology	Total
4/29/2022	Temporary Staff	\$ 78,000.00			\$ 78,000.00
5/22/2022	IT Consultant			\$ 40,000.00	\$ 40,000.00
6/1/2022	Retention Bonus		\$ 65,000.00		\$ 65,000.00
6/5/2022	New Server			\$ 23,000.00	\$ 23,000.00
6/28/2022	Hiring Bonus		\$ 15,000.00		\$ 15,000.00

An attestation verifying that the agency has backup for the expenditures and that the expenditures meet the ARPA guidance will also need to be signed as part of submitting annual cost reports.

These reports and attestations will be needed for FY22 through FY24.