

# Background Information

## American Rescue Plan Act of 2021: HCBS FMAP Increase

### **What is the American Rescue Plan Act of 2021 (ARP)?**

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. It gives \$1.9 trillion in federal money to address the problems caused by COVID-19. The ARPA directly affects the lives of people with disabilities, their families, and the professionals who support them.

### **How have Home and Community-Based Services been impacted by ARP?**

This gives states a 10% increase to the federal medical assistance percentage (FMAP) for some Medicaid costs for home and community-based services (HCBS). On May 13, CMS gave a letter to Medicaid Directors explaining how they can use the money. Plans from States had to be submitted by July 12, 2021.

### **How long does ARP's 10% FMAP bump last?**

The money can be spent through March 31, 2024. This gives states enough time to use all the money. The increased funding must be used on top of existing state funds for HCBS. There are some programs in place; rate standardization for residential services and increases in Personal Assistance (PA) funds, that use enhanced FMAP funds instead of state funds. However, the general direction for this money is that it is to “enhance” or “expand” HCBS services and not be used to fund what is already in place.

### **What types of HCBS services can the FMAP bump be used for?**

States can do a variety of activities including:

- improvements to HCBS services,
- eligibility,
- infrastructure,
- and reimbursement,

to enhance, expand, or strengthen Medicaid HCBS.

### **Can you give some examples of what HCBS services might be possible with the FMAP increase?**

Medicaid Directors received rules on how to use the money.

Things like:

- training,
- new or additional HCBS to help people stay out of an institution during COVID,
- technology,
- community transition costs and
- coordination to the community

are approved expenses.

Source: [FAQ American Rescue Plan AUCD 5.14.21.pdf](#)

# Terms to Know

Here are some terms to know while you read this document:

## **FMAP**

Stands for **F**ederal **M**edical **A**ssistance **P**ercentage

The federal government and the states pay for Medicaid together. Federal Medical Assistance Percentage (FMAP) is the federal government's part of the cost. The rest of the cost is paid by the state.

## **HCBS**

Stands for **H**ome and **C**ommunity Based **S**ervices

This gives people who receive Medicaid the opportunity to receive services in their own home or community instead of institutions or other isolated settings.

## **CMS**

Stands for **C**enters for **M**edicare and Medicaid **S**ervices

CMS gave the rules to the states on how they can use the increased FMAP funding. More information [here](#).

## **PACE**

Stands for **P**rogram of **A**ll-Inclusive **C**are for the Elderly

Medicare and Medicaid program that helps people meet their health care needs in the community instead of going to a nursing home or other care facility. More information [here](#).

## **VBP**

Stands for **V**alue **B**ased **P**urchasing

## **ECHO**

Stands for **E**xtended **C**are **H**ealth **O**ption

In spend plan, this is in reference to the Department of Mental Health working with experts and providers to support children in the I/DD community.

# Summary

The American Rescue Plan Act of 2021 provides an additional 10% more federal dollars for Medicaid Home and Community-Based Services provided between April 1, 2021- March 31, 2022. States have until March 2024 to spend it.

States had a *very* quick timeline to come up with their spend plan. CMS let states know about the rules for the money on May 13<sup>th</sup>, and spend plans were due on June 12<sup>th</sup> to CMS. Missouri received an extension until July 12<sup>th</sup>, 2021.

The first table (pages 1-5) lists the amount of increased claims Missouri will have because of this increase. **This total is \$216.8 Million.** The second table (pages 6-7) lists how Missouri has said they will use this money.

DMH items not appropriated through the General Assembly for the State Fiscal Year 2022 budget will have to go through appropriations as an NDI (**New Decision Item**) as one, lump sum. This spend plan requires reports from the state every 3 months. This means the plan can continue to be updated as long as it complies with the federal government.

# FMAP Spend Plan and MODDC 5 Year Strategic Plan

Below are MODDC's 5-year plan goals. Under each goal, I have listed parts of the spend plan the fit with that goal. Goal 3 is not listed because there are not parts of the spend plan that fit under that goal.

- **Goal 1: Effective self-advocacy strategies secure the rights to self-determination and inclusion for people with developmental disabilities.**
  - **Objective 1a: By September 30, 2026, The DD Network (DD Council, UCEDD and Mo P&A) will develop 5 resources to build capacity for alternatives to guardianship.**
  - **Objective 1b: By September 30, 2026, Implement 5 best practices that will increase self-determination, leadership and participation of self-advocates in cross disability or culturally diverse coalitions.**
    - Strengthening Assessment and Person Centered Planning Practices (\$6M)
    - Quality Improvement (\$25m)- Implementing a Consumer Assessment Survey
    - Expanding use of technology and Telehealth (\$12M)
  
- **Goal 2: Missourians with developmental disabilities live in safe communities that enhance quality of life across the lifespan. This includes, but is not limited to, barrier-free access to technology, healthcare, education, employment, housing, social services, cultural activities, transportation and recreation.**
  - **Objective 2a: By September 30, 2026, Implement 3 system change activities that deliver enhanced equity of people with I/DD.**
    - Payment Rates (\$67M)
      - "...will increase the compensation it pays its home health works or direct support professionals"
    - New and/or Additional HCBS (\$50M)
    - Workforce Recruitment/ Workforce Training (\$40.8M)
    - Adopting Enhanced Care Coordination (\$9M)
  - **Objective 2b: By September 30, 2026, create and implement 10 promising practices that connect individuals with I/DD across the lifespan with inclusive networks.**
    - Expanding the Use of Technology and Telehealth (\$12M)
    - Employing Cross-system Data Integration EFFORTS (\$12m)