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

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JUNE 2021

Contents

Letter from the North Dakota State Medicaid Director

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June 11, 2021

Jackie Glaze
CMS Acting Director,
Medicaid and CHIP Operations Group Center for Medicaid and CHIP Services
61 Forsythe St SW Suite 4T20
Atlanta, GA 30303-8909

Carbon Copy Sent to: Jackie.Glaze@cms.hhs.gov; HCBSincreasedFMAP@cms.hhs.gov

Dear Ms. Glaze,

North Dakota appreciates the opportunity to submit the following spending plan for the HCBS funds as described in Section 9817 of the American Rescue Plan Act. As the designated point of contact and State Medicaid Director I attest that North Dakota will submit a quarterly spending plan and narrative submissions and assure the following:

- The state 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;
- The state 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;
- The state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- The state 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
- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021. Note that in the 2021 legislature session, the legislature approved a rate adjustment. This rate adjustment is consistent with past efforts, also approved by CMS, to maintain the Developmental Disabilities provider rates to be budget neutral. We have reached out to CMS staff to discuss the maintenance of effort for these funds and the rate adjustment state law that was enacted.

Sincerely,

Caprice Knapp

Caprice Knapp, PhD
Medicaid Director

Cc: Executive Director Chris Jones

Executive Summary

States are in a unique position to accelerate the expansion of home and community-based services (HCBS) by making investments that increase access and support both transitions and diversions from institutional settings. The array of HCBS strategies and approaches described in this spending plan will serve older adults, children and adults with physical disabilities, and children and adults with intellectual or developmental disabilities, to include autism spectrum disorder and brain injury.

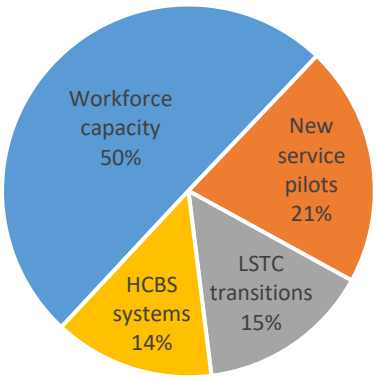
This narrative describes a series of initiatives that will help catalyze forward movement for the HCBS sector in North Dakota. The state's HCBS Fund Spending Plan outlines strategies that:

- Improve access to HCBS, through investments in provider start-up and expansions, workforce retention and recruitment, and a modernized approach to training.
- Support an accelerated rate of transition and diversion from the state institution for people with intellectual and developmental disabilities.
- Allow for the exploration of new services that will address gaps in the current state infrastructure.
- Enhance elements of the state infrastructure that serves and supports HCBS in North Dakota.

In each of these initiatives, the state will commit to evaluating the efficacy of the investment to inform future system planning. The plan outlined in this document endeavors to support improvements that will make the HCBS system in North Dakota more financially sustainable, more readily accessible in both under-served and high need geographies and committed to continuous quality improvement.

The North Dakota Plan highlights four key areas of work and is based on an estimated budget of $31,600,000 which represents approximately 10% of the HCBS total funding.

$15,850,000 - Increasing capacity of service delivery system
$ 4,750,000 - Supporting transitions from Life Skills Transition Ctr
$ 6,600,000 - Piloting new services to address gaps
$ 4,400,000 - Enhancing core systems that support HCBS
$31,600,000 – Total estimated budget



I. About 50% of funds will be allocated to Increase the capacity of the Service Delivery system ($15,850,000)

- Workforce Recruitment and Retention Strategy
- Development of new community services and supports
- Workforce training strategy

II. About 15% of funds will be allocated to supporting transitions from the Life Skills Transition Center ($4,750,000)

- LSTC Transition and Diversion - Expand availability and utilization of Family Care Option
- LSTC Transition and Diversion – Community behavioral supports for small scale residential settings
- LSTC Transition and Diversion – Flexible Support Fund

III. About 21% of funds will be allocated to piloting new services to address gaps ($6,600,000)

- Transitions and Diversions – flexible transition supports
- QSP rate innovations and gap analysis
- Behavior intervention consultation and supports

IV. About 14% of funds will be allocated to enhancing core systems that support HCBS ($4,400,000)

- Care Connect platform, ADRL system and Informed Choice
- Quality, Outcomes and Impacts
- Enhanced user experience in core technology systems
- HCBS fund coordination and implementation

Below are examples of strategies that the state will possibly fund in each category. Final decisions on funded projects will be made after accounting for input from stakeholders, procurement requirements, and staff capacity. For as many strategies as possible the state will make efforts to collect and analyze data to demonstrate effectiveness. Evaluation of efforts will provide decision makers more information at the end of the funding period that will lead to potential for long term sustainability.

I. Increasing capacity of service delivery system (Est Budget $15,850,000)

Workforce availability and its impact on access to services are one of the most common refrains across human serving sectors. Recruiting and retaining well trained direct care staff to serve consumer needs 24 hours per day, 7 days per week in geographies large and small, is a real challenge. The State is proposing a series of strategy pilots to help address this high priority issue, with the intention of increasing access to quality home and community-based services that are well-suited to meeting the complex care needs of individuals, wherever they may choose to live.

Workforce Recruitment and Retention Strategy

Develop a *pilot program* that supports both the recruitment and retention of direct care workforce in the HCBS industry. Engage workforce partners to identify financial incentives that would be meaningful to members of the workforce and impactful in terms of overall workforce availability. Consider targeted incentives for specified service types (ex. respite), enhanced training / endorsements, duration of service, and complexity of care.

Estimated budget: $7,850,000

Development of new community services and supports

Offer a series of tiered *start-up grants, incentives and supports* to providers who increase their capacity to provide HCBS. Consider incentives for skilled nursing facilities or health systems who open a HCBS service line, for new providers of high priority services (ex. respite, family care option, round-the-clock services, personal care, and nursing), for existing providers who expand into new service geographies, and providers who develop capacity for complex care cases. Awards will incentivize both establishment of new service lines as well as enhancement of established delivery of service.

Estimated budget: $6,000,000

Workforce Training Strategy

Contract with a *consultant* to overhaul the training system that is currently in place to serve both qualified service providers (QSP) and direct service providers (DSPs) in HCBS service lines. QSPs are North Dakota's name for individuals and agencies that provide personal care services and other home care services.

Ensure that the training platform is culturally responsive and infuses person-centered practices, is available in multiple languages, and is delivered in using modern approaches to effective adult learning. Revise the training catalog available to direct care workforce and establish career pathways and progressive endorsements and certifications that allow for additional

specialization within the industry, including behavioral health, crisis intervention and de-escalation competencies.

Deliver training broadly to people engaged in the work of HCBS in North Dakota.

Estimated budget: $2,000,000

II. Supporting Transitions from Life Skills Transition Center (Est Budget $4,750,000)

North Dakota has developed a system of care for children and adults with intellectual and developmental disabilities (IDD) that includes a broad continuum of services, from a robust investment in early intervention to highly specialized institutional care for individuals with intense, complex needs.

Trends in North Dakota largely mirror that of other states in terms of overall growth in the IDD population who are receiving long term services and supports, and the continued shift from institutional to non-institutional settings. However, as of 2017 ND still registered one of the highest rates of placement in institutional settings of any state.[1]

North Dakota has adopted a goal of expanding the continuum of services to either prevent placement in institutions or more rapidly transition behaviorally and medically complex children and adults from institutional to non-institutional settings. In this funding opportunity the state will focus on the role of the Life Skills Transition Center (LSTC) in the state's IDD system to prevent admission and increase discharge. LSTC is a state administered institution for the IDD population.

Over the next two years, the state together with providers, will work to reduce non-crisis placements at LSTC while at the same time increasing the community supports that help people to remain in their homes when they are experiencing crisis.

This was identified as a priority in the 2021 North Dakota legislative session.

LSTC Transition and Diversion - Expand availability and utilization of Family Care Option

To accomplish the transition and diversion goals established for LSTC, the system needs to increase access to safe, well-supported places for both children and adults with ID/DD, when their current home cannot meet their needs. Currently, there are limited options available to families in this situation.

State will establish a work group to increase the availability of the Family Care Option setting for people with IDD. The work group will also 1) review state law and administrative code, 2) develop guidance to facilitate team / service planning in family care option settings and 3)

[1] Residential Information Systems Project. *In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends 2017, Table 2.10* - "People Living in an ICF/IID per 100,000 of the population by age and state on June 30, 2017". University of Minnesota Institute on Community Integration. Published June 2020.

encourage case managers to adopt two-generation / whole family approaches when evaluating needs of the primary client being served. Recommendations from the work group will align with Medicaid and 1915(c)Waiver requirements for family care option service planning.

Finally, the state will consider providing an incentive payment to providers that offers services in a Family Care Option setting. Incentives could be tiered in that they would increase with intensity of service being delivered.

Estimated budget: $1,500,000

LSTC Transition and Diversion - Community behavioral supports for small scale residential settings

North Dakota will explore services and supports to help assure successful community living for people with complex behavioral needs, which could include additional staff support, access to behavior or medical supports (nursing, counseling, or psychiatric services, skills training and integration connected to an applied behavioral analyst), respite options, or mobile crisis services.

If opportunities exist to start-up settings in the community, the state will seek to create service-delivery-based incentives to providers. For example, targeted incentives could be given to providers who agree to establish small scale residential settings where staff have developed specialization in management of complex behaviors.

Other possibilities to support this strategy include developing training and community resource partnerships, examining how rates could be adjusted to incentivize care for clients who are behaviorally complex, ensuring that assessment scores and outlier calculations adequately address needs, establishing a defined crisis plan for each "high risk" placement, and connecting the setting to services that will be available when need for pre-crisis/stabilization arises.

Estimated budget: $2,500,000

LSTC Transition and Diversion – Flexible Support Fund

Establish a transition and diversion fund to supplement the resources that are available to support successful transition or diversion from an institutional setting, including but not limited to emergency respite service for caregivers, access to in-community crisis supports, assistive technology, adaptive equipment and other environmental modifications.

Estimated individuals served: 26
Estimated budget: $750,000

III. Piloting New Services to Address Gaps (Est Budget $6,600,000)

In order to respond to issues identified by consumers, families, and provider partners, the state is proposing a series of efforts that would allow for the exploration of new services and supports to address existing HCBS system gaps. Any pilot included in this spending plan will be evaluated for efficacy, which will then provide meaningful information for future discussions with policy makers in North Dakota. These pilots are by definition time-limited, intended to demonstrate impact, and help state systems and provider communities better understand opportunities for future system change.

Transitions and Diversions – Flexible Transition supports

State will consider strategies to increase transitions and diversions from institutions to home and community-based settings, and to more appropriate community-based settings, depending on circumstance. Examples include, establishing a transition fund to supplement available resources for people who are transitioning from institutions to community. Funds are meant to be flexible and utilized by Transition and Diversion teams to address unexpected needs that arise in the move to a less restrictive setting. Eligible uses include, but are not limited to, environmental modifications, assistive technology, security deposit, furnishings, moving costs, and utility hook-up fees.

Include as eligible beneficiaries, people who are not currently eligible for transition supports from other Medicaid sources, for example people moving from one community setting to another (i.e., parents' home to independent living or non-accessible home to accessible home).

Consider providing rental assistance to individuals who identify housing costs as a barrier to independent living in the least restrictive setting of their choice. Rental assistance could be first month's rent, deposits for utilities, or supports delivered by housing providers.

Work to enhance access to the full range of environmental modifications that would help people live successfully in home or community settings. Work with a consultant to identify program adjustments that will broaden access to home modification resources, including examining requirements that define who can provide construction-related services and program definitions that consider assistive technologies, equipment. Consider incentives for builders who are willing to engage as a home modification provider. Develop training for case managers and housing facilitators to appropriately access various environmental modification resources.

Estimated individuals served: 150
Estimated budget: $3,900,000

QSP Rate Innovations and Gap Analysis

QSPs provide personal care and other home-based services in North Dakota. This strategy would aim to identify innovative ways to adjust QSP rates so that services with potential high impact on access to HCBS people older adults and people with disabilities are better incentivized. Examples include a shift differential for QSPs who provide care at night, on weekends and on holidays; respite care; system of "backup" or emergency care providers-of-last-resort to address high need cases or staff emergency situations; and rates adjusted for intensity.

Estimated budget: $1,250,000

Behavior Intervention Consultation and Supports

The state is aware that oftentimes it is difficult to find HCBS providers who can, and will, serve clients with behavioral health needs. Strategies to increase these services could include establishing resources for QSPs and other HCBS providers to access, that would create behavior intervention plans, helping staff high need / high complexity cases, and offering consultation to in-home providers as needed.

Estimated budget: $1,450,000

IV. Enhancing Infrastructure that support HCBS (Est Budget $4,400,000)

Effective delivery of home and community-based services requires the support of effective infrastructure. This includes technological and human resources; quality, outcomes, and other measures of success; and a relentless focus on useability of systems. Infrastructure investments should keep the person at the center of design in every system component.

Care Connect platform, ADRL and Informed Choice

Support the development of a Care Connect platform that facilitates connections between Qualified Service Providers, consumers and families. Invest in Aging and Disabled Resources Link (ADRL) platform to incorporate affordable housing database, and other modifications to support user experience. Enhance availability of resources to support informed choice and HCBS case management. Equip DD and HCBS case managers with resources to facilitate efficient work from home and community-based settings.

Estimated Budget: $2,000,000

Quality, Outcomes and Impacts

Strategies to document and improve quality could include develop a strategy to define key measures and metrics that clearly identify outcomes and impacts related to investments in HCBS. Establish a framework for routine, repeatable, timely access to information identified as core. Define quality in each realm of the system, incorporating National Core Indicators and National Core Measures with state defined priorities.

Estimated Budget: $1,000,000

Enhanced User Experience in core technology systems

Improve ease of use and overall usability of portals in MMIS and SPACES for consumers, families and providers. Consider development of an app that can interface with North Dakota's integrated eligibility system SPACES to assure reliable and understandable mobile functionality for clients.

Estimated Budget: $1,000,000

Section 9817 HCBS Fund Coordination and Implementation

To ensure timely implementation of the ND 10% HCBS Spending Plan, State will secure additional project management resources to help move the work forward.

Estimated Budget: $400,000

Spending Plan Projection

For planning purposes, the State of North Dakota estimates its HCBS Fund at $31,641,600. This includes the assumption that the FFCRA 6.2% extends through 12/31/2021. All values are estimates and subject to change. Changes will be tracked and reported through the CMS quarterly reporting.

Calculation of Supplemental Funding from 10% FMAP Increase

ARPA Sec. 9817; eff. 4/1/21 to 3/31/22

Federal Fiscal Year	**FFY 21**	**FFY 21**	**FFY 22**	**FFY 22**	
Quarter	**Q3: Apr to Jun**	**Q4: Jul to Sep**	**Q1: Oct to Dec**	**Q2: Jan to Mar**	**Total**
ASSUMPTIONS					
Qualifying Baseline Total Costs (Populate blue shaded cells with projections)					
Home and Community Based Services	$ 58,619,000	$ 60,862,089	$ 60,862,089	$ 60,862,089	$ 241,205,268
Case Management Services	$ 799,000	$ 773,000	$ 773,000	$ 773,000	$ 3,118,000
Rehabilitation Services	$ 4,092,000	$ 4,309,000	$ 4,309,000	$ 4,309,000	$ 17,019,000
Other	$ 13,836,000	$ 13,746,000	$ 13,746,000	$ 13,746,000	$ 55,074,000
Subtotal: Baseline	$ 77,346,000	$ 79,690,089	$ 79,690,089	$ 79,690,089	$ 316,416,268
					-
FMAP (Populate blue shaded cells with federal match assumptions)					
State's FMAP	52.40%	52.40%	53.59%	53.59%	
FFCRA Increase 1/	6.20%	6.20%	6.20%	0.00%	
ARPA Increase	10.00%	10.00%	10.00%	10.00%	
Combined FMAP	68.60%	68.60%	69.79%	63.59%	
IMPACT TO FUNDING					
Current Funding					
State Match (-10% of cost)	$ (7,734,600)	$ (7,969,000)	$ (7,969,000)	$ (7,969,000)	$ (31,641,600)
Federal Match (+10% of cost)	$ 7,734,600	$ 7,969,000	$ 7,969,000	$ 7,969,000	$ 31,641,600
Subtotal: Current Funding	$ -	$ -	$ -	$ -	$ -
Supplemental Funding					
Repurposed State Match	$ 7,734,600	$ 7,969,000	$ 7,969,000	$ 7,969,000	$ 31,641,600
Federal Match	$ 16,897,900	$ 17,410,000	$ 18,409,700	$ 13,917,800	$ 66,635,400
Subtotal: Non-Supplant Funding	$ 24,632,500	$ 25,379,000	$ 26,378,700	$ 21,886,800	$ 98,277,000
Overall Funding Change					
State Match	$ -	$ -	$ -	$ -	$ -
Federal Match	$ 24,632,500	$ 25,379,000	$ 26,378,700	$ 21,886,800	$ 98,277,000
Total	$ 24,632,500	$ 25,379,000	$ 26,378,700	$ 21,886,800	$ 98,277,000
% Funding Increase	*31.8%*	*31.8%*	*33.1%*	*27.5%*	*31.1%*

Stakeholder Feedback

The following is a summary of some of the feedback provided by various stakeholder groups over the last 12 months. The settings referenced include a series of feedback sessions facilitated as part of the Money Follows the Person Capacity Building plan development, the Department of Justice Settlement Plan input sessions, the Medicaid Advisory Committee, the Brain Injury Advisory Group, the Behavioral Health Planning Council and legislative testimony publicly delivered.

Key Takeaways

Workforce retention and recruitment and overall provider capacity are limiting factors to increased HCBS access.

Caring for people with complex needs (both medical and behavioral) presents many challenges and requires new approaches and partnerships.

Caregivers would benefit greatly from additional supports and incentives.

Complexity of HCBS system can be a deterrent to utilization.