



State of Montana

Department of Public Health and Human Services

ARPA Home and Community Services Quarterly Spending Plan and Narrative

Submitted January 17, 2023

HCBS Quarterly Spending Narrative

Direct Care Wage Increases

Strategic Principles: Workforce Supports, Provider Stability

Overview

The 67th Montana Legislature authorized two years of funding for wage increases to support direct care workers in Montana’s 1915 (c) home and community-based service waivers. Phase 1 HCBS ARPA Initiatives include the SFY 2022 expected distribution of the additional funds aimed to increase the salaries of the primary workforce in Montana’s three 1915c HCBS Waivers.

Progress/Updates

The direct care wage increase was initiated using changes to the Administrative Rules of Montana and internal operating procedures. The rules were finalized on November 19, 2021, and the final group of initial payments for increased direct care wages were implemented shortly after.

Sustainability

Appropriations for these direct care wage increases are component of the Montana Medicaid base budget and have been automatically included in the initial proposed biennial budget for the upcoming biennium.

Authorities

These new outlays to strengthen and enhance the HCBS Medicaid system are included in the following document(s):

Authorizing Document	Control Number	Approval Date	Status
Appendix K			To Be Submitted by February 1, 2023

Provider Rate Increases

Strategic Principles: Provider Stability, Quality of Care

Overview

The 67th Montana Legislature authorized two years of funding for several fee-for-services provider rate increases. Phase 1 HCBS ARPA Initiatives include the increased SFY 2022 Medicaid appropriations directed towards **increasing provider rates by 1%** for Home and Community-Based Service services and providers (as defined by ARPA).

Progress/Updates

The provider rate increase was initiated using changes to the Administrative Rules of Montana. The rules were finalized on October 8, 2021, and payments for increased provider rates were implemented shortly after.

Sustainability

Appropriations for these provider rate increases are component of the Montana Medicaid base budget and **have been** automatically included in the initial proposed biennial budget for the upcoming biennium.

Authorities

These new outlays to strengthen and enhance the HCBS Medicaid system are included in the following document(s):

Authorizing Document	Control Number	Approval Date	Status
State Plan Amendment Other Rehabilitative Services	21—0016	12/22/2001	Approved
State Plan Amendment DD TCM	21-0021	12/20/2021	Approved
State Plan Amendment Reimbursement Introduction Page	21-0010	12/20/2021	Approved
State Plan Amendment Autism*	21-0002	12/17/2021	Approved
State Plan Amendment	21-0017	12/22/2021	Approved

EPSDT			
Appendix K			To Be Submitted by February 1, 2023

*Autism services are not included in calculations for the receipt of the additional 10% FMAP. Provider rate increases for Autism services are included in the list of qualified maintenance of effort uses at standard FMAP.

Provider Rate Study

Strategic Principles: Provider Stability, Quality of Care

Overview

The 67th Montana Legislature authorized funding for a provider rate study to determine the impact of COVID 19 on provider rate sufficiency and member access. HCBS ARPA Initiatives include the administrative expenditures related to rate studies study activities for Home and Community-Based Service services (as defined by ARPA).

Progress/Updates

The Department has contracted with Guidehouse, Inc. to conduct a comprehensive provider rate study of services delivered to HCBS populations. At the inauguration of the rate study, Guidehouse worked with the Department to initiate stakeholder engagement efforts involving the formation of three Rate Workgroups and a Steering Committee. Guidehouse communicated the scope of the engagement and operating norms at the start of the rate study process and clarified the Rate Workgroups and Steering Committee would work to accurately capture the cost of service delivery and to determine the common principles and parameters that would apply to the updated rate setting methodology. To allow for a holistic rate determination process, Guidehouse conducted a comprehensive cost and wage survey to gather data from providers across programs as the basis for the rate studies. Guidehouse also reviewed the State's Medicaid claims data, and other extensive state, regional, and national benchmark metrics, basing assumptions on industry data when provider-reported data was unavailable or insufficient for rate setting. Guidehouse's work also includes a detailed cost reporting plan to support future rate updates for these services. Guidehouse completed the provider rate study in late 2022. Guidehouse continues to provide technical assistance to the Department on planning and implementation of the recommendations from that study.

Authorities

Additional authority are not required as these are standard Medicaid administrative costs.

Provider Supplemental Payments

Strategic Principles: Provider Stability, Quality of Care

Overview

Stakeholder meetings with and communications from Montana Medicaid HCBS providers have identified financial instability as a major risk factor to a) ensuring ongoing service delivery and b) ability to recruit and retain workforce. DPHHS will issue supplemental payments to ARP defined Home and Community Based Providers for 24 months. Providers receiving the supplemental payments will be expected to use the funds for service delivery and/or workforce recruitment and retention.

The Supplemental Payment Program will span 2 years and consist of two phases.

- Phase 1: Period 1: 4/01/2021 - 9/30/2021

HCBS Providers will be issued a 15% supplemental payment calculated from specific Medicaid services for dates of service between 04/1/2021 and 09/30/2021 and billed by 10/31/2021.

- Phase 1: Period 2: 10/01/2021 - 12/31/2021

HCBS Providers will be issued a 12% supplemental payment calculated from specific Medicaid services for dates of service between 10/01/2021 and 12/31/2021 and billed by 01/31/2022.

Phase 2: 1/1/2022 - 3/31/2023

To participate in Phase 2, HCBS providers will be expected to sustain or increase service delivery and invest in workforce recruitment and retention, as well as demonstrate that the cost of delivering services during the applicable timeframe exceeds standard Medicaid payments.

HCBS Providers will submit a Provider Agreement Form to DPHHS, which will allow providers to opt into the receipt of Phase 2 supplemental payments by agreeing to the conditions of Phase 2. Providers who have opted into Phase 2 will be required to submit a quarterly attestation and quarterly schedule demonstrating that costs exceed Medicaid payments will be issued supplemental payments. The payment schedule for Phase 2 consists of three periods.

- Phase 2: Period 1: 01/01/2022 - 3/31/2022

HCBS Providers who opt in and supply a quarterly schedule demonstrating costs exceed Medicaid payments will be issued a 12% supplemental payment calculated from specific Medicaid services for dates of service between 01/01/2022 and 03/31/2022.

- Phase 2: Period 2: 04/01/2022 - 9/30/2022

HCBS Providers who opt in and supply a quarterly schedule demonstrating costs exceed Medicaid payments will be issued an 8% supplemental payment calculated from specific Medicaid services for dates of service between 04/01/2022 and 09/30/2022.

- Phase 2: Period 3: 10/01/2022 - 03/31/2023

HCBS Providers who opt in and supply a quarterly schedule demonstrating costs exceed Medicaid payments will be issued a 4% supplemental payment calculated from specific Medicaid services for dates of service between 10/01/2022 and 03/31/2023.

Progress/Updates

The first round of supplemental payments were issued in late November 2021 and have continued to be issued quarterly. The department has completed outreach on the HCBS supplemental payment project by holding numerous online provider meetings, establishing a project website and supporting a dedicated technical assistance email.

Authorities

These new outlays to strengthen and enhance the HCBS Medicaid system are included in the following document(s):

Authorizing Document	Control Number	Approval Date	Status
Appendix K	MT.048.R06.12	10/27/2021	Approved
Appendix K	MT.028.R06.10	10/27/2021	Approved
Appendix K	Mt.0455.R03.07	10/27/2021	Approved
D&R SPA	21-0032	11/19/2021	Approved

HCBS Quarterly Spending Plan - FMAP

The following schedule identifies the amount of funds attributable to the increased FMAP that Montana has claimed and/or anticipates claiming between April 1, 2021, and March 31/2022.

Projected Claiming of Enhanced FMAP					
	04/01/2021- 06/30/2021	07/01/2021- 09/30/2021	10/01/2021- 12/31/2021	01/01/2022 – 03/31/2022	Total
Increased FMAP	\$ 6,772,221	\$ 7,077,793	\$ 6,811,205	\$ 7,323,512	\$27,984,731
Increased FMAP on Reinvestments in Year 1			\$ 2,253,446	\$ 889,956	\$ 3,143,402
				Total	\$31,128,133

HCBS Quarterly Spending Plan – Activities

The Montana Quarterly HCBS Spending Plan FFY 23 Qtr 3 includes the schedules identifying the total planned, expended to date and remaining anticipated expenditures for each of the state's activities to enhance, expand, or strengthen HCBS. The investment projects are reported as of 12/31/2022.