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June 14, 2021

MEDICAID INFORMATION RELEASE MA21-17

To: Medicaid Home and Community Based Service Providers Medicaid Participants Receiving Home and Community Based Services Participant Advocates and the Public

From: Matt Wimmer, Administrator

Subject: Idaho's Submission of Plan for Increased HCBS Funds

The American Rescue Plan (ARP) Act was signed into law on March 11th, 2021 by President Biden. One provision of the ARP allows state Medicaid programs to receive a temporary 10% increase in the Federal Medical Assistance Percentage (FMAP), the federal share of Medicaid funding, for certain home and community-based services (HCBS). This increased funding will be available based on HCBS spending from April 1, 2021 through March 31, 2022.

The Idaho Legislature and Governor Little subsequently approved funding for ARP HCBS support through <u>2021 House Bill 382</u> and directed that the funding be used solely for temporary pay increases or bonuses for direct care workers. On Monday, June 14th, the Idaho Division of Medicaid submitted <u>a letter of intent and supporting documentation</u> to the Center for Medicare and Medicaid Services (CMS) consistent with that legislative direction in response to <u>State Medicaid</u> <u>Director (SMD) letter 21-0003</u>. This intent letter and documentation serve to outline Idaho's initial spending plan and narrative for the increased FMAP related to HCBS.

Upon federal approval of Idaho's initial spending plan, Idaho will begin making quarterly payments to eligible HCBS providers. Each provider will receive an amount determined by their reimbursement as a percentage of all ARP qualifying HCBS in SFY 2019. Idaho Medicaid will be working with CMS to obtain approval for the plan over the next 30 days.

We have been meeting with provider associations and HCBS providers on a regular basis on the development of this plan since the ARP passed in March. We invite providers, advocates, and the public to give input and feedback on the initial plan as it proceeds through the CMS approval process. Comments may be submitted via email to ARPAFeedback@dhw.idaho.gov.

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The CMS guidance indicates that plans may be updated and revised through a quarterly reporting process. We do intend to adjust our approach contingent on your feedback, HCBS program needs, and legislative appropriations.

As always, thank you very much for your continued service as a Medicaid provider and for your dedicated commitment to Idahoans with Medicaid coverage.

MW/db

The content of this guidance document is not new law but is an interpretation of existing law prepared by the Idaho Department of Health and Welfare to provide clarity to the public regarding existing requirements under the law. This document does not bind the public, except as authorized by law or as incorporated into a contract. For additional information or to provide input on this document, contact the Division of Medicaid by emailing <u>medicaidcommunications@dhw.idaho.gov</u> or by calling 208-334-5747.