

# Quarterly spending plan report for Implementation of the American Rescue Plan Act of 2021, Sect. 9817

## Additional support for Medicaid home and community-based services during the COVID-19 public health emergency

October 18, 2021

Washington State  
Health Care Authority



October 18, 2021

Jennifer Bowdoin  
Director, Division of Community Systems Transformation  
Center for Medicaid and CHIP Services  
7500 Security Boulevard  
Baltimore, Maryland 21244

**SUBJECT: Quarterly American Rescue Plan Act (ARPA) Spending plan report**

Dear Ms. Bowdoin,

On September 3, 2021, Washington State received a partial approval letter for its section 9817 ARPA spending plan that indicated the state's first quarterly report is due on October 18, 2021. Enclosed you will find an update on Washington's ARPA spending plan initiatives.

The state is still awaiting final approval of its ARPA spending plan, but we wanted to ensure that we kept the Centers for Medicare & Medicaid Services (CMS) apprised of the state's activities to date. Future quarterly spending plan reports will provide information that addresses CMS' requests:

- Describe how the state intends to sustain the activities it is implementing to enhance, expand, or strengthen HCBS under the Medicaid program including how the state intends to sustain its planned provider payment increases;
- Provide information on the amount or percentage of any rate increase or additional payment per provider and the specific Medicaid authorities under which the state will be making those rate changes or payments;
- Provide the additional information described above;
- Clearly indicate if your state has or will be requesting approval for a change to an HCBS program and be specific about which HCBS program, which authority it operates under, and when you plan to request the change;
- Provide projected and actual spending amounts for each of the state's planned activities to expand, enhance, or strengthen HCBS. In those projections, clearly identify if the state intends to draw down additional FFP for any activities, as well as the amount of state and federal share for any activities for which the state plans to claim additional FFP and whether those activities will be eligible for the HCBS increased FMAP under ARP section 9817;
- Clearly indicate whether your state plans to pay for capital investments or ongoing internet connectivity costs as part of any activity to enhance, expand, or strengthen HCBS. Capital investments and ongoing internet connectivity costs are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments and ongoing internet connectivity costs would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments and ongoing internet connectivity costs in ARP section 9817 spending plans and narratives does not authorize such activities for FFP;
- Provide updated information (as appropriate) on the status and details of the state's proposed activities to expand, enhance, or strengthen HCBS; and
- Make other revisions needed to: update the amount of funds attributable to the increase in FMAP that the state has claimed and/or anticipates claiming between April 1, 2021, and March 31, 2022; update anticipated and/or actual expenditures for the state's activities to implement, to enhance, expand, or strengthen HCBS under the state Medicaid program between April 1, 2021, and March 31, 2024; update or modify the state's planned activities to expand, enhance, or strengthen HCBS; and report on the state's progress in implementing its planned activities to expand, enhance, or strengthen HCBS.

The state of Washington appreciates the opportunity and your partnership in this effort. Please direct any questions to me and Rebecca Carrell, Deputy Director Medicaid Programs, at [rebecca.carrell@hca.wa.gov](mailto:rebecca.carrell@hca.wa.gov) who will coordinate our quarterly submissions.

Sincerely,



## Quarterly Spending Plan Updates

Washington has begun implementation of the following ARPA spending plan initiatives.

**Managed care behavioral health rate increase:** Funding is provided to invest in workforce supports through a 2 percent increase to Medicaid reimbursement for community behavioral health providers contracted.

**Quarterly spending plan update:** HCA has incorporated this rate increase into the Medicaid managed care rates through an October rate update. For the period prior to the rate update (April through September), HCA is making retroactive payments to the MCOs who will then pass funding on to providers.

**MCO wraparound services:** Funding is provided for Medicaid MCOs to increase provider rates by 2 percent for non-Medicaid wraparound services effective July 2021. These are critical supportive services for the Medicaid program. Without this HCBS funding the Medicaid program would fall short and people would not receive the care necessary, necessitating more expensive emergency room and institutional care.



**Quarterly spending plan update:** HCA has updated the MCO wraparound contracts to include this additional funding.

**Parent Child Assistance Providers (PCAP) rate increase:** Funding is provided for a 2 percent rate increase for PCAP providers effective July 2021.

**On August 13, 2021, the state submitted the following:** *Parent Child Assistance Program (PCAP) is described in full in the submittal language, see above. PCAP folds into Appendix B services under Case Management as defined under sections 1905(a)(19) and 1915(g) of the Act and 42 CFR § 440.169 and 42 CFR § 441.18, assist Medicaid-eligible individuals in gaining access to needed medical, social, educational, and other services.*

*The adult and youth mobile crisis teams Mobile Integrated Health Pilot services fall under the rehabilitative services benefit as an optional Medicaid state plan benefit authorized at section 1905(a)(13) of the Act and codified in regulation at 42 CFR § 440.130(d) as “medical or remedial services recommended by a physician or other licensed practitioner of the healing arts, within the scope of his practice under State law, for maximum reduction of physical or mental disability and restoration of a beneficiary to his best possible functional level.” (source: appendix b doc – (page 15))*

**Quarterly spending plan update:** HCA has updated the provider contracts to include the additional 2 percent rate increase. This was effective beginning July 1, 2021.

## Other Initiatives

Currently Washington does not have full approval of its section 9817 ARPA spending plan. Once approval is received the state will work to begin implementing the following initiatives and will provide an update on those activities in the next quarterly report.

**Transitions and diversions from psychiatric state hospitals**  
**Transitions from acute care hospitals to geriatric and dementia specialty providers in the community**  
**Hospital surge, non-citizens**  
**Transitions from skilled nursing facilities to in-home (rental subsidies)**  
**Conditionally released sexually violent predators**  
**PASRR capacity increase**  
**Peer mentor program**  
**Shared benefit adjustments**  
**HCBS supports**  
**Parent Child Assistance Program (PCAP) expansion**  
**Expand SUD services and supports**  
**Dementia Action Collaborative**  
**Fall prevention training**  
**Intellectual/Development disability summer programs**  
**Subminimum wage**  
**Community residential options**  
**Children’s SOLA**  
**Dan Thompson community investments**  
**High school transition students**  
**Increase CIIBS waiver capacity**  
**Increase IFS and Basic Plus waivers**  
**Increase Core and CP waivers**  
**Trueblood Phase 2 implementation**  
**Short-term behavioral health housing support**  
**Adult and youth mobile crisis team**  
**Mobile integrated health pilot**  
**Outreach or intensive case management**  
**Short-term substance use disorder housing vouchers**



**Recovery residences**  
**Clubhouse expansion**  
**Homeless outreach stabilization**  
**Safe station pilot programs**  
**Opioid treatment network**  
**Housing Trust Fund**  
**Adult family home award/agreement**  
**In-home care provider agreement**  
**Agency provider agreement parity**  
**Agency provider administrative rate**  
**Assisted living facility rates**  
**Specialty dementia care rate add-on**  
**COVID temporary rate increases**  
**Enhanced community residential rate**  
**Consumer-directed employer (CDE) vendor rate**  
**Subminimum wage**  
**Area Agency on Aging case management**  
**Remote technology support**  
**Caregiver/provider training**  
**Paid time off (PTO) transfer**  
**Home health social worker**  
**Substance use disorder (SUD) family navigators**  
**Rural behavioral health pilot**  
**Child assessment and diagnosis**

