

INFORMATIONAL LETTER NO. 2328-MC-FFS

DATE: March 23, 2022

TO: Home- and Community-Based (HCBS) Waiver and State Plan HCBS Providers

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid

RE: HCBS American Rescue Plan Act (ARPA) Recruitment and Retention Grants Second Update

EFFECTIVE: Upon Receipt

As previously announced in [Informational Letter \(IL\) 2319-MC-FFS¹](#), the Department had not received Centers for Medicare and Medicaid Services (CMS) approval of Iowa's Supplement Grant request, resulting in a delay of the distribution of grant funds to Individual Consumer Directed Attendant Care (ICDAC) and HCBS agency providers.

The Department has worked with CMS to arrive at an agreed upon methodology for distribution of the recruitment and retention funds. The Department will distribute the funds for eligible providers from the ARPA HCBS Recruitment and Retention grant to the Managed Care Organizations (MCOs) during the month of March. The MCOs will distribute the funds to the eligible IDCAC providers and agency providers who applied for the funds during the January 26, 2022, to February 18, 2022, application period, in the amount determined by the Department based on the number of full-time equivalents (FTEs) identified on the application.

Distribution of the funds to IDCAC and agency providers is estimated to occur the week of March 28, 2022. Providers receiving payment via paper check can expect to receive the funds the week of April 4, 2022, considering additional time needed for mail delivery. Distribution of the funds to the Financial Management Service (FMS) provider for distribution to CCO members employing direct care workers is expected to occur over the next several weeks as case managers work to get the allocation forms completed and submitted to the FMS for payment.

¹ <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=b0e27cec-76b7-41b8-9cf3-06a1c406ed76>

For ICDAC and HCBS agency providers that applied for funds and are enrolled with both MCOs, the Department will provide each MCO with a list of agency providers and ICDAC providers based on the percentage of the HCBS population enrolled with each MCO. Providers will only receive payment from one MCO.

Eligible providers Include:

- HCBS Waiver ICDAC providers
- HCBS Waiver Agency Consumer Directed Attendant Care (CDAC)
- HCBS Waiver Consumer Choices Option (CCO) employees
- HCBS Waiver Day Habilitation providers
- HCBS Waiver Supported Community Living (SCL) providers
- HCBS Waiver Respite providers
- State Plan HCBS Habilitation Home-based Habilitation (HBH)
- State Plan HCBS Habilitation Day Habilitation providers

To be eligible for grant funds, providers must have billed an MCO or FFS Medicaid for health-related services provided between July 1, 2020, and June 30, 2021. In addition, an eligible provider:

- continued to provide patient care after April 1, 2021.
- has not permanently ceased providing patient care directly or indirectly.

Additionally, with respect to Medicare, any state Medicaid program, and any federal healthcare program, the recipient cannot be:

- suspended or excluded from participation.
- suspended from receiving payments.
- under any other sanction or penalty.

CCO employees actively employed and identified in CCO participants' budgets as providing self-directed personal care services, self-directed community supports, employment, or individual-directed goods and services will be included in the calculation of the total FTEs for fund distribution. The funds will be issued to, and managed by, the CCO Financial Management Service. CCO participant employers retain the authority to determine how the recruitment and retention funds will be distributed to their employees and the amount to be distributed.

Calculation of the distribution amount per FTE:

To identify a total number of FTEs eligible for the distribution of funds, The Department will identify the total number of FTEs to be recruited and retained by agency providers as identified on the application for grant funds; by the total number of ICDAC applications received; and by the total number of CCO members employing direct care workers who received paychecks within the 90 days prior to March 9, 2022.

For the purposes of calculating the amount to be distributed per FTE:

- ICDAC providers will be considered one (1) FTE.
- CCO employees providing self-directed personal care services, self-directed community supports, and employment or individual-directed goods and services will be considered as one (1) FTE.
- Agency providers shall calculate direct care worker FTEs. An FTE is equal to a 32-hour work week.
 - Two (2) direct care workers working 16 hours per week shall be treated as one (1) FTE.

Amount to be distributed per FTE = total dollars / total FTEs

If you have questions regarding the distribution of funds, please contact the Iowa Medicaid Provider Services Unit at 1-800-338-7909 or by email at imeproviderservices@dhs.state.ia.us.