

**INFORMATIONAL LETTER NO. 2309-MC-FFS**

**DATE:** January 26, 2021

**TO:** 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:** Home- and Community-Based Services (HCBS) American Rescue Plan Act (ARPA) Recruitment and Retention Grants

**EFFECTIVE:** Upon Receipt

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021. Section 9817 of the ARPA provides qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS programs from April 1, 2021, through March 31, 2022. States must use these federal funds to supplement existing state funds for Medicaid HCBS in effect as of April 1, 2021.

In addition, states must use state funds equal to the amount of federal funds attributable to the increased FMAP to implement or supplement one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program. States will be permitted to use the increased FMAP funds through March 31, 2024, for activities aligned with the goals of section 9817 of the ARPA and as listed in the Centers for Medicare and Medicaid Services (CMS) guidance.

Under ARPA, states can implement a variety of activities, including enhancements to HCBS services, eligibility, infrastructure, and reimbursement methodologies, to enhance, expand, or strengthen Medicaid HCBS. Iowa's initial and quarterly ARPA HCBS Spending Plan and Narrative may be accessed online at: <https://dhs.iowa.gov/ime/about/initiatives/ARPA><sup>1</sup>.

Iowa Medicaid is distributing funds to eligible providers from the ARPA HCBS Recruitment and Retention grant. The provider payments will serve the purpose of retaining essential individual Consumer-Directed Attendant Care (CDAC) and Consumer Choices Option (CCO) employees and assisting qualified HCBS agency providers to fund recruitment and

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<sup>1</sup> [American Rescue Plan Act \(ARPA\) 2021 | Iowa Department of Human Services](#)

retention of direct care staff. Grant funds must be used to cover costs related to recruitment and retention incentive payments to direct care staff.

Eligible HCBS Providers Include:

- HCBS Waiver Individual Consumer-Directed Attendant Care (ICDAC) providers
- HCBS Waiver Agency CDAC
- HCBS Waiver 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, the HCBS Waiver agency, habilitation agency, and ICDAC providers must meet these requirements:

- They billed a Managed Care Organization (MCO) or FFS Medicaid for health-related services provided between July 1, 2020, and June 30, 2021.
- They continued to provide patient care after April 1, 2021.
- They have not permanently ceased providing patient care directly or indirectly.
- With respect to Medicare, any state Medicaid program, and any Federal health care program, the recipient is not:
  - suspended or excluded from participation.
  - suspended from receiving payments.
  - under any other sanction or penalty.

Providers who apply for a grant, but who do not meet the eligibility criteria, will be notified.

### **Calculation of the Amount to be Distributed**

The Department will distribute an equal share of the funds for each FTE identified.

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, employment, or individual-directed goods and services will be considered as one (1) FTE.
- Agency providers shall calculate direct care worker FTE. An FTE is equal to a 32-hour work week. The agency provider shall not request funding for FTEs in excess of the total number of open and filled positions within the agency.
  - Two direct care workers working 16 hours per week shall be treated as one (1) FTE.

The amount to be distributed per FTE = total dollars / total FTEs.

### **CCO Members Employing Direct Care Workers**

Members employing CCO direct care employees do not need to apply. 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.

Iowa Medicaid will distribute a portion of the funds to Veridian Financial Services. Veridian will distribute these funds equally to active CCO members for the purpose of making retention payments or paying recruitment bonuses to CCO direct care employees. CCO participants' employers retain the authority to determine how the recruitment and retention funds will be distributed to their employees and the amount to be distributed.

### **ICDAC and Agency Providers Attestation**

By accepting these funds, the Medicaid provider agrees to comply with ARPA HCBS Recruitment and Retention Grant Fund terms and conditions.

### **Applying for Grant Funds**

ICDAC providers who believe they meet the above criteria should complete the application form found [here](#)<sup>2</sup>. Agency providers who believe they meet the above criteria should complete the application form found [here](#)<sup>3</sup>. Application includes completion of the online application, attestation to terms and conditions, and submission of the Minority Impact Statement. Iowa Medicaid will review each application for completeness and to verify eligibility for grant funds.

Providers will have until close of business on February 18, 2022, to request grant funds and submit the Minority Impact Statement. Once all provider applicants' eligibility has been verified, Iowa Medicaid will determine the amount of grant funds to be distributed to ICDAC, CCO participants, and agency providers for each FTE.

Contingent upon CMS approval of Iowa's Supplement Grant request to spend more than \$50M, a grant payment will be issued via electronic funds transfer (EFT) the week of February 28, 2022.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<sup>2</sup> <https://www.tfaforms.com/4958877>

<sup>3</sup> <https://www.tfaforms.com/4958883>