



## INFORMATIONAL LETTER NO. 2534-MC-FFS

**DATE:** December 1, 2023

**TO:** HCBS Waiver and State Plan HCBS Habilitation, Home Health Agencies, Targeted Case Management (TCM), Behavioral Health Intervention Services (BHIS) and Applied Behavioral Analysis (ABA) Providers, Community-Based Neurobehavioral Rehabilitation Services (CNRS), Behavioral Health Service providers, PACE organizations

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

**FROM:** Iowa Department of Health and Human Services (HHS), Iowa Medicaid

**RE:** American Rescue Plan Act (ARPA) Home and Community-Based Services (HCBS) Grant Update

**EFFECTIVE:** Upon Receipt

This informational letter (IL) is intended to provide an update regarding the timeline for the expenditure of the HCBS ARPA grant funds that have been awarded to eligible HCBS providers.

This guidance is applicable to the following ARPA HCBS Grants:

- Recruitment and Retention
- Health Information Technology and Infrastructure
- Remote Monitoring
- Employment Training and Scholarship
- Housing Infrastructure

Iowa Medicaid initially informed providers that the grant funds awarded must be fully expended by March 31, 2024, due to the maintenance of effort (MOE) requirements for the ARPA enhanced federal match. Iowa Medicaid sought clarification from the Centers for Medicare and Medicaid Services (CMS) regarding grant award recipient's requirement to fully expend funds awarded. CMS clarified that it defines funds as being fully expended once funds are transferred from the state to the entity designated by the state to expend the funds. This means that grant recipients no longer need to fully expend the funds or complete the approved projects by March 31, 2024. Grant recipients may take the additional time needed to complete the approved projects and fully expended the funds. Grant award recipients needing additional time should plan to fully expend all grant funds received by March 31, 2025. Grant recipients will submit regularly occurring project reports to Iowa Medicaid until all funds awarded have been expended and the projects have been completed.

Iowa Medicaid will begin requesting data from Recruitment and Retention grant award recipients in January 2024. Additional guidance will be provided when the reporting tools are finalized. Recruitment and Retention grant award recipients should be prepared to report the following data when requested:

- Date of the recruitment or retention employment bonus
- Employee name (HCBS direct care only) or non-bonus employee name (vendor/person)
- Annual employee earnings
- Date of payment to the employee
- Is expenditure a retention/recruitment bonus or non-bonus retention/recruitment expense?
- Description of non-bonus retention/recruitment expense
- Amount of retention/recruitment bonus or other expense
- Per employee cumulative expenditures (retention/recruitment bonus or other expense)
- Is employee/vendor related to owner?
- Are you maintaining documents for audit purposes?
- What type of documentation is being kept supporting this expenditure? (Expenditure documentation must be kept separate by provider number.)

If you have questions, please contact Iowa Medicaid Provider Services:

**Iowa Medicaid Provider Services for FFS members:**

- Phone: 1-800-338-7909
- Email: [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us)