

**Spending Plan for Implementation of American
Rescue Plan Act of 2021,
Section 9817**

**Additional Support for Medicaid Home and Community-Based
Services during the COVID-19 Emergency**



**QUARTERLY UPDATE
July 2022 through September 2022
as of October 17, 2022**

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Letter from the Hawaii State Medicaid Director

DAVID Y. IGE
GOVERNOR



CATHY BETTS
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DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

Med-QUEST Division
Administration
P. O. Box 700190
Kapolei, Hawaii 96709-0190

October 17, 2022

Mr. Daniel Tsai
Deputy Administrator and Director Centers
for Medicare & Medicaid Services Center
for Medicaid and CHIP Services 7500
Security Boulevard
Baltimore, Maryland 21244

Dear Mr. Tsai:

Re: Hawaii Section 9817 Quarterly Spending Plan for American Rescue Plan Act (ARPA)

Please find attached the ARPA HCBS Quarterly Spending Plan to implement ARPA Section 9817 for the period of July 1, 2022 thru September 30, 2022. Per guidance from CMS issued June 3, 2022, the State is only submitting the updated spending plan based on Year 1 and Year 2 actual spend and Year 2 and Year 3 projections.

We appreciate the continued support and partnership from CMS as we continue our work on this initiative.

Please direct any questions to me at jmohrpeterson@dhs.hawaii.gov or to Ms. Edie Mayeshiro at emayeshiro@dhs.hawaii.gov. We appreciate this opportunity and your partnership in this effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Judy Mohr Peterson".

Judy Mohr Peterson, PhD
Med-QUEST Division Administrator

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Executive Summary

Hawaii's 2022 July through September Quarterly Update for the 2021 American Rescue Plan Act (ARPA) §9817.

Hawaii's commitment to the ARPA HCSB effort remains strong and is guided by our vision and guiding principles as they relate to our HOPE vision. Hawaii remains committed to the goals outlined in our initial spending plan submitted on July 12, 2021. These will not be repeated here and can be referenced and reviewed in our initial Spending Plan.

Based on the guidance contained in the June 3rd, 2022 "SMD# 22-002 RE: Updated Reporting Requirements and Extension of Deadline to Fully Expend State Funds Under American Rescue Plan Act of 2021 Section 9817" letter, Hawaii is omitting the individual initiative narrative updates and simply submitting the spending plan in this Quarterly Update.

To date, Hawaii has expended \$7,743,579 ARPA HCBS funds. Work is still in progress to implement the 37 initiatives designed to enhance, expand, or strengthen HCBS under Hawaii's approved waiver programs. Spending Plan projections were updated to reflect implementation delays with affected initiatives, resulting from overall program capacity limitations. These updates were mostly for expenditures that did not occur as expected in Year 1; Year 2 and Year 3 projections were partially modified to reflect this decreased spend in Year 1. Hawaii understands that there are now four total years to complete activities related to ARPA §9817, and to that end we plan to add a 'Year 4' to our financial Spending Plan Projections in the next quarterly update.

In the past quarter Hawaii added a few additional QI initiatives to this spending plan. In the next quarterly update these will be added to the 'Initiative Updates' section and described in further detail.

Finally, we realize that the latest projected 10% HCBS FMAP spend over the course of the four years is greater than the funds attributed to this effort. Hawaii views this as a current spend estimate with potential for variation over the remaining 2.5 years of this program. If in the end Hawaii does spend more than attributed at the end of the program, state-only funds will be used for the coverage.

Spending Plan Projection

The 1115 and 1915(c) HCBS spending estimates have been updated with Year 1 and Year 2 actual spend and Year 2 and Year 3 projections. As mentioned above, Spending Plan Projections were updated to reflect certain delays with implementation of initiatives, and Hawaii has spent \$7,743,579 ARPA funds to date.

Spending Plan Projection – QUEST Integration (1115 waiver)

Calculation of Supplemental Funding from 10% FMAP Increase					
ARPA Sec. 9817					
Hawaii Medicaid - QUEST Integration Program (1115 waiver)					
BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP					
Federal Fiscal Year	FFY 21	FFY 21	FFY 22	FFY 22	
Quarter	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Total
<u>Service Categories</u>					
Home and Community Based Services	\$ 27,821,804	\$ 27,821,804	\$ 27,821,804	\$ 27,821,804	\$ 111,287,215
Case Management Services	\$ 4,673,424	\$ 4,673,424	\$ 4,673,424	\$ 4,673,424	\$ 18,693,695
Rehabilitation Services					\$ -
Other (1915c)					\$ -
Subtotal: Qualifying Expenditures	\$ 32,495,228	\$ 32,495,228	\$ 32,495,228	\$ 32,495,228	\$ 129,980,910
Funds Attributable to 10% HCBS FMAP Increase					\$ 12,998,100
ADDED FUNDING FOR HCBS REINVESTMENT					
Year of Reinvestment	Year 1	Year 2	Year 3	Total	
Time Period	4/1/21 - 3/31/22	4/1/22 - 3/31/23	4/1/23 - 3/31/24		
State Match Share By Year	1%	50%	59%	111%	
State Match by Year	\$ 164,561	\$ 6,511,044	\$ 7,730,744	\$ 14,406,349	
FMAP Assumptions - Program					
State's Base FMAP	53.02%	56.06%	56.06%		
FFCRA Increase	6.20%	6.20%	0.00%		
ARPA Increase	10.00%	0.00%	0.00%		
Combined FMAP	69.22%	62.26%	56.06%		
Supplemental Funding - Program					
Reinvested State Match	\$ -	\$ 3,244,130	\$ 6,363,830	\$ 9,607,961	
Federal Match	\$ -	\$ 5,351,870	\$ 8,119,170	\$ 13,471,039	
Subtotal: Supplemental Funding - Program	\$ -	\$ 8,596,000	\$ 14,483,000	\$ 23,079,000	
Supplemental Funding - Administration					
State Match	\$ 164,561	\$ 3,266,914	\$ 1,366,914	\$ 4,798,389	
Federal Match	\$ 164,561	\$ 3,266,914	\$ 1,366,914	\$ 4,798,389	
Subtotal: Supplemental Funding - Admin	\$ 329,121	\$ 6,533,828	\$ 2,733,828	\$ 9,596,777	
Federal Match Attributable to FMAP Components					
Base FMAP	\$ -	\$ 4,818,918	\$ 8,119,170	\$ 12,938,088	
FMAP Increases (ARPA + FFCRA) Program	\$ -	\$ 532,952	\$ (0)	\$ 532,951	
FMAP Administration	\$ 164,561	\$ 3,266,914	\$ 1,366,914	\$ 4,798,389	
Subtotal: Federal Match	\$ 164,561	\$ 8,618,784	\$ 9,486,084	\$ 18,269,428	

Spending Plan Projection – Developmental Disabilities Division (1915c waiver)

Calculation of Supplemental Funding from 10% FMAP Increase					
ARPA Sec. 9817					
Hawaii Medicaid - Developmental Disabilities Division Program (1915c Waiver)					
BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP					
Federal Fiscal Year	FFY 21	FFY 21	FFY 22	FFY 22	
Quarter	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Total
Service Categories					
Home and Community Based Services					\$ -
Case Management Services					\$ -
Rehabilitation Services					\$ -
Other (1915c)	\$ 36,741,086	\$ 35,486,135	\$ 34,452,188	\$ 36,264,981	\$ 142,944,391
Subtotal: Qualifying Expenditures	\$ 36,741,086	\$ 35,486,135	\$ 34,452,188	\$ 36,264,981	\$ 142,944,391
Funds Attributable to 10% HCBS FMAP Increase					\$ 14,294,400
ADDED FUNDING FOR HCBS REINVESTMENT					
Year of Reinvestment	Year 1	Year 2	Year 3	Total	
Time Period	4/1/21 - 3/31/22	4/1/22 - 3/31/23	4/1/23 - 3/31/24		
State Match Share By Year	4%	74%	21%	99%	
State Match by Year	\$ 532,770	\$ 10,556,069	\$ 3,009,194	\$ 14,098,033	
FMAP Assumptions - Program					
State's Base FMAP	53.02%	56.06%	56.06%		
FFCRA Increase	6.20%	6.20%	0.00%		
ARPA Increase	10.00%	0.00%	0.00%		
Combined FMAP	69.22%	62.26%	56.06%		
Supplemental Funding - Program					
Reinvested State Match	\$ 421,627	\$ 7,530,712	\$ 2,010,694	\$ 9,963,033	
Federal Match	\$ 948,180	\$ 12,423,481	\$ 2,565,306	\$ 15,936,967	
Subtotal: Supplemental Funding - Program	\$ 1,369,807	\$ 19,954,193	\$ 4,576,000	\$ 25,900,000	
Supplemental Funding - Administration/Other					
State Match	\$ 111,143	\$ 3,025,357	\$ 998,500	\$ 4,135,000	
Federal Match	\$ -	\$ 656,500	\$ 378,500	\$ 1,035,000	
Subtotal: Supplemental Funding - Admin	\$ 111,143	\$ 3,681,857	\$ 1,377,000	\$ 5,170,000	
Federal Match Attributable to FMAP Components					
Base FMAP	\$ 726,272	\$ 11,186,321	\$ 2,565,306	\$ 14,477,899	
FMAP Increases (ARPA + FFCRA) Program	\$ 221,908	\$ 1,237,160	\$ (0)	\$ 1,459,068	
FMAP Administration	\$ -	\$ 656,500	\$ 378,500	\$ 1,035,000	
Subtotal: Federal Match	\$ 948,180	\$ 13,079,981	\$ 2,943,806	\$ 16,971,967	

Spending Plan Projection – Combined HCBS

Calculation of Supplemental Funding from 10% FMAP Increase					
ARPA Sec. 9817					
Hawaii Medicaid - Combined HCBS Programs					
BASELINE EXPENDITURES THAT QUALIFY FOR 10% HCBS FMAP					
Federal Fiscal Year	FFY 21	FFY 21	FFY 22	FFY 22	
Quarter	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Total
<u>Service Categories</u>					
Home and Community Based Services	\$ 27,821,804	\$ 27,821,804	\$ 27,821,804	\$ 27,821,804	\$ 111,287,215
Case Management Services	\$ 4,673,424	\$ 4,673,424	\$ 4,673,424	\$ 4,673,424	\$ 18,693,695
Rehabilitation Services	\$ -	\$ -	\$ -	\$ -	\$ -
Other (1915c)	\$ 36,741,086	\$ 35,486,135	\$ 34,452,188	\$ 36,264,981	\$ 142,944,391
Subtotal: Qualifying Expenditures	\$ 69,236,314	\$ 67,981,363	\$ 66,947,416	\$ 68,760,209	\$ 272,925,301
Funds Attributable to 10% HCBS FMAP Increase					\$ 27,292,500
ADDED FUNDING FOR HCBS REINVESTMENT					
Year of Reinvestment	Year 1	Year 2	Year 3	Total	
Time Period	4/1/21 - 3/31/22	4/1/22 - 3/31/23	4/1/23 - 3/31/24		
State Match Share By Year	3%	63%	39%	104%	
State Match by Year	\$ 697,330	\$ 17,067,114	\$ 10,739,939	\$ 28,504,383	
FMAP Assumptions - Program					
State's Base FMAP	53.02%	56.06%	56.06%		
FFCRA Increase	6.20%	6.20%	0.00%		
ARPA Increase	10.00%	0.00%	0.00%		
Combined FMAP	69.22%	62.26%	56.06%		
Supplemental Funding - Program					
Reinvested State Match	\$ 421,627	\$ 10,774,843	\$ 8,374,525	\$ 19,570,994	
Federal Match	\$ 948,180	\$ 17,775,350	\$ 10,684,475	\$ 29,408,006	
Subtotal: Supplemental Funding - Program	\$ 1,369,807	\$ 28,550,193	\$ 19,059,000	\$ 48,979,000	
Supplemental Funding - Administration					
State Match	\$ 275,704	\$ 6,292,271	\$ 2,365,414	\$ 8,933,389	
Federal Match	\$ 164,561	\$ 3,923,414	\$ 1,745,414	\$ 5,833,389	
Subtotal: Supplemental Funding - Admin	\$ 440,264	\$ 10,215,685	\$ 4,110,828	\$ 14,766,777	
Federal Match Attributable to FMAP Components					
Base FMAP	\$ 726,272	\$ 16,005,238	\$ 10,684,475	\$ 27,415,985	
FMAP Increases (ARPA + FFCRA) Program	\$ 221,908	\$ 1,770,112	\$ 0	\$ 1,992,021	
FMAP Administration	\$ 164,561	\$ 3,923,414	\$ 1,745,414	\$ 5,833,389	
Subtotal: Federal Match	\$ 1,112,741	\$ 21,698,764	\$ 12,429,889	\$ 35,241,394	

Listing of Initiatives – Combined HCBS

Program	Initiative	\$ Total (in million)
QUEST Integration	Self-directed fee schedule increase	6.2
	CCMA monthly rate increase	1.4
	Residential Alternatives rate increase	4.1
	Building Capacity in Residential Alternatives for complex member	1.5
	CCMA for complex members	0.2
	The Collaborative Care Model	1.8
	Palliative Care Benefit in Community-Based Settings	2.0
	Mobile COVID Vaccine Unit	0.5
	Expand 1115 HCBS Service Array	0.2
	Personal assistance - Agency Rate Increase	4.6
	Skilled Nursing Rate Increase	0.7
	Hawaii Medicaid Training and Technical Assistance Center (MTTAC	1.2
	EVV monitoring	0.1
	Accelerating provider enrollment	1.2
	CAHPS survey for HCBS members	0.5
	Critical incident software for HCBS	1.2
	Provider credentialing process improvement	1.2
	Person-Centered practices training	0.2
	Guardianship fund	0.2
	Home Locator Tool	1.2
	Building Capacity for Prison to Community Transitions	0.2
	Strengthen the Direct Service Workforce	0.4
	Investment in Tools and Technology for Residential Alternatives P	0.4
	Building administrative capacity	0.7
	HCBS Rate Study	1.2
Subtotal QUEST Integration		32.7
Developmental Disabilities Division (DDD)		
	Increase Provider Payment Rates	23.15
	Option for Individuals with Behavioral Challenges	2.55
	Create Family-to-Family Peer Mentoring Service	0.2
	Strengthen Provider Monitoring	0.1
	Advance Competitive Integrated Employment	0.4
	Support Community Navigator Practice Development	0.1
	Support Community Integration	0.2
	Invest in Quality Management	0.2
	Improve Critical Incident Response through Analytics	0.8
	Positive Approaches for Challenging Behaviors	0.4
	Develop the Direct Support Professional Workforce	2.3
	Host Participant and Family Forums	0.0
	Conduct System Evaluations	0.3
	Implement the Spending Plan	0.6
Subtotal DDD		31.1
Total		63.8

