



DELAWARE HEALTH AND SOCIAL SERVICES

Division of Medicaid & Medical Assistance

Section 9817 Home and Community-Based Services Federal Match Increase Initial Spending Plan

State of Delaware

Stephen Groff, Director
Division of Medicaid and Medical Assistance
(DMMA)

July 12, 2021

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Letter from the Delaware State Medicaid Director

Daniel Tsai, Deputy Administrator and Director
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Dear Deputy Administrator Tsai:

On behalf of the State of Delaware, please find the Initial home and community-based services (HCBS) Spending Plan and narrative that outlines the intended use of funding available under the American Rescue Plan Act of 2021, Section 9817.

Delaware makes the following assurances:

- The State is using the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;
- The State is using the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- The State is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services that were in place on April 1, 2021;
- The State is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- The State is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

Per the Centers for Medicare & Medicaid Services (CMS) guidance shared during the June 8, 2021 All-State Call, states submitting their Initial Spending Plan on July 12, 2021 may also consider the Initial Spending Plan submission as serving as the state's first quarterly submission. Delaware's Initial Spending Plan is intended to also serve as the first quarterly submission to CMS.

Once approved, I will ensure quarterly spending plans and narratives are provided along with any associated reporting. Please contact me at (302) 255-9663 or Stephen.Groff@delaware.gov with any additional questions.

Sincerely,

DocuSigned by:

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Stephen Groff
State Medicaid Director

Executive Summary

In response to the impact the pandemic continues to have on long-term services and supports (LTSS) and to the funding opportunity available through the American Rescue Plan of 2021 (ARP) funding opportunity, the Division of Medicaid and Medical Assistance (DMMA) has prepared this Initial Spending Plan submission to the Centers for Medicare & Medicaid Services (CMS). We share CMS's vision for this funding as a means to tailor HCBS enhancements based on the needs and priorities of Delaware residents, protect and strengthen the HCBS workforce, safeguard financial stability for HCBS providers, and accelerate long-term services and supports reform and innovation.

The Delaware Department of Health and Social Services (DHSS) is the Medicaid single state agency. Within DHSS, Medicaid HCBS programs are administered through the DMMA, the Division of Developmental Disabilities Services (DDDS), the Division of Substance Abuse and Mental Health (DSAMH), and the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD). Delaware's HCBS programs include:

- **Diamond State Health Plan (DSHP) Plus 1115 Waiver Program** is a component of Delaware's comprehensive Medicaid DSHP 1115 Waiver. DSHP Plus is Delaware's Medicaid's managed long-term services and supports (MLTSS) program for: (1) individuals receiving care at nursing facilities (NF) other than intermediate care facilities for individuals with intellectual disabilities (ICFs/IID); (2) children in pediatric nursing facilities; (3) individuals who receive benefits from both Medicaid and Medicare (dual eligibles); (4) workers with disabilities who buy-in for coverage; (5) individuals who would previously have been enrolled through the 1915(c) HCBS waiver program for the Elderly and Disabled (including those receiving services under the Money Follows the Person demonstration); (6) individuals who would previously have been enrolled through the 1915(c) HCBS waiver for Individuals with Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome (HIV/AIDS) related Diseases; (7) individuals residing in NFs who no longer meet the current medical necessity criteria for NF services; and (8) adults and children with incomes below 250% of the Supplemental Security Income Federal Benefit Rate who are at risk for institutionalization. DSHP Plus is administered by DMMA through Medicaid managed care organizations (MCOs).
- **Lifespan 1915(c) Waiver Program** is for individuals ages 12 and over with intellectual or developmental disabilities. The Lifespan Waiver is administered by DDDS through a fee-for-service (FFS) delivery system.
- **Pathways to Employment 1915(i) State Plan Program** offers services to support communities integrated employment for people with intellectual or developmental disabilities. The Pathways Program is administered by DDDS and DSAAPD through a FFS delivery system.
- **Promoting Optimal Mental Health for Individuals through Supports and Empowerment (PROMISE) 1115 Waiver Program** is a component of Delaware's comprehensive DSHP 1115 Waiver and provides 1915(i)-like services. PROMISE

enrollees include Medicaid beneficiaries who have a severe and persistent mental illness (SPMI) and/or a substance use disorder (SUD) and require HCBS to live and work in integrated settings. The PROMISE Program is administered by DSAMH through a FFS delivery system.

- **Program for All-inclusive Care for the Elderly (PACE)** The State contracts with one PACE provider who operates two PACE sites
- **State Plan HCBS for children and adults** including targeted case management, home health, private duty nursing services, and rehabilitation services (including rehabilitative services for children covered under Delaware’s early and periodic screening, diagnosis and treatment section of the state plan). These services are provided through both managed care (DSHP MCOs) and FFS delivery systems.

Delaware has reaffirmed its commitment to HCBS with the inclusion of several items within the state fiscal year (SFY) 2022 budget, including:

- An increase in private duty nursing (PDN) service provider rates by approximately 15%, effective July 1, 2021; and
- An increase in DDDS Direct Support Professionals (DSP) provider rates, effective July 1, 2021.

These amounts will become part of the Medicaid and DDDS base expenditures in future spending. Additionally, Delaware is preparing for an expansion of our PACE program, adding a new PACE provider and site in early 2022.

DHSS is working with stakeholders to propose activities to expand, enhance, or strengthen HCBS for all populations, recognizing the impact that the pandemic has had on the HCBS delivery system. DMMA and our Divisions within DHSS are seeking initiatives that will:

- Lead to long-term, sustainable changes that address gaps and barriers in Medicaid HCBS in Delaware;
- Support HCBS workforce development across Medicaid programs;
- Support person-centeredness and maximize individuals’ opportunities for choice, independence, and community integration;
- Focus on improved health outcomes for members and a reduction in health disparities;
- Plan for well-trained and culturally competent providers;
- Recognize that families and other informal supports are an essential component of the HCBS delivery system in Delaware; and
- Support innovation and partnerships.

Stakeholder Input

DMMA held two public input sessions on June 23, 2021 and June 25, 2021 to request and discuss ideas for enhancements to be funded by the increased FMAP dollars. State associations and other interested parties provided additional recommendations and suggestions in writing. The State has also created a monitored email account as a mechanism for receiving ongoing stakeholder input. Information regarding the Initial Spending Plan including summary information regarding stakeholder feedback received to date is posted on our [website](#). From July 2021 through September 2021, DMMA, along with our DHSS counterparts, intends to proactively reach out to stakeholder groups as well as hold additional public input sessions that will shape updates to this Initial Spending Plan. The Initial Spending Plan as submitted incorporates the feedback the State has received to date.

Spending Plan Projection

Total Amount of Funds Attributable to the Increase in FMAP between April 1, 2021 and March 31, 2022

| Delaware Medicaid HCBS Program | Estimated 4/1/2021-3/31/2022 Funding for HCBS (Total Computable) | FMAP Increase | Estimated FMAP Increase Funding |
|--|--|---------------|---------------------------------|
| DSHP/DSHP Plus 1115 - Managed Care* | \$232,078,388 | 10% | \$23,207,839 |
| Lifespan 1915(c) - FFS | \$200,000,000 | 10% | \$20,000,000 |
| Pathways 1915(i) - FFS | \$2,100,000 | 10% | \$210,000 |
| PROMISE 1115 - FFS | \$23,230,000 | 10% | \$2,323,000 |
| PACE | \$17,100,000 | 10% | \$1,710,000 |
| State Plan HCBS - FFS | \$11,675,360 | 10% | \$1,167,536 |
| DDDS DSP Increase (effective July 1, 2021) - FFS** | \$35,773,711 | 10% | \$3,577,371 |
| PDN Increase (effective July 1, 2021)** | \$5,428,453 | 10% | \$542,845 |
| TOTAL | \$527,385,911 | 10% | \$52,738,591 |

* The DSHP/DSHP Plus 1115 managed care estimates were developed by DMMA's actuary using:

- The actual calendar year (CY) 2021 contracted rates and an estimate of the CY 2022 rates;
- Enrollment estimates based on the most recent projections from DMMA for monthly enrollment by MCO and rate cell; and
- An "HCBS percentage of total capitation dollars" based on services identified according to the CMS Section 9817 guidance applied to the DSHP CY 2019 HCBS experience.

The non-benefit component of the capitation rates is included in the DSHP/DSHP Plus managed care estimates.

**The SFY 2022 budget included a State appropriation for rate increases for DDDS direct service providers and Medicaid private duty nursing services. These amounts have not yet been allocated to specific programs or delivery systems.

Anticipated Expenditures for Activities to Enhance, Expand or Strengthen HCBS between April 1, 2021 and March 31, 2024

While Delaware is committed to reinvesting all of the estimated \$53 million in increased federal funding on activities that enhance, expand or strengthen HCBS by March 31, 2024, we believe additional stakeholder engagement is necessary before we commit to our stakeholders and to CMS how these funds will be spent. At this time, DMMA is not requesting that CMS provide any funding associated with Spending Plan activities. As described in the Spending Plan Narrative, DMMA has engaged in a robust stakeholder engagement process over the next few months that will shape the finalized Spending Plan activities.

Spending Plan Narrative: Proposals Under Review by DHSS

Based on stakeholder feedback and legislative direction, DMMA is evaluating proposals that fall into the themes described below. **At the time of submission of this Initial Spending Plan, DMMA is evaluating these concepts and has not included a commitment of funding in the Initial Spending Plan.**

Improve Workforce Development and Retention (Examples)

- Increase PDN and DDDS DSP provider rates, as directed in the SFY 2022 budget;
- Conduct a market rate study for HCBS DSPs in the DSHP and DSHP Plus Program who are not included in the McNesby Act, to help evaluate and ensure parity in the HCBS DSP workforce wages;
- Enhance DSPs through sign-on or retention bonuses;
- Strengthen the DSP career path by providing additional training and developing workforce certification through the National Alliance of Direct Support Professionals;
- Create a nursing incentive campaign, specifically to offer service retention bonuses for nurses providing home care;
- Develop a nursing services pilot program to address and enhance back-up and on-call staffing for members receiving HCBS;
- Work with nursing programs to include home care rotations;
- Provide tuition assistance for nurses seeking to further their education who provide home care services;
- Develop a program for people with disabilities to train as DSPs serving others with disabilities; and
- Provide funding for specialized training to build capacity in the areas of mental health, SUD, dementia, complex medical conditions, cultural, and disability competency; and
- Reimburse providers for unexpected costs during the public health emergency, including staff time and personal protective equipment.

Promote Housing Supports (Examples)

- Implement tenancy supports for qualified tenants, including support for housing search, move-in expenses, and other wraparound services.
- Partner with Delaware State Housing Authority and other housing agencies to provide rental assistance.

Increase Support for Family Caregivers (Examples)

- Fund supports for families during periods where a family member is “at risk,” either pre-Medicaid eligible or while Medicaid eligibility is being determined, to decrease waiting time for service initiation;
- Provide enhanced assistance to families tasked with transitioning young adults to adult services at age 21;
- Increase funding for respite and simplify process for families to request respite services; and
- Increase supports to families and other individuals for completing Medicaid long-term care applications.

Expand or Enhance Services (Examples)

- Expand PACE;
- Increase investments in adaptive and assistive equipment and devices for use in the home and home modifications such as ramps, grab bars, stair lifts and stationary overhead lifts, door widening, and bathroom modifications;
- Increase the availability of both medical and non-medical transportation;
- Implement expansions in the use of assistive technology, including:
 - Implementing remote monitoring services, which would also strengthen the DSP workforce for those who could be safely managed without in-person support; and
 - Provide computer tablets to participants who are homebound to support community integration and ability to access telehealth.
- Make permanent the increase in home-delivered meals offered through the public health emergency disaster authority; provide a second home-delivered meal to participants with this need identified in their person-centered service plan;
- Increase input and support from registered dietitians on the menus developed for home-delivered meals; and
- Increase supports for individuals impacted by brain injury.

Enhance the HCBS Continuum of Care (Examples)

- Review and update reimbursement strategies to support community-based settings;
- Provide education and increase communication to Certified Nursing Assistants on positions available in assisted living facilities;

- Improve medication administration training and make it consistent throughout the State;
- Expand and enhance person-centered planning practices for individuals who direct their own care through the use of micro-boards and self-directed support corporations;
- Enhance behavioral health provider capacity for special populations; and
- Develop a Mobile Response Incentive Program.

Information Technology Infrastructure Investments (Examples)

- Invest in data matching and cross-sector data sharing to improve health outcomes for participants.
- Invest in improvements and upgrades to Delaware's critical incident management information technology system.

DMMA expects the spending plan will evolve over time. We plan, over the course of the coming months, continued stakeholder engagement and feedback that will result in further refinement to the plan. As DMMA, working with other State Divisions within DHSS, refines our HCBS spending plan, we will provide an updated document through the quarterly reporting process.