



## NADSA Public Policy Alert



*Participation Creates Power!*

### American Rescue Plan Act of 2021 Includes One Year 10 Percentage-point Increase to the (FMAP) to States for HCBS Medicaid Expenditures

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Dear NADSA Member:

Below is the announcement for the guidance to the states regarding Medicaid funding in the American Rescue Plan Act. Links in the announcement will take you to more details. Be sure to use the link in the announcement below to read the letter sent to State Medicaid Directors. On pages 19 and 23, it specifies Adult Day as an appropriate service for funding! **Bring the letter to the attention of your state administrators and legislators before they decide how to appropriate the funds they are receiving.**

If you would like to view the announcement as a webpage or share it, here is the link:

<https://content.govdelivery.com/accounts/USACL/bulletins/2d9180f>

#### [ACL Policy Update: American Rescue Plan's Additional Funding for Medicaid HCBS](#)

*By Alison Barkoff, Acting Administrator and Assistant Secretary for Aging*

COVID-19 has taken its toll on older adults and people with disabilities in many ways. In addition to increased risk of serious illness and death from COVID-19, many also faced the serious threat of being forced to move from their homes into institutions -- or were unable to return to the community from institutions -- as the pandemic outpaced the capacity of our nation's system of long-term services and supports.

Demand for paid services spiked as informal caregivers became unavailable to provide support due to illness and physical distancing, and many community service providers had to reduce services or even temporarily close. That increased demand, along with illness and the safety measures to prevent it, have further strained a direct

care workforce that was stretched to the breaking point before the pandemic. Providers have struggled to pay for personal protective equipment, overtime and hazard pay for their workers, who have been on the frontlines during this crisis. Although COVID-19 vaccines have created a light at the end of the tunnel, those challenges will continue well into our recovery.

Since the beginning of the pandemic, the aging and disability networks have worked tirelessly to address those needs – finding new ways to deliver services and increase capacity, ensuring the needs of older adults and people with disabilities have been considered at every step of the COVID-19 response, and ensuring that the magnitude of the needs are understood.

As a result of that advocacy, the [American Rescue Plan Act of 2021 \(ARP\)](#) included several provisions to help address these unmet needs. One of them is a temporary, but significant, increase in federal funding for home and community-based services (HCBS). Specifically, states can receive a 10 percentage-point increase to the federal medical assistance percentage (FMAP) they receive for certain Medicaid expenditures for HCBS. This “FMAP bump” is available for one year, from April 1, 2021 to March 31, 2022.

In a letter to State Medicaid Directors [issued this afternoon](#), the Centers for Medicare & Medicaid Services (CMS) provided states with guidance for receiving the funding. [The letter](#) provides more precise details, but services and activities can be provided through a variety of different Medicaid HCBS programs, and a wide variety of services and supports that both older adults and people with disabilities rely upon are eligible. For example, states can claim additional federal funds for:

- HCBS waiver services
- Home health services
- Private duty nursing
- Personal care services
- Self-directed personal care services
- Case management
- School-based services
- Rehabilitative services
- Program of All Inclusive Care for the Elderly (PACE)

Additional funding also can be used for a range of activities that help increase community living options. The following are just a few of the many examples described in CMS’ letter:

- Adding new HCBS services.
- Providing more of the same services to people who already receive them. For example, providing additional hours of personal care services.
- Providing services to individuals on HCBS waiting lists.
- Providing services that help people avoid institutionalization, or that help them return to the community from institutions.
- Supporting the direct care workforce through increased pay or benefits, recruitment and training activities, or expanding self-directed programs.
- Providing supports for family caregivers, including training and respite services.
- Providing assistive technology for people with disabilities, including internet activation costs.
- Assisting with access to COVID-19 vaccines, including scheduling appointments, transportation and in-home vaccination.

- Providing personal protective equipment.
- Expanding provider capacity for mental health and substance use disorders, as well as expanded rehabilitation services.
- Quality improvement activities.
- Some No Wrong Door functions, such as developing informational websites, automating screening and assessment tools, and conducting marketing and outreach campaigns.

(Note that services paid for through administrative match, such as those offered through the Long-Term Care Ombudsman program and certain No Wrong Door program activities, are not eligible.)

An important condition for receiving this funding is that states cannot decrease their own funding of HBCS. In other words, states cannot use the additional federal funding instead of state funds; the funds must be used in addition to the state's own investments. They also may not cut HCBS services during this time. That means states may not eliminate covered services or reduce the amount, duration or scope of those services. In addition, they may not impose stricter eligibility requirements for HCBS programs and services than were in place on April 1, 2021 or reduce provider payments.

This funding is a lifeline for people with disabilities, older adults, and their families, and it will help service providers use lessons learned from the challenges of COVID-19 to strengthen access to, and quality of, HCBS for everyone who relies on these important services. The aging and disability networks, and the older adults and people with disabilities we serve, are important voices in the conversations states will have as they consider how to use this additional funding. We encourage you to make your voices heard! For our part, ACL, together with CMS, will continue working with states and advocates to take full advantage of this unique opportunity to expand community living opportunities.

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