Maryland
DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

November 1, 2021

Daniel Tsai
Deputy Administrator and Director
Center for Medicaid & CHIP Services (CMCS)
7500 Security Blvd
Baltimore, MD 21244

Dear Deputy Administrator and Director Tsai:

The Maryland Department of Health (the Department) is pleased to submit its first quarterly update to its Initial Spending Plan Projection and Narrative submitted on July 13, 2021. The Department plans to enhance, expand, and strengthen home and community-based services (HCBS) and behavioral health services under the Medicaid program using an estimated $612.3 million total funds including federal financial participation (FFP) pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARPA).

Use of enhanced federal funding will reinforce the Department's commitment to improve equity and access to HCBS for those with physical disabilities, intellectual and developmental disabilities, and behavioral health needs. The Department will use the majority of funds to increase provider rates, as directed in the State's fiscal year 2022 budget passed during the 2021 Maryland legislative session. Plans for the remaining funds are under consideration and will include stakeholder input. Information will be shared in future updates.

Collaboration between the Maryland Developmental Disabilities Administration (DDA) and the Maryland Behavioral Health Administration (BHA) is a key component of this proposed spending plan. The Department is also committed to working with our many community partners and stakeholders in a collaborative fashion to achieve the goals of enhancing, expanding and strengthening HCBS.

The Department will serve as the Operating Agency for the American Rescue Plan initiatives through the Maryland Medicaid program. If you would like to discuss this further, please contact me at tricia.roddy@maryland.gov.

Sincerely,

Tricia Roddy

Tricia Roddy
Deputy Medicaid Director

American Rescue Plan Act of 2021
Section 9817 Spending Plans and Narrative
Quarterly Update
October 2021

Introduction

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA). A portion of ARPA (Section 9817) provides additional support for Medicaid home and community-based services (HCBS) during the COVID-19 emergency by providing a 10% enhanced federal medical assistance percentage (FMAP) for a one-year period from April 1, 2021 to March 31, 2022. HCBS are person-centered care delivered either in the home or the community to support participants who need assistance with everyday activities. States must use the federal funds attributable to the one-year increased FMAP by March 31, 2024, and in addition, states must use 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.

In alignment with ARPA, the Maryland Department of Health (the Department) will use these funds to supplement and not supplant existing HCBS funding. Additionally, the Department will not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services that were in place on April 1, 2021. The Department will also preserve covered HCBS, including the actual services and the amount, duration, and scope of those services, in effect as of April 1, 2021.

CMS Partial Approval Response

The Department confirms that it received CMS's partial approval letter dated September 28, 2021. The Department confirms that there will not be a reduction in provider rates/payments as a result of the transition from prospective payment to fee-for-service reimbursement as supported by LTSS*Maryland*. The listed activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL).[1] None of the activities include any expenses related to capital investments, room and board, or internet connectivity. Moreover, no retroactive activities will have a start date prior to April 1, 2021. The specific issues and considerations raised by CMS in the partial approval are addressed in detail in Appendix A.

[1] SMD #21-003, RE: Implementation of American Rescue Plan Act of 2021 Section 9817: Additional Support for Medicaid Home and Community-Based Services During the COVID-19 Emergency. May 13, 2021. https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf.

Stakeholder Input

The Maryland General Assembly convened its 2021 session on January 13, 2021 and it adjourned on April 12, 2021. This allowed the State legislature the opportunity to respond to ARPA.

As a part of the State's fiscal year 2022 budget, the Department is directed to spend at least 75% of federal funds attained by the Department resulting from any enhancement to the FMAP for HCBS authorized in ARPA only on a one-time rate increase paid to Medicaid home and community-based providers. Any remaining federal funds may be expended only on waiver slot expansions and other efforts to ensure the enhancement, strengthening, and expansion of HCBS.[2] The Department has committed to adopting a similar level of investment for behavioral health services whereby 75% of any federal funds obtained due to the eFMAP will also be allocated to rate increases for eligible providers. For programs administered by the Developmental Disabilities Administration (DDA), the legislature passed similar budgetary provisions that directed the Department to spend 75% of any federal funds obtained due to an enhanced FMAP be expended on a one-time rate increase to eligible community providers. Any remaining funds are directed to be spent on grants to community providers and nonprofit organizations. The Department has been meeting weekly with the stakeholder community to obtain their input on the use of the increased funding; particularly the spending parameters for the grants. The Department is also working with stakeholders to develop plans for the remaining 25% of funding for behavioral health services.[3]

Requested Policy Changes

Consistent with the budgetary language and with its initial spending plan, the Department is requesting to spend 75% of the reinvestment dollars on provider rate increases.

The Department will be using the reinvestment dollars to increase the provider rates that qualify for the enhanced match. Additionally, it will not transfer monies across programs, e.g., additional federal dollars generated by HCBS will be reinvested back into the HCBS and will target provider rates eligible for the enhanced match. Because the Department is not transferring monies across programs, the provider rate increases will vary. The Department's analysis limits the increased match to 5 percent if the service or individual is already eligible for a 90 percent match. Services provided through the Children's Health Insurance Program (CHIP) were also removed.

Maryland covers its community behavioral health services under an optional Medicaid state plan benefit authorized at section 1905(a)(13) of the Act and codified in regulation at 42 CFR §440.130(d). Therefore, all of these services are eligible for the enhanced match. Additionally, the analysis for long-term care and DDA services only includes services specifically outlined in Appendix B of SMDL # 21-003.

For behavioral health services and long-term care, the Department is working on updating its State Plan and 1915(c) waiver Appendix K documents to reflect the various rate methodology changes resulting from the provider rate increases. The anticipated start date for these rate increases is November 1, 2021.

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[2] The Maryland Budget Reconciliation and Financing Act of 2021, House Bill 588. Page 106. http://mgaleg.maryland.gov/2021RS/bills/hb/hb0588E.pdf.

[3] Proposals will be accepted through November 15, 2021, https://health.maryland.gov/mmcp/Pages/Public-Notices.aspx.

The Department is also updating its DDA Appendix K to reflect the rate increase. Given the quarterly prospective payment for most DDA providers, the Department is requesting to implement the rate increase retroactively back to April 1, 2021. The Department also confirms that there will not be a reduction in provider rates/payments as a result of the transition from prospective payment to fee-for-service reimbursement as supported by LTSS*Maryland*. Additionally, the Department is updating its Appendix K to include provider grants. The Department is working on updating the DDA-operated 1915(c) waivers to reflect the various rate changes and provider rate increases.

As mentioned above, the Department is still in the process of gathering stakeholder feedback and will provide future updates on the remaining 25% reinvestment for behavioral health programs.[4]

Data Analysis and Estimated Fiscal Impact

The Department worked with their data warehouse at The Hilltop Institute at University of Maryland Baltimore County (Hilltop) to calculate the impact of the additional federal funding that will be re-invested into HCBS due to the 10% FMAP increase from ARPA. DDA conducted its analysis as described below and in Tables 3 and 4.

For both HCBS Medicaid and behavioral health, Hilltop analyzed the utilization of services providers who deliver services included in Appendix B from Q1 of 2019, Q1 of 2020 and Q1 and Q2 of 2021 in order to create a historical trend. Services included are limited to those listed in Appendix B of the SMDL. For purposes of the updated estimates, the Department excluded both (1) Institution for Mental Diseases (IMD) substance use disorder residential treatment services and (2) Health Home services under section 1945 of the Act.

For each provider type, Hilltop calculated the expenditures by coverage group category (ACA expansion and other participants). The federal match was applied by coverage type to the total expenditure amount to estimate the total increase in funds with a 10% increase in FMAP. The enhanced Family First Coronavirus Response Act (FFCRA) FMAP was assumed to continue through December 31, 2021 and the total FMAP for each category was capped at 95% as per the CMS guidance.

Hilltop then calculated the state funds, total funds, secondary 10% funds and rate increase percentages. The Department and Hilltop used March 31, 2022 as the ending date for the enhanced match and March 31, 2024 as the deadline to spend the additional state funds.

The state spending amount was calculated using utilization from Q2 of CY 2021[5], based on the difference between the current FMAP and ARPA enhanced FMAP. To determine the total spending amount, the overall FMAP was used to calculate the total spending that would be required for the state to reach the state spending amount. This overall FMAP included the enhanced 6.2% for the time period between November 1, 2021 and December 31, 2021; this enhancement was removed for the time period after December 31, 2021. Utilization was based on Q2 of CY 2021 and was assumed to be equal across all time periods included in the analysis. Therefore, the total spending amount was calculated by weighting the total amount by the percentage of time that occurred before December 31, 2021 when the 6.2% FMAP enhancement is assumed to be in place.

[4] SMD #21-003, RE: Implementation of American Rescue Plan Act of 2021 Section 9817: Additional Support for Medicaid Home and Community-Based Services During the COVID-19 Emergency. May 13, 2021. https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf.

[5] April 1, 2021 through June 30, 2021.

The rate increase percentage indicates the percentage increase in rates needed to spend the total funds within the time period and was calculated using procedure codes identified in the HCBS and physician fee schedule. It was also based on utilization in Q2 of CY 2021. The secondary 10% FMAP state funds amount was calculated by determining the percentage of the total funds that would be spent in the time period from November 1, 2021 to March 31, 2022 and calculating the additional 10% enhanced FMAP for these funds.

HCBS Estimates—Medicaid

Overall, the Department would need to increase rates for HCBS by 5.2% through the end of March 2024 in order to spend 75% of the funds (see Table 1). The Department would spend $96.3 million during the time period, with $47.0 million coming from state funds and $49.3 million in federal funds.

The total estimated funds are $128.4 million ($62.7 million in state funds and $65.9 million in federal funds). The remaining 25% not attributed to the rate increases is $32.1 million ($15.7 in state funds and $16.4 million in federal funds).

This estimate is a decrease from the previous plan's estimate due to changes in the codes used. The Department confirms that all of the codes used in this analysis are targeted to services listed in Appendix B of the SMDL and the providers that deliver those services.

Table 1. Funds to Spend and Rate Increases Associated with Spending 75% of HCBS Excess 10% FMAP Funds November 1, 2021 through March 31, 2024

	Total Estimated Funds	**Funds Attributable to Rate Increase (75%)**
State Funds to Spend	$60,537,061	$45,402,795
Total Funds to Spend	$124,101,307	$93,075,981
Secondary 10% FMAP State Funds	$2,119,739	$1,589,804
Secondary 10% FMAP Total Funds	$4,345,476	$3,259,107
Total Primary + Secondary State Funds	$62,656,799	$46,992,600
Total Primary + Secondary Total Funds	$128,446,784	$96,335,088
Total Rate Increase Percentage		5.2%

Behavioral Health Estimates

The Department would need to increase behavioral health services rates by 5.4% in order to spend 75% of the excess FMAP funds by the end of March 2024 (see Table 2). This would result in a spending increase of $141.6 million total funds, with $53.1 million coming from state funds and $88.5 million coming from federal funds.

The total estimated funds is $188.8 million ($70.8 million in state funds and $118.0 million in federal funds). The remaining 25% not attributed to the rate increases is $47.2 million ($17.7 million in state funds and $29.5 million in federal funds).

This estimate is higher than the estimate submitted in the initial spending plan. This increase is due to the inclusion of additional services, including substance use disorder services.[6] The Department confirms that all of the services included in this analysis are targeted to those listed in Appendix B of the SMDL and the providers that deliver those services.

Table 2. Funds to Spend and Rate Increases Associated with Spending 75% of Behavioral Health Excess 10% FMAP Funds November 1, 2021 through March 31, 2024

	Total Estimated Funds	**Funds Attributable to Rate Increase (75%)**
State Funds to Spend	$68,112,729	$51,084,547
Total Funds to Spend	$181,715,680	$136,286,760
Secondary 10% FMAP State Funds	$2,655,860	$1,991,895
Secondary 10% FMAP Total Funds	$7,085,481	$5,314,111
Total Primary + Secondary State Funds	$70,768,589	$53,076,442
Total Primary + Secondary Total Funds	$188,801,160	$141,600,870
Total Rate Percentage Increase		5.4%

HCBS Estimates—Maryland Developmental Disabilities Administration Programs

The DDA reinvestment spending plan generally consists of three major categories of spending: temporary rate increase to providers, investments in infrastructures via the provision of grants, and related administrative expenses. These investments are specifically designed to strengthen Medicaid-funded HCBS in the state of Maryland.

<u>Rate Increase</u>: Provide a temporary rate increase effective April 1, 2021 of approximately 5.5% (or $221.3 million) to assist providers recovering from the economic devastation of the COVID-19

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[6] For purposes of these estimates, the Department excluded both (1) Institution for Mental Diseases (IMD) substance use disorder residential treatment services and (2) Health Home services under section 1945 of the Act.

pandemic, as well as the resulting challenge of direct support professional recruitment. This would account for approximately 75% of the excess funds resulting from ARPA. The rate increase will be sustained by the ARPA funds through March 31, 2024, at which time the state would make the increase permanent to maintain the glide path. Please see Table 3.

Table 3. Funds to Spend and Rate Increases Associated with Spending 75% of Developmental Disabilities Administration Excess 10% FMAP Funds with Funds to be Spent by March 31, 2024

	Total Estimated Funds	**Funds Attributable to Rate Increase (75%)**
State Funds to Spend	$127,000,000	$95,250,000
Total Funds to Spend	$268,438,352	$201,328,764
Secondary 10% FMAP State Funds	$13,332,724	$9,999,543
Secondary 10% FMAP Total Funds	$26,665,449	$19,999,087
Total Primary + Secondary State Funds	$140,332,724	$105,249,543
Total Primary + Secondary Total Funds	$295,103,801	$221,327,851
Total Rate Percentage Increase		5.5%

<u>Grants to Enhance HCBS</u>

The DDA will provide grants to community providers and nonprofit organizations for the development of resources and infrastructure to enhance independence and inclusive opportunities such as:

- Development of models to provide independent affordable housing, expanded use of technology, and technical assistance from subject matter experts for individuals who receive DDA-Funded services. These grants will not fund "room and board" costs.
- Staffing:
    - Direct Support Professional (DSP) salary increases, retention and sign on bonuses.
    - One time financial assistance for recruitment of additional resources to support the transition to LTSS*Maryland* reimbursement.
- LTSS*Maryland* Related Activities:
    - <u>Infrastructure</u>: This is designed to assist providers in making investments in technology systems and other items to strengthen the service delivery network and support providers in the transition to LTSS*Maryland*.
    - <u>Fee For Service Transition</u>: As DDA continues with our transition from prospective payment to fee-for-service reimbursement supported by LTSS*Maryland* it is important that providers have the resources (*e.g.*, analytical and assessment tools) to

invest in enhanced business models to support the service delivery system. This transition will not result in decreased payments to providers.

- Nonprofit organizations contracted by the DDA to provide indirect services that enhance HCBS Participants' independence and inclusive opportunities, such as the Special Olympics and local colleges for the development of programs that support higher learning for people with intellectual and/or developmental disabilities.

The DDA will reinvest ARPA savings into grants to enhance HCBS as follows:

- Competitive $10M
- Non-Competitive $50M

Grant funding will be limited to the examples provided in Appendices B & C of SMDL #21-003.

<u>HCBS-Related Administrative Expenses</u>

Administrative costs will be no more than 5% of federal funds attained by DDA, and will be expended on expenses related to grant administration and expediting new placements in HCBS (from the waiting list) and to improve the processing of person-centered plans. The total amount of ARPA funds that will be reinvested is estimated at $14 million.

Table 4. Funds to Spend on Rate Increases and Grants Associated with of Developmental Disabilities Administration

Activity	Total 10% Reinvestment (Ending 3/31/2024)
Rate Increase	$221M
Grants Total	$60M
Administrative	$14M
Total	**$295M**
Total Rate Percentage Increase	5.5%

These estimates are higher than the estimate submitted in the initial spending plan. This increase is due to the inclusion of actual expenditures for the first and second quarter periods of ARPA eligibility (April 1-September 30, 2021), and the added benefit of the secondary 10% match for reinvestment activities that take place during the ARPA period of April 1, 2021-March 31, 2022. The Department confirms that all of the services included in this analysis are targeted to those listed in Appendix B of the SMDL and the providers that deliver those services.

Conclusion and Next Steps

The Department will continue to engage its stakeholder community regarding the remaining 25% of funds available for behavioral health and HCBS services. The Department will also continue to work on implementing rate increases, including updating state regulations and submitting the necessary state plan and waiver amendments to CMS. The Department is in the process of making the necessary system changes in order to execute the rate increases effective November 1, 2021.

Moving forward, the Department will continue to refine and develop its spending plan with input from the broader HCBS stakeholder community. Future quarterly spending plans will detail additional initiatives and highlight how these investments will impact HCBS participants. The Department looks forward to working with CMS to implement these proposed changes.

Appendix A: Maryland Response to CMS Partial Approval Letter

The Department acknowledges receipt of the CMS partial approval of its initial spending plan and narrative with respect to the state's compliance with the applicable requirements set forth under section 9817 and fulfillment of the requirements as stated in SMDL # 21-003. The Department acknowledges that CMS has provided approval to claim the enhanced FFP for any expenditures that are eligible for FFP.[7]

Below, please find the Department's responses to the issues raised by CMS in its partial approval.

Non Approvable Activities or Use of Funds:

1. **Funding for a retroactive rate increase prior to April 1, 2021 for Maryland Developmental Disabilities Administration is not permissible. Please update the spending plan to clearly indicate that rate increases will not be prior to April 1, 2021, or propose an alternate activity.**

The Department has updated the HCBS spending plan to clarify the start date. The retroactive period for the rate increases for DDA will be April 1, 2021 and not prior to that date.

Additional Information Requested:

1. **Clearly indicate whether the activities in the following categories are targeted at providers delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B:**

Proposed Activity	**Inclusion in/Relation to Appendix B**
Provider Rate Increases for HCBS	Department response:These rate increases are targeted to providers delivering services listed in Appendix B.
Behavioral Health Services Rate Increases	Department response:These rate increases are targeted to providers delivering services listed in Appendix B.
Maryland DDA Temporary Rate Increases	Department response:These rate increases are targeted to providers delivering services listed in Appendix B.
Maryland DDA Grants to Enhance HCBS	Department response:Grants will be used to enhance HCBS activities, and would not be used to fund room and board and will be limited to the to activities listed in Appendices C and D of SMDL #21-003.

[7] Maryland Partial Approval Letter. September 28, 2021. https://www.medicaid.gov/media/file/md-arp-9817-partial-09-28-21.pdf; see also, https://www.medicaid.gov/medicaid/home-community-based-services/guidance/strengthening-and-investing-home-and-community-based-services-for-medicaid-beneficiaries-american-rescue-plan-act-of-2021-section-9817-spending-plans-and-narratives/index.html.

If these activities are not focused on providers that are delivering services that are or could be in Appendix B, explain how the activities enhance, expand, or strengthen HCBS in Maryland.

The Department's planned activities are focused on providers that are delivery services that are or could be in Appendix B.

2. **Confirm that the models to provide independent affordable housing do not include room and board. In addition, clearly indicate whether your state plans to pay for capital investment or on-going internet connectivity costs as a part of the grants to enhance HCBS activities. States must demonstrate how capital investments and on-going internet connectivity costs would enhance, expand, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with HCBS criteria. Further, approval of capital investment and ongoing internet connectivity costs does not authorize such activities for FFP.**

The Department confirms that it will not be providing room and board, capital investments, or ongoing internet connectivity as a part of the grants to enhance HCBS activities.

3. **Clarify that the transition from prospective payment to fee-for-service reimbursement supported by LTSS*Maryland* will not result in reduced provider payments as compared to those in place as of April 1, 2021.**

The Department confirms that there will not be a reduction in provider rates/payments as a result of the transition from prospective payment to fee-for-service reimbursement as supported by LTSS*Maryland*.

<u>General Considerations</u>

The Department acknowledges receipt of this information and agrees that it will comply with these requirements; however, the consideration (4) is not applicable to Maryland. HCBS and specialty behavioral health services are delivered on a fee-for-services basis; therefore, they are not part of the HealthChoice managed care program.

1. CMS expects your state to notify CMS as soon as possible if your state's activities to enhance, expand, or strengthen HCBS:
    a. Are focused on services other than those listed in Appendix B. If any activities are not directly related to the services listed in Appendix B, please explain how those activities enhance, expand, or strengthen HCBS under Medicaid;
    b. Include room and board; and/or
    c. Include activities other than those listed in Appendices C and D

2. HCBS provider pay increases will require an updated rate methodology. For 1915(c) waiver programs, states are required to submit a waiver amendment. If retrospective approval will be required, the state should make the change in the Appendix K application.

3. The state plan methodology must specify comprehensively the methods and standards used by the agency to set payment rates. The state plan methodology must be comprehensive enough to determine the required level of payment and the FFP to allow interested parties to

understand the rate setting process and the items and services that are paid through the rates. Claims for federal matching funds cannot be based upon estimates or projections. The reimbursement methodology must be based upon actual historical utilization and actual trend factors.

4. States providing HCBS through a managed care delivery system must comply with applicable federal requirements, including 42 C.F.R. part 438. States must also ensure that appropriate authority is granted for the services and activities to be covered as well as to deliver such services and activities through a managed care delivery system. Additionally, states will need to assess implications for its managed care plan contracts and actuarially sound capitation rates in order to operationalize any programmatic changes. States that seek to contractually require their managed care plans to increase HCBS provider payments must adhere to federal requirements for state directed payments in accordance with 42 C.F.R. § 438.6(c), including prior approval as required.

5. If your state is reducing reliance on a specific type of facility based or congregate services and increasing beneficiary access to services that are more integrated into the community, your state should be clear with stakeholders in your state's stakeholder engagement activities, as well as in submission to CMS of required ARP section 9817 spending plans and narratives and any resulting waiver or state plan amendments, about how these changes enhance the availability of integrated services in the specific waiver or state plan, and offset any reductions in previously covered services, in compliance with HCBS criteria or other efforts to increase community integration.

Appendix B: HCBS in Maryland

HCBS are operated under various federal authorities including the 1115 waiver, state plan, as well as 1915(c), 1915(j), and 1915(k). Maryland's HCBS 1915(c) waivers are operated by two different state agencies: the Department's Office of Long Term Services and Supports (OLTSS), Office of Medical Benefits Management (MBM), Behavioral Health Administration (BHA), and Developmental Disabilities Administration (DDA), and the Maryland State Department of Education (MSDE). Please see the table below for an overview of HCBS waiver programs in Maryland.

HCBS Programs in Maryland

Program	Authority	Operating State Agency	Program Description
Model Waiver for Medically Fragile Children	1915(c)	OLTSS	The Model Waiver allows medically fragile individuals who would otherwise be hospitalized and are certified as needing either hospital or nursing facility level of care to receive medically necessary and appropriate services in the community.
Community Pathways Waiver	1915(c)	DDA	The Community Pathways Waiver provides comprehensive supports and services to help participants to live more independently in their homes and communities. The program provides a variety of Residential, Meaningful Day, and Support Services that promote community living, including a self-directed service model and traditional, agency-based service model.
Family Supports Waiver	1915(c)	DDA	The Family Supports Waiver helps participants to live more independently in their homes and communities. The program provides a variety of Support Services that promote community living, including a self-directed service model and traditional, agency-based service model.
Community Supports Waiver	1915(c)	DDA	The Community Supports Waiver helps participants to live more independently in their homes and communities. The program provides a variety of Meaningful Day and Support Services that promote community living, including a self-directed service model and traditional, agency-based service model.
Waiver for Children with Autism Spectrum Disorder	1915(c)	MSDE	Maryland's HCBS Waiver for Children with Autism Spectrum Disorder allows eligible children with Autism Spectrum Disorder to receive specific services to support them in

Program	Authority	Operating State Agency	Program Description
			their homes and communities. Participants must be children with autism ages 2 through 21 who need an intermediate care facility for the intellectually disabled level of care.
Brain Injury Waiver	1915(c)	BHA	Maryland's Home and Community-Based Services Waiver for Individuals with Brain Injury provides specialized community-based services to adults with brain injuries.
Medical Day Care Services Waiver	1915(c)	OLTSS	Under this waiver, approved medical day care agencies provide health, social, and related support services in an organized setting to individuals aged 16 years and older who reside in the community and who are assessed to need a nursing facility level of care.
Home and Community-Based Options Waiver	1915(c)	OLTSS	This program provides community-based services and supports that enable older adults and those with physical disabilities to continue living in their own homes or in assisted living facilities. Participants must be 18 years or age or older and meet a nursing facility level of care.
Community First Choice	1915(k)	OLTSS	Community First Choice provides HCBS to older adults and individuals with disabilities who meet an institutional level of care and qualify financially to receive Medicaid in the community.
Community Personal Assistance Services	1915(j)	OLTSS	This state plan program provides in-home personal assistance to older adults and individuals with disabilities. To qualify, an individual must meet the financial criteria to receive Medicaid in the community and require assistance to perform activities of daily living.
Increased Community Services (ICS)	1115	OLTSS	Through the ICS Program, the Department continues providing Medicaid State Plan benefits and HCBS to residents ages 18 and over, enabling qualifying individuals to live at

Program	Authority	Operating State Agency	Program Description
			home with appropriate supports, as opposed to residing in a nursing facility.
Rare and Expensive Case Management (REM)	1115	MBM	The REM Program is a case-managed fee for service alternative to HealthChoice Managed Care Organization (MCO) participation for recipients with specified rare and expensive conditions.
Program of All-Inclusive Care for the Elderly (PACE)	State Plan	OLTSS	The Program of All-Inclusive Care for the Elderly (PACE) provides comprehensive medical and social services to eligible individuals who live in the community. To participate in PACE, individuals must meet the following criteria: be at least 55 years old; be certified to need a nursing facility level of care; agree to receive all health and long-term care services from the PACE provider; and have income of no more than 300 percent of the Supplemental Security Income (SSI) benefit level for a household of one person and assets no more than $2,000.

In collaboration with BHA, the Department also delivers behavioral health services to enrolled participants. This includes services provided under the 1915(i) authority. Based on the State Medicaid Director Letter (SMDL) issued on May 13, 2021, behavioral health services are eligible for the enhanced FMAP.[8]

[8] SMD #21-003, RE: Implementation of American Rescue Plan Act of 2021 Section 9817: Additional Support for Medicaid Home and Community-Based Services During the COVID-19 Emergency. May 13, 2021. https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf.