

# American Rescue Plan Act

## Funding to Support Home and Community Based Services

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Presentation to the Joint Budget Committee  
April 21, 2021



# Goals for Today

**Share what is known and unknown about requirements**

- Funding
- Timeline
- Services

**Share a summary of feedback from stakeholders**

- COVID Gaps
- Innovation
- Springboard Projects

**Share a recommendation for how to address the timeline challenge**

- Swift Process
- Transparency
- Accountability

# ARPA- What we know

- ✓ A 10% increase in FMAP funding to states on some LTC
- ✓ One-time funding from April 1, 2021 - March 31, 2022
- ✓ The increased FMAP must be used “to supplement, and not supplant” the level of state funds expended for home and community-based services through programs in effect as of April 1, 2021

# ARPA- What we don't know

## Significant Questions Remain

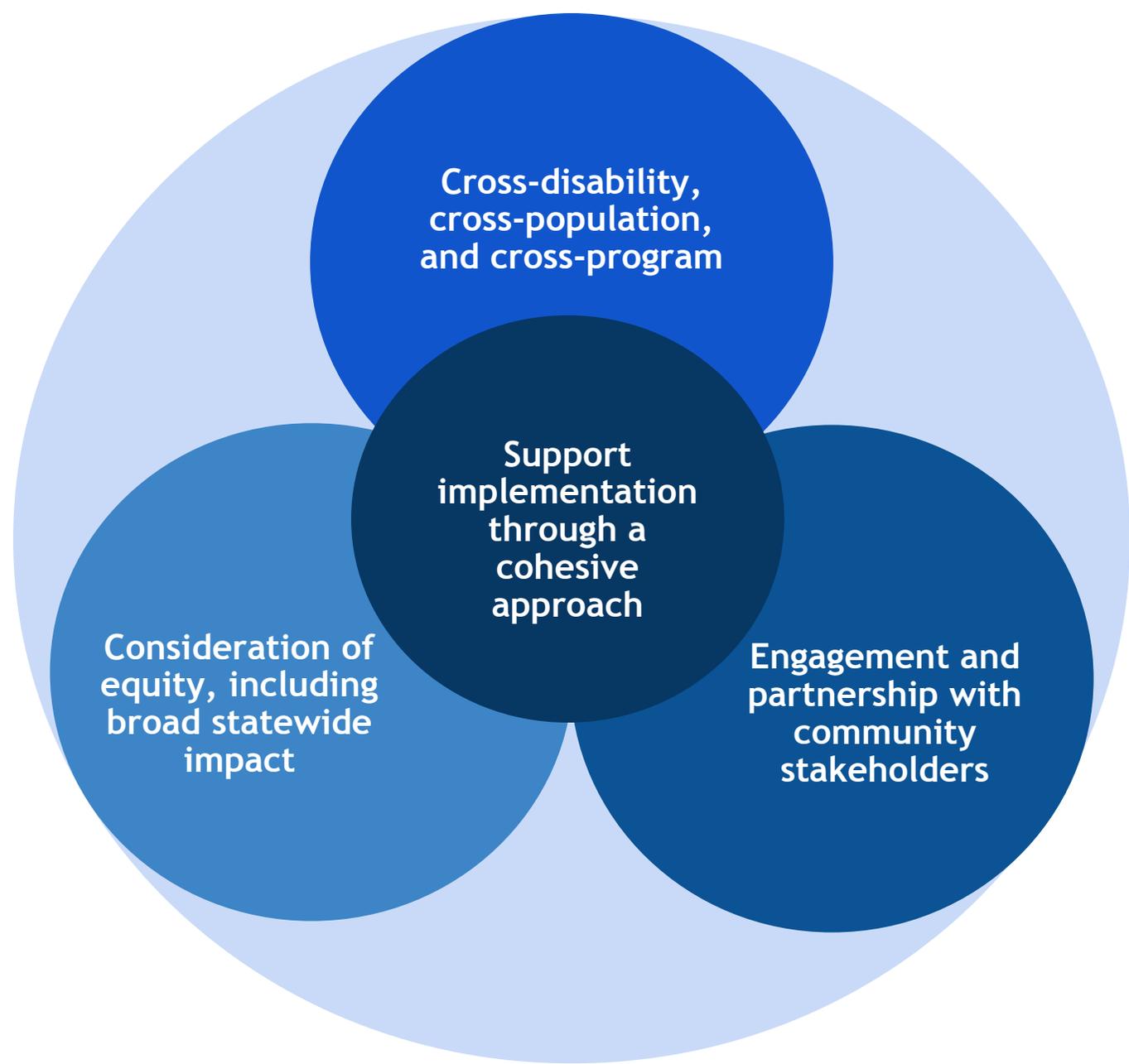
- Service Ambiguity: Allowable rehabilitation, behavioral health, services at the discretion of HHS Director
- Federal Financing Specifics: Clarity needed on receipt of federal funds through the match
- Timeline Unclear: Details needed on timing of expenditures
- Authorized Use: Additional information needed on what activities are allowable

# Potential Fiscal Impact

Estimated Impact by Service Type				
Item	HCBS, Personal Care, Case Management	Home Health	PACE	Total
Estimated Eligible Expenditure	\$1,540,151,181	\$456,536,872	\$260,662,095	\$2,257,350,148
State Share Savings	(\$154,015,118)	(\$45,653,687)	(\$26,066,210)	(\$225,735,015)
<b>Reinvestment of State Funds</b>	<b>\$154,015,118</b>	<b>\$45,653,687</b>	<b>\$26,066,210</b>	<b>\$225,735,015</b>

- Savings will increase if rehabilitative services under behavioral health are eligible for the enhanced FMAP
- Reinvestment funding will be much higher if we are able to draw down a federal match when we spend the money

# Strategic Approach



# Desired Outcomes

- ★ Support the **COVID-19 response and recovery**
- ★ Supercharge **existing initiatives** and advance **system reform**
- ★ Foster **innovation** and prepare Colorado's HCBS system for the future
- ★ Invest in **infrastructure** that has a long-term benefit to the system and people of Colorado

# Potential Projects and Investments

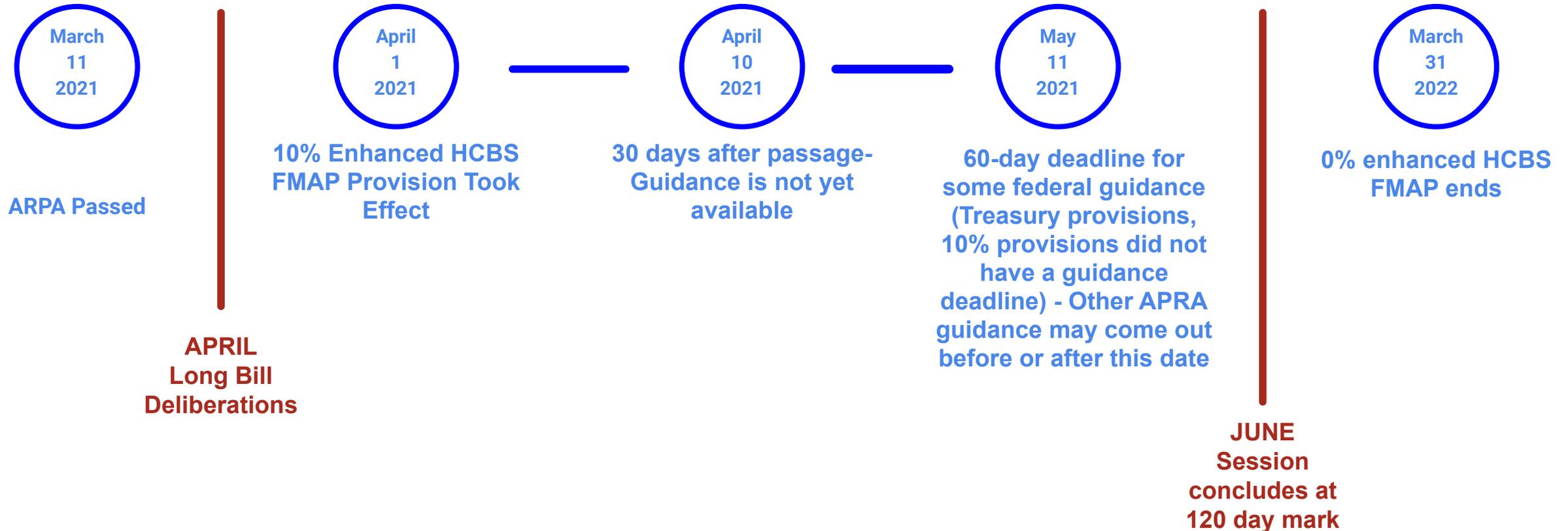
1	<b>Support COVID-19 Response and Recovery</b>	<ul style="list-style-type: none"><li>• Temporary provider enhanced rates</li><li>• Grants for implementing infection prevention changes</li><li>• Disaster or emergency planning funds</li><li>• Technology support for members</li></ul>
2	<b>Supercharge Existing Initiatives</b>	<ul style="list-style-type: none"><li>• Expansion of Direct Care Workforce Investments</li><li>• Investments in the future case management system</li><li>• Move forward Behavioral Health Taskforce Recommendations</li></ul>
3	<b>Foster Innovation</b>	<ul style="list-style-type: none"><li>• Reimagine congregate care settings</li><li>• Pursue Community First Choice</li><li>• Enhance quality through use of Value Based Payments</li></ul>
4	<b>Invest in Infrastructure</b>	<ul style="list-style-type: none"><li>• Develop provider and member portals</li><li>• Enhance current systems to improve member experience</li><li>• Invest in provider capacity, including expanded access to staff training</li></ul>



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# Challenge - Federal Guidance & State Legislative Timelines May Not Align



# Proposed Solution

To address the timeline concerns, HCPF proposes working with JBC staff to **draft legislative language**

This bill would give HCPF authority to move forward **key initiatives** using the funds once additional information is available allowing the Department to **move quickly while maintaining accountability** to the legislative intent

# Potential Language

## The Department would:

- Pursue all methods of **maximizing federal financial participation** resulting from an increase to federal funds originating from the American Rescue Plan
- **Conduct stakeholder outreach** and hold meetings with relevant parties
- Make every effort in utilizing the funds to:
  - Support and expedite recovery for members, providers, and other relevant organizations most significantly impacted by the **COVID-19 pandemic**;
  - **Seek innovative methods** to position members, providers, the State Department, and other relevant organizations for future success;
- **Stay in regular communication** with the JBC about the receipt of guidance and on the subsequent distribution of the funds



# Questions?



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