# Nebraska Home and Community–Based Services (HCBS) Spending Plan

## Quarterly Update – FFY 2023 – Q4

**APRIL 17, 2023**

**Nebraska Department of Health and Human Services**

NEBRASKA
Good Life. Great Mission.
DEPT. OF HEALTH AND HUMAN SERVICES

April 17, 2023

Jennifer Bowdoin
Director, Division of Community Systems Transformation
Center for Medicaid & CHIP Services (CMCS)
7500 Security Blvd
Baltimore, MD 21244

Dear Director Bowdoin:

DHHS is submitting the attached information as its quarterly spending plan update to its Home and Community Based Services Spending Plan as outlined in the American Rescue Plan Act of 2021.

As outlined in the general considerations in your original letter, Nebraska acknowledges and agrees that it will notify CMS if we propose changes to our HCBS spending plan to enhance, expand, or strengthen HCBS under ARP Section 9817 in such a way that:

- *Are focused on services other than those listed in SMD# 21-003 Appendix B or that could be listed in Appendix B;*
- *Include room and board (which CMS would not find to be a permissible use of funds); and/or*
- *Include activities other than those listed in Appendices C and D.*

Nebraska's quarterly spending plan submission first provides updates on current implementation activities for the conditionally approved spend plan initiatives, per conditional approval letters received from CMS on January 31, 2022; May 2, 2022; August 23, 2022; January 18, 2023; and April 10, 2023. This submission includes one new spend plan initiative and a significant revision to another spend plan initiative, both submitted for CMS consideration of approval.

As indicated in our initial spending plan, Nebraska DHHS, as Nebraska's single state agency for Medicaid, serves as the Operating Agency for the HCBS ARP initiatives. Jeremy Brunssen, Deputy Director for Finance and Program Integrity with the Division of Medicaid & Long-Term Care, serves as the primary contact for these initiatives. He can be reached at Jeremy.Brunssen@Nebraska.gov or (402) 540-0380.

Sincerely,

Kevin Bagley, Director
Division of Medicaid & Long-Term Care
Nebraska Department of Health and Human Services

Contents

## Spending Plan – Quarterly Updates

| Grants to agencies to purchase telehealth equipment | |
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| Description | Funding for providers to purchase technology that will support provision of direct clinical services through telehealth and telemonitoring for two-way audio/video communication or technology for asynchronous management of chronic diseases.<br><br>Providers would need to develop protocols for the utilization of the technology, ensure it is HIPAA compliant, and meet all state and federal regulations for the use of technology for telehealth and telemonitoring.<br><br>DHHS will require providers to submit an application form and proposal that includes the services to be provided, technology overview, and budget request. Approved providers will need to maintain invoice records to submit to the state for an audit post-program implementation. |
| Timeframe | Program will be rolled out 6 months from CMS approval of initial spending plan. Providers would have another 6 months to submit their funding requests. |
| How it enhances or expands Medicaid HCBS | Expands the use of technology and telehealth. Provides specialized supplies and equipment to agencies, which will allow greater access to HCBS through telehealth. Telehealth is especially critical in rural and other remote areas of the state. |
| Additional Narrative (10/2021) | Grants to agencies to purchase telehealth equipment are targeted at providers who are delivering services that are listed in Appendix B of SMD# 21-003 if the services can be delivered by telehealth. Services are only eligible to be delivered through telehealth if the service does not require hands-on care, does not put the patient in harm by providing the service through telehealth, and the service description can be met by providing the service through telehealth. An example of services not eligible for a telehealth grant would be personal care services that have to be provided in-person and requires hands-on care or are required to be provided by immediate supervision of the patient.<br><br>Grants to agencies or providers to purchase telehealth equipment will also be considered for providers not listed in Appendix B if providing telehealth equipment will facilitate keeping the patient in their home or community setting. Cases may include a grant to a behavioral health provider in a frontier area that serves patients without transportation who would be unable to attend therapy and may relapse without that treatment. Equipment purchased with these grants may also be used for encounters for medication reviews or mental status exams, or occupational therapy to observe a patient in their home environment and provide rehabilitation services to ensure they |

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| | can stay in their home or community-based setting.<br><br>DHHS does not intend to cover ongoing connectivity cost as part of these telehealth equipment grants. |
| Initiative Sustainability Beyond 2024? | This is a grant program that will have an established cap amount, and once the cap is reached no further grants will be awarded. |
| Progress update (4/2022) | The project was approved by CMS effective January 31, 2022. Internal planning and implementation has kicked off and is underway, with the intent to release instructions for providers to apply for grants by July 31, 2022. |
| Additional Information (7/2022) | The state is not seeking additional FFP for the grants described in this spending plan activity. |
| Progress Update (1/2023) | The state is reviewing grant applications and expects to begin award notifications this quarter. |
| Progress Update (4/2023) | The state has issued payments and award letters to providers for currently approved applications. The state continues to receive and review new grant applications. |

## Convert or renovate facilities for other purposes or enhance purpose

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| Description | Make available a sum of money for physical improvements/conversions of established structures that include modernization and facility changes to support care provision to specific patient populations.<br><br>Examples:<br>• Nursing Facility to Rehabilitation facility, Day Rehabilitation, Assisted Living Facility<br>• Therapeutic Group Home<br>• Qualified Residential Treatment Program updates or conversion<br>• Respite spaces<br><br>Providers would be required to submit their project design and plan with cost estimates. The plan must identify how the project improves the client experience and the specific patient population for the facility type.<br><br>Financial allocation would be done through the establishment of project progress benchmarks and incremental distribution. Specific project benchmarks would be outlined with grant approval, and 25 percent of overall grant amount would be provided at start-up. Twenty-five percent would be distributed upon receipt of documentation of successful completion of benchmarks for stage 2, and 50 percent upon completion. |
| Timeframe | Six months for program roll out. Provider plans must be submitted within 2 years from project initiation. |

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| How it enhances or expands Medicaid HCBS | Expanding provider capacity by providing nursing facilities or other institutional settings with funding to convert to assisted living facilities or to provide adult day services, respite care, or other HCBS.<br><br>This would incentivize investment in communities to support persons in need of HCBS services, as well as increase potential services and access points across the state. |
| Additional Information (10/2021) | Nebraska plans to pay for permissible capital investments as part of this proposal. We will require applicants to demonstrate compliance with the final settings rule.<br><br>Developing community housing and services by leveraging and transforming existing and underutilized local infrastructure (especially in in rural or frontiers areas) facilitates community inclusion and personal choice within participants' existing communities, which enhances, expands, and strengthens HCBS as described in section 9817 of the ARP. |
| Initiative Sustainability Beyond 2024 | This is a grant program that will have an established cap amount and once the cap is reached, no further grants will be awarded. |
| Progress update (4/2022) | The project was approved by CMS effective January 31, 2022. Internal planning and implementation has kicked off and is underway, with the intent to release instructions for providers to apply for grants by July 31, 2022. |
| Additional Information (7/2022) | The state is not seeking additional FFP for the grants described in this spending plan activity. |
| Progress Update (1/2023) | The state is reviewing grant applications and expects to begin award notifications this quarter. |
| Progress Update (4/2023) | The state has issued payments and sent award letters to providers for currently approved applications. The state continues to receive and review grant applications |

## Funding of non-federal share for Administration on Community Living (ACL) grants for the State Unit on Aging

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| Description | ARP grants from the ACL included all program areas usually funded by annual formula grants. The ARP grants require state and local match (whereas other emergency funding did not). The ACL ARP awards are about $7.7 million, and require a non-federal share match of 15 percent and 25 percent (local and state), totaling about $1.2 million overall. This is an unexpected expense at the state and local level, as many programs are grant-funded and have limited outside resources. This proposal is to fund the non-federal share of the ACL ARP grants from the FMAP savings from the HCBS enhanced FMAP, which benefit HCBS and Medicaid participants and the Medicaid system. The need is for the ACL project period, 4/1/21 – 9/30/24, with the additional 10 percent FMAP funds requiring to be spent by 3/31/24. The federal award is likely to be fully expended prior to the end of the enhanced FMAP expenditure allowed date of 3/31/24. Funds will support Area Agencies on Aging (AAAs) and local programs managed by the agencies that serve seniors across the state. As described in this section, the |

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| | state is not seeking additional Medicaid FFP, but is using this non-federal share money as the source of the non-federal share match for ACL funds. |
| Timeframe | Issue sub-awards to AAAs by 10/1/21 (with spending authorized through 3/31/24). |
| How it enhances or expands Medicaid HCBS | Increases access to HCBS services. |
| Additional Information (10/2021) | Additional information related to CMS's questions on this topic are included in Appendix A (pg. 11). |
| Initiative Sustainability Beyond 2024 | This would be a one-time coverage of the non-federal share. |
| Progress update (4/2022) | The project was approved by CMS effective January 31, 2022. DHHS is currently working with its procurement services to work toward issuing these grants. |
| Progress Update (1/2023) | All awards have been issued and agencies are regularly requesting reimbursement. |

## Procure a fiscal intermediary and change the rate methodology for personal assistance services and chore services

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| Description | This proposal is for two separate, but related activities. This would first pay for the costs of a rate study for PAS and chore services to develop a new methodology for establishing payment rate for these services. Second, this proposal would fund the implementation associated with a third-party fiscal agent or fiscal intermediary who would process payments for these services when billed. These activities are eligible for administrative federal match at 50 percent. |
| Timeframe | Development of new rate methodologies: 12-15 months<br>Procurement and implementation of a fiscal intermediary: 24-30 months |
| How it enhances or expands Medicaid HCBS | Addresses provider complaints about PAS and chore services reimbursement rates. Increases efficiency of the state government to process and pay HCBS providers. |
| Additional Information (10/2021) | Nebraska's plans to procure a fiscal intermediary and change the rate methodology for Personal Assistance Services and Chore services will not result in reduced provider payment rates as compared to those in place as of April 1, 2021. The investments made to complete these activities will strengthen HCBS, as a fiscal intermediary will provide additional support and more resources to these providers than what is currently in place today. Furthermore, completing a rate study and formal analysis, which has not |

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| | been done in many years, will inform DHHS on the state of Medicaid payment for these HCBS. This information then can be used to make future decisions regarding payment rates that can positively affect access for these services. |
| Initiative Sustainability Beyond 2024 | **Procuring a fiscal intermediary**: This would add some new costs to the Medicaid program, while providing switch savings as it would have the benefit of sun setting some legacy functionality in NFOCUS and would likely fit into the longer-term strategy of Nebraska's new iServe system under iBEEM. This would also likely significantly improve the provider experience in a number of ways.<br><br>**Changing rate methodologies**: In the event the rate study determines that rates need to be increased in an amount that is not able to be absorbed within current appropriations, a budget issue may be needed; or, provider associations may present a bill for funding in the Nebraska Legislature. |
| Progress update (4/2022) | The project was approved by CMS effective January 31, 2022. Internal planning and implementation are currently underway. |
| Additional Information (7/2022) | The state is obtaining additional FFP through levering the 50% Administrative FFP match for the activities described in this spend plan initiative. |
| Progress Update (1/2023) | Rate Study: The external consultant has completed the rate study for HCBS services in the spend plan initiative.<br>Fiscal intermediary: The project will have formal kick-off in January 2023. |
| Progress Update (4/2023) | Rate Study: The state is evaluating the completed rate study and determining next steps.<br>Fiscal Intermediary: The state is actively documenting current business and technical processes, in conjunction with evaluating the fiscal intermediary model best suited for the state to develop requirements to be established for the RFP, as well as for creating a project roadmap. |

## Funding increase to address workforce shortages and continued increased costs due to COVID-19 for all four of Nebraska's Waivers (TBI, AD, CDD, and DDAD)

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| Description | This proposal is to provide for temporary rate increases for all 1915(c) waiver services. This funding proposal includes approximately $30.3 million to temporarily increase provider rates by 15% for all Home and Community Based Services (HCBS) waiver programs (Aged and Disabled Waiver; Adult Day DD Waiver; and Comprehensive DD Waiver) with the exception of payments for Assisted Living Facility and Traumatic Brain Injury services. Separately, this includes approximately $6.3 million to fund a $20 per patient per day temporary increase for Traumatic Brain Injury and Assisted Living Facilities.<br><br>This funding proposal will be used to supplement multiple activities as stated in the ARPA law to enhance the Medicaid waiver services by:<br>• Supporting and protecting the HCBS workforce<br>• Ensuring financial stability for HCBS providers |
| Timeframe | The rate increases will be administered to providers for dates of service from January 1, 2022, through June 30, 2022. |

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| How it enhances or expands Medicaid HCBS | The first funding increase proposal is to assist providers with two separate operational barriers. First, funds will provide a temporary rate increase of 15% for all CDD, DDAD, and AD community-based waiver services to aid providers with persistent workforce shortages. The increased funding will help providers pay staff overtime for direct care during the pandemic. Secondly, the increased funding will help stabilize operations by helping providers handle increased costs due to COVID-19.<br><br>The second funding increase proposal is to assist AD/TBI providers with two separate operational barriers. First, funds will provide a temporary rate increase of an additional $20 per patient per day for TBI and AD Assisted Living waiver services to aid providers with persistent workforce shortages. The increased funding will help providers pay staff overtime for direct care during the pandemic. Increased funding will also help stabilize operations by assisting providers in absorbing increased costs due to COVID-19.<br><br>Both of these funding proposals will enhance provider's ability to provide timely and quality Medicaid HCBS services across all of Nebraska's Medicaid waivers and benefit both waiver providers and waiver participants. |
| Initiative Sustainability Beyond 2024 | Both proposed rate increases end on 6/30/2022. |
| Additional Information (7/2022) | The project was approved by CMS effective May 2, 2022. Additionally, the state received approval of the Appendix Ks for the federal share/FFP associated with this spend plan activity on March 17, 2022. |
| Progress Update (1/2023) | All rate increases have been executed. |

## Home Health Provider Relief Payments

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| Description | Issue one-time provider relief payments for Medicaid-enrolled Home Health (HH) providers who provided services during the PHE. |
| Timeframe | Implement within 90 days of approval of the spending plan initiative. |
| How it enhances or expands Medicaid HCBS | These relief payments will help HH providers to address their specific challenges to increase their ability to continue to provide HH services and expand the number and type of services provided under HCBS. The payments can be used for hiring and/or retention bonuses, increasing staff wages, and investing in infrastructure needed by the provider to enhance or expand HCBS Services for Medicaid beneficiaries.<br><br>Medicaid plans to issue the payments with the state-only funds created from the 10% enhanced FMAP and does not anticipate seeking to match any of the payments with additional FFP or seeking underlying authority to do so. This plan includes approximately $10,000,000 for provider payments. |
| Initiative Sustainability Beyond 2024 | This initiative will not create sustainability concerns, as it includes one-time payments. |
| Additional Information (10/2022) | The project was approved by CMS effective August 23, 2022. Internal planning and implementation are currently underway. |

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| Progress Update (1/2023) | The state has engaged in provider stakeholder meetings and is in the process of developing a provider relief payment application and process. |
| Progress Update (4/2023) | The state is currently accepting applications for provider relief. Provider relief forms are due by April 14th. |

## Program for All-Inclusive Care for the Elderly Provider Relief Payment

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| Description | Issue a one-time $100,000 provider relief payment for the Medicaid-enrolled Program for All-Inclusive Care for the Elderly (PACE) provider who provided services during the PHE. |
| Timeframe | Implement within 90 days of approval of the spending plan initiative. |
| How it enhances or expands Medicaid HCBS | This provider relief payment will help Nebraska's PACE provider to address their specific challenges to increase their ability to continue to provide PACE services and expand the number and type of services provided under HCBS. The payments can be used for hiring and/or retention bonuses, increasing staff wages, and investing in infrastructure needed by the provider to enhance or expand HCBS Services for Medicaid beneficiaries.<br><br>Medicaid plans to issue the payments with the state-only funds created from the 10% enhanced FMAP and does not anticipate seeking to match any of the payments with additional FFP or seeking underlying authority to do so. |
| Initiative Sustainability Beyond 2024 | This initiative will not create sustainability concerns as it is a one-time payment. |
| Additional Information (10/2022) | The project was approved by CMS effective August 23, 2022. Internal planning and implementation are currently underway. |
| Progress Update (1/2023) | The state will be executing this provider relief payment this quarter. |
| Progress Update (4/2023) | The state completed this spend plan initiative and expended the funds as intended in the spend plan activity. |

## (Updated 4/2023) Personal Assistance Services Provider Rate Increase

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| Description | This updated proposal is to increase provider rates for State Plan Personal Assistance Services (PAS) by approximately 25% effective July 1, 2023 and another 11% effective July 1, 2024.<br>~~Issue one time provider relief payments for Medicaid-enrolled Personal Assistance Services (PAS) providers who provided services during the PHE.~~ |
| Timeframe | Implement within 90 days of approval of the spending plan initiative. |
| How it enhances or | These ~~relief payments~~ provider rate increases will help PAS providers to address their specific challenges, to increase their ability to continue to |

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| expands Medicaid HCBS | provide PAS services, and to expand the number of recipients receiving services ~~and type of services~~ provided under HCBS. ~~The payments can be used for hiring and/or retention bonuses, increasing staff wages, and investing in infrastructure needed by the provider to enhance or expand HCBS Services for Medicaid beneficiaries.~~<br><br>Nebraska Medicaid plans to submit a State Plan Amendment to seek federal financial participation for these provider rate increases and use the state general funds saved/generated from the 10% enhanced FMAP to fund the non-federal share for the initial quarters of the increased payments.<br><br>The state estimates that this will result in approximately $6.4 Million in total fund new/additional payments to providers, of which approximately $2.6 Million will be funded as non-federal share from the spend plan initiative.<br><br>~~Medicaid plans to issue the payments with the state-only funds created from the 10% enhanced FMAP and does not anticipate seeking to match any of the payments with additional FFP or seeking underlying authority to do so. This plan includes approximately $1.5 million for provider payments.~~ |
| Initiative Sustainability Beyond 2024 | ~~This initiative will not create sustainability concerns as it includes one-time payments.~~<br><br>Nebraska Medicaid is securing the necessary ongoing non-federal share of these increased provider rates through general fund appropriations to continue paying these rates beyond the expiration of the ARP spend plan authority. |
| Additional Information (10/2022) | The project was approved by CMS effective August 23, 2022. Internal planning and implementation are currently underway. |
| Progress Update (1/2023) | The state is evaluating the methodology to implement this spend plan initiative and will provide additional updates next quarter. |
| Progress Update (4/2023) | Nebraska is submitting a signification revision to the spend plan initiative for CMS consideration of approval. |

## Provider Relief Payments to Targeted Case Management Option (TCMO) providers

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| Description | Issue one time provider relief payments for TCMO providers. TCMO providers deliver direct case management and service coordination to clients receiving services through 1915(c) waivers in Nebraska. |
| Timeframe | Implement within 90 days of approval of the spending plan initiative. |
| How it enhances or expands Medicaid HCBS | Funding will enhance provider's ability to provide timely and quality service coordination and case management to clients receiving waiver services. The funding will allow for increased efforts towards recruitment and retention.<br><br>Medicaid plans to issue the payments with the state-only funds created from the 10% enhanced FMAP and does not anticipate seeking to match any of |

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| | the payments with additional FFP or seeking underlying authority to do so. This plan includes approximately $3.7 million for these provider payments. |
| Initiative Sustainability Beyond 2024 | This initiative will not create sustainability concerns as it includes one-time payments. |
| Additional Information (10/2022) | The project was approved by CMS effective August 23, 2022. Internal planning and implementation are currently underway. |
| Progress Update (1/2023) | The provider relief payments have been fully executed. |

## ~~(Updated 7/2022): Medicaid Section 1115 Demonstration Waiver for Serious Mental Illness (Pending Approval)~~

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| **Description** | ~~Develop an application for a section 1115 demonstration waiver focused on the treatment of serious mental illness (SMI) and serious emotional disturbance (SED). The SMI/SED waiver allows for expanded Medicaid expenditure authority for costs not otherwise eligible for federal matching funds for the treatment of SMI/SED.~~ |
| **Timeframe** | ~~Project will commence upon federal approval with the goal of submitting an application six months from the date of approval. An implementation date is contingent on federal approval of the waiver application.~~ |
| **How it enhances or expands Medicaid HCBS** | ~~The waiver program allows Nebraska Medicaid to cover treatment in residential facilities for children and adults not otherwise eligible for federal funding. This flexibility provides more community-based residential treatment options for Medicaid-enrolled adults and children. CMS guidance for SMI/SED 1115 waivers also outlines a robust continuum of community-based care as an objective of the demonstration program. Through meeting the care continuum requirements of the program, Nebraska will realize increased community-based care availability and improved care coordination.~~<br><br>~~Nebraska is requesting approximately $391,500 in this spending plan to support the development, submission, and federal review of the SMI/SED waiver application. This amount is also inclusive of the initial implementation costs for the waiver program. Nebraska plans to request additional administrative FFP at 50% to match the investment from this fund, for a total cost of $783,000~~ |
| Initiative Sustainability Beyond 2024 | ~~Nebraska Medicaid currently operates a similar demonstration waiver program for the treatment of substance use disorders and has developed the administrative infrastructure for the ongoing implementation and administration of the SMI/SED waiver. Based on the state's experience with its SUD waiver program, Nebraska anticipates the coverage flexibility allowed under the SMI/SED waiver will result in cost savings through the avoidance of care in costlier settings such as emergency departments, which will offset costs associated with the requirements of the SMI/SED waiver program.~~ |

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| Additional Information (10/2022) | The project was NOT approved by CMS effective August 23, 2022. |

## Americans with Disabilities Act (ADA) Consulting

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| **Description** | This proposal aims to hire a consultant as staff augmentation to evaluate and facilitate enhancements to Nebraska's support of the ADA as it relates to eligibility, case management and service provision. This proposal would affect all populations accessing these services regardless of funding type, including Aged & Disabled Waiver, Behavioral Health Regions, or Medicaid state plan services. |
| **Timeframe** | Consultant services are anticipated to be onboarded within 90 days of this spend plan initiative being approved and will be in place for up to 18 months. |
| **How it enhances or expands Medicaid HCBS** | Funding will enhance the state's ability to provide effective and integrated community-based living options that prevents the need for institutional care. A consultant/project manager will facilitate the implementation of identified strategies, which will all be aimed at enhancing Nebraska's options to identify populations and provide appropriate support to their local communities.<br><br>Nebraska requests approval for this spend plan activity for up to $900,000. Nebraska may seek underlying authority approval for 50% administrative FFP match rate for this activity, resulting in approximately $500,000 in HCBS ARPA costs and $500,000 in administrative FFP. |
| **Initiative Sustainability Beyond 2024** | This initiative will not create sustainability concerns, as consultation is not expected to last beyond the allowable spending period. |
| **Additional Information (10/2022)** | The project, as submitted with the April 2022 submission was approved by CMS effective August 23, 2022. Nebraska submitted this updated project description with the July 2022 spending plan submission. |
| **Progress Update (1/2023)** | The project is underway in planning phase and is evaluating opportunities to strengthen ADA compliance through initiatives such as: CCBHCs, Level 1 Screening, Discharge Assessment, and Congregate care licensing improvements. |

## Development of a proposal to reduce Nebraska's reliance on congregate care in support of independent living for DD clients

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| **Description** | This proposal aims to hire a consultant as staff augmentation to evaluate and provide recommendations to incentivize independent living versus congregate 24-hour residential waiver services in the 1915(c) Waiver for the Developmentally Disabled population in Nebraska. |
| **Timeframe** | Consultant services are anticipated to be onboarded within 90 days of this spend plan initiative being approved and will be in place for up to 18 months. |
| **How it enhances or** | Funding will provide for a consultant and a report of strategies for Nebraska to consider in policy, practice, or waiver implementation that incentivize |

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| **expands Medicaid HCBS** | services in the least restrictive environment. Nebraska is interested in learning how it could create opportunities for waiver participants to freely choose independent living over congregate care.<br><br>Nebraska requests approval for this spend plan activity for up to $655,200. Nebraska plans to use 50% administrative FFP match rate for this activity, resulting in approximately $327,600 in HCBS ARPA costs and $327,600 in administrative FFP. |
| **Initiative Sustainability Beyond 2024** | This initiative will not create sustainability concerns, as consultation is not expected to last beyond the allowable spending period. |
| **Additional Information (10/2022)** | The project was approved by CMS effective August 23, 2022. Internal planning and implementation are currently underway. |
| **Progress Update (1/2023)** | The state is currently drafting scope of work for a competitive procurement of a vendor to evaluate and provide recommendations. |
| **Progress Update (4/2023)** | DHHS will release the Congregate Care RFP on May 1, 2023. |

| **Evaluation of Nebraska's developmental disability system & supports (LB376)** | |
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| **Description** | The evaluation shall analyze the array of services and programs existing in Nebraska for persons with developmental disabilities and address potential areas for improvement, with an emphasis on maximizing impact, effectiveness, and cost-efficiencies. The evaluation shall consider: (a) services offered and provided by the state through the Medicaid state plan or by current Medicaid waivers; (b) services offered by other states through Medicaid state plans, Medicaid waivers, or other mechanisms; and (c) any other areas that may be beneficial to the state in the assessment of its developmental disability services. |
| **Timeframe** | The contractor will be secured 3 months from CMS approval of initial spending plan. Evaluation will be due by 12/31/23. |
| **How it enhances or expands Medicaid HCBS** | The evaluation will provide a roadmap for Nebraska in exploring enhancements to HCBS services for our aged, physically disabled and developmentally disabled populations. It will enhance the state's ability to provide these services by offering ideas/solutions to reduce the HCBS DD Comprehensive Waiver's waiting list, expanding services offered via new waivers or optional State Plan services.<br><br>Nebraska requests approval for this spend plan activity for up to $500,000. Nebraska plans to use 50% administrative FFP match rate for this activity, resulting in approximately $250,000 in HCBS ARPA costs and $250,000 in administrative FFP. |
| **Initiative Sustainability Beyond 2024** | This is a one-time evaluation for enhancement considerations, and therefore this request does not have sustainability concerns. |

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| **Additional Information (10/2022)** | The project was approved by CMS effective August 23, 2022. Internal planning and implementation are currently underway. |
| **Progress Update (1/2023)** | Evaluation activities have begun. |

## Community-based Behavioral Health System Enhancements

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| **Description** | This proposal aims to identify and onboard strategic consulting services for project management and subject matter expertise to support Nebraska's efforts to design a suite of community-based behavioral health service and support enhancements, including prevention, stabilization, de-escalation, and relapse prevention services delivered in home and community-based settings for youth and adults. |
| **Timeframe** | Consultant services are anticipated to be onboarded within 90 days of this spend plan initiative being approved and will be in place for up to 18 months. |
| **How it enhances or expands Medicaid HCBS** | Funding will enhance the State's ability to provide an effective and integrated community-based suite of service enhancements that are designed to prevent the need for institutional care, including services that address:<br>24/7 crisis mental health services including mobile-crisis response<br>Screening, assessment, and diagnosis<br>Patient-centered treatment planning<br>Outpatient mental health and substance use services<br>Enhanced care coordination<br>Psychiatric rehabilitation services<br>Peer support, counseling, and family support services<br>Nebraska requests approval for this spend plan activity for up to $1,950,000.<br>Nebraska anticipates that the community-based behavioral health system enhancements will result in cost savings through the avoidance of care in costlier settings. |
| **Initiative Sustainability Beyond 2024** | This initiative will not create sustainability concerns, as consultation is not expected to last beyond the allowable spending period. |
| **Additional Information** | The state anticipates pursuing additional FFP through leveraging the 50% administrative FFP match for the activities described in this spend plan initiative. |
| **Progress Update (4/2023)** | Nebraska received approval of this spend plan initiative on April 10, 2023. |

## (New 04/17/23) Family Support Waiver

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| **Description** | This proposal aims to develop and implement a new 1915C family support waiver as authorized by Nebraska Legislative Bill 376 (2022). This waiver is designed to provide up to $10,000 in support to 850 individuals currently on the Developmental Disabilities registry. This proposal also proposes paying for any initial new waiver services authorized during the allowable period for ARP expenditures. |

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| | Nebraska estimates the administrative costs to develop and implement the new waiver to be approximately $2 Million, of which approximately $1 Million amount is being requested to be funded via ARP funds. Nebraska estimates new waiver services aid to be approximately $15.7 Million, of which $6.5 Million is being requested to be funded via ARP funds. |
| **Timeframe** | A family support waiver is currently in development. Current timelines indicate submission to CMS for approval summer 2023 and implementation of the waiver by January 2024 |
| **How it enhances or expands Medicaid HCBS** | Funding will enhance the State's ability to provide an effective and integrated community-based suite of service enhancements that are designed to provide support to individuals to prevent the need for institutional care or out of home placement. Individuals will be prioritized for acceptance to the waiver in the following order:<br>1) Disabled children and family units in crisis situations in which the disabled child tends to self-injure or injure siblings and other family members;<br>2) Disabled children who are at risk for placement in juvenile detention centers, other institutional settings, or out-of-home placements;<br>3) Disabled children whose primary caretakers are grandparents because no other family caregivers are available to provide care;<br>4) Families who have more than one disabled child residing in the family home; and<br>5) Date of application under the program.<br>This waiver will therefore provide critical services and supports for in-home, community-based living. |
| **Initiative Sustainability Beyond 2024** | This new waiver is subject to CMS approval and will, as a pilot, extend for three years from its date of implementation and has secured state funding for that period. It will have the option of renewal for a 5-year period pending CMS approval and legislative appropriation.<br><br>Nebraska is also securing ongoing state general funds through appropriations to continue paying for the non-federal share of the waiver services proposed in this new spend plan initiative. |
| **Additional Information** | The state is in the process of requesting aid FFP through the submission of a new 1915C waiver application submission. Additionally, Nebraska will seek 50% administrative FFP match for the planning and implementation activities described in this spend plan initiative. |

# Appendix A: CMS Requests for Additional Information (10/2021)

**Request**: Clearly indicate whether the "grants to agencies to purchase telehealth equipment" are targeted at providers delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If this activity is not focused on providers that are delivering services listed in Appendix B or that could be listed in Appendix B, explain how the activity enhances, expands, or strengthens HCBS under Medicaid.

**DHHS Response**: Additional information is included with the narrative for this spending proposal on page 4.

**Request:** Clearly indicate whether your state plans to pay for ongoing internet connectivity costs as part of the "grants to agencies to purchase telehealth equipment" activity. Ongoing internet connectivity costs are permissible uses of funds to enhance, expand, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how ongoing internet connectivity costs would enhance, expand, or strengthen HCBS. Further, approval of ongoing internet connectivity costs in ARP section 9817 spending plans and narratives does not authorize such activities for FFP.

**DHHS Response:** Additional information is included with the narrative for this spending proposal on page 4.

**Request:** Clearly indicate whether your state plans to pay for capital investments as part of the "convert or renovate facilities for other purposes or enhance purpose" activity. Capital investments costs are permissible uses of funds to enhance, expand, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments would enhance, expand, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments costs in ARP section 9817 spending plans and narratives does not authorize such activities for FFP. Additionally, please note that settings that are in the same building as a public or private institution or on the same grounds of or adjacent to a public institution, are considered presumptively institutional under the HCBS settings final rule (42 CFR 441.301(c)(5)). For newly constructed settings that are presumptively institutional, states should follow guidance released in the CMCS Informational Bulletin (CIB) dated August 2, 2019, regarding Heightened Scrutiny Review of Newly Constructed Presumptively Institutional Settings.

**DHHS Response**: Additional information is included with the narrative for this spending proposal on page 5.

**Request:** Regarding the "non-federal share for Administration on Community Living (ACL) grants for the State Unit on Aging" activity, CMS would like to schedule a call with the state to discuss how the state intends to use ARP section 9817 funds under each part of the Older Americans Act Title III program.

**DHHS Response:** Specific questions are included with each response.

**Are there any waitlists in place for the four approved section 1915 (c) Nebraska waivers?**
There are only waitlists for the DD Waivers, not for the AD and TBI Waiver.

- Aged and Disabled (AD) Waiver: -0-
- Comprehensive Developmental Disabilities (CDD) Waiver: 36
- Developmental Disabilities Adult Day (DDAD) Waiver: -0-
- Traumatic Brain Injury (TBI) Waiver: -0-

**How many current Older Americans Act (OAA) Title III clients are on each of the four section 1915 (c) HCBS waiver waitlists?**
There are 36 clients on the Comprehensive Developmental Disabilities (CDD) Waiver waitlist age 60+. Of those 36, there are 2 clients receiving OAA services.

**Is there information available by Title III Part and/or service?**
DHHS is awaiting a technical assistance call with CMS to be able to sufficiently answer this question.

**Is there an OAA Title III waitlist? If so, how many clients are on both the Title III and the 1915(c) HCBS waiver waitlist?**
There are waitlists in 3 service areas. The totals are as follows:

| Agency | # Waitlist | Notes |
|---|---|---|
| AOWN, Scottsbluff | 0 | |
| AP, Lincoln | 35 | Case management |
| BRAAA, Beatrice | -0- | |
| ENOA, Omaha | -0- | When the IIIE program is at capacity no additional referrals are accepted until an opening is available. |
| MAAA, Hastings | -0- | |
| NENAAA, Norfolk | 61 | III B Chore, Personal Care, Homemaker, Material Distribution, and III E services of Respite, and Supplemental Services. Not accepting applications at this time due to funding. |
| SCNAAA, Kearney | 25 | Personal Emergency Response System (Lifeline); under the family caregiver program |
| WCNAAA, North Platte | -0- | |

Funds may be used to better address the use of waitlists both for OAA and Waiver clients in these service areas and across the state. AAAs closely monitor clients and assist them in applying for Medicaid if /when they meet financial criteria.

**Are additional Medicaid waiver waitlist clients anticipated to be served with the additional funding?**
This initiative will not reduce the number of individuals on the DD waitlist.

**How will ARP section 9817 funds be used to enhance, expand, or strengthen HCBS under the Medicaid program, under each Part of OAA Title III program requiring a state match of the grant funds?**

- **Part B – Supportive Services**
    - The Area Agencies on Aging (AAAs) are pursuing methods to enhance, expand, and strengthen the HCBS provider network and availability in their service areas to recover from the pandemic and better serve both Medicaid and OAA clients in their service areas. Recruitment of providers for this vulnerable population is crucial to the continuance of services to help older Nebraskans remain in the community of their choice. AAAs facilitate the coordination of community-based, long-term care services for older persons living at home, and who are at risk of institutionalization due to their ability to function independently. AAAs will work with older persons who are patients in hospitals or long-term care facilities who have a desire to return to the community of their choice, if community-based services are made available to them. AAAs assist older adults in applying for public benefits. AAAs in Nebraska, as elsewhere, were significantly affected by the pandemic. Providers were often in the most "at risk" groups early on and ceased participation in programs from both paid and unpaid positions.
- **Part C1 and C2 – Congregate Meals and Home Delivered Nutrition programs**
    - The AAAs are pursuing methods to enhance, expand, and strengthen the network and availability of workers and volunteers in the nutritional programs within each of their service areas. Recruitment of providers for this vulnerable population is crucial to the continuance of services to help older Nebraskans remain in the community of their choice. All Nebraska AAAs provide congregate and home-delivered meal and nutrition programs through a variety of operational structures. Traditional senior center congregate meals, restaurant vouchers, meal sites, home delivered, to-go meals (permissible during the pandemic), and shelf-stable food boxes. These programs will be further enhanced, expanded, and strengthened for the collective older population in the communities served – both through OAA and Waiver programs. Meal needs for medical purposes are addressed at the local level and managed by the AAA staff. AAAs in Nebraska, as elsewhere, were significantly affected by the pandemic. Providers involved in nutrition programs were often in the most "at risk" groups early on, and ceased participation in programs, both paid and

unpaid. This issue continues today, where masks are not required in a community, but provide a level of protection for the staff. Often, when a cook becomes ill, the meal site will close for a period of time. Meals are then brought in from a neighboring facility.
    - Medicaid waiver provides home delivered meals. This is available statewide. These are managed by the AAAs at the local level.

- **Part E – Caregiver programs**
    - The AAAs are pursuing methods to enhance, expand, and strengthen the network and availability of workers and volunteers in the caregiver programs within each of their service areas. Recruitment of providers for this vulnerable population is crucial to the continuance of services to help older Nebraskans remain in the community of their choice. A number of caregiver programs are available throughout the state. Each service area provides caregiver programs. AAAs coordinate caregiver programs locally, which enhances the availability and support of HCBS Waiver programs in addition to OAA programs. AAAs in Nebraska, as elsewhere, were significantly affected by the pandemic. Providers involved in caregiver and respite programs were often in the most “at risk” groups early on, and ceased participation in programs, both paid and unpaid. This issue continues today, and a robust recruitment, retention, and training program will support the Medicaid and OAA clients on an ongoing basis.
- **Title III State Plan and Area Plan Administration**
    - The State proposes that no funds from the ARP be used for state plan or area plan administration at this time.

**Identify the services that are provided under each Part of the Title III program requiring a state match of the grant funds:**

- **Part B – Supportive Services:**
    - Service
    - Personal Care
    - Homemaker
    - Chore
    - Case Management
    - Assisted Transportation
    - Transportation
    - Information & Assistance
    - Health Promotion/Disease Prevention (Non Evidence-Based)
    - Legal Assistance
    - Telephone & Visiting
    - Senior Center Hours
    - Material Distribution
    - Social Activities
    - Outreach
    - Information Services
- **Part C1 and C2 – Congregate Meals and Home Delivered Nutrition programs:**
    - Home Delivered Meals
    - Congregate Meals

    - Nutrition Counseling
    - Nutrition Education
- **Part E – Caregiver programs**
    - Caregiver Respite
    - Caregiver Assistance: Case Management
    - Caregiver Assistance: Information & Assistance
    - Caregiver Counseling
    - Caregiver Training
    - Caregiver Supplemental Services
    - Caregiver Support Groups
    - Caregiver Outreach
    - Caregiver Information Services

**Request:** Clearly indicate that the activity to "procure a fiscal intermediary and change the rate methodology for personal assistance services and chore services" will not result in reduced provider payment rates as compared to those in place as of April 1, 2021.

**DHHS Response**: Additional information is included with the narrative for this spending initiative on page 7.

# Appendix B: Calculation of Supplemental Funding (Updated 04/2023)

This appendix reflects the amount claimed for eligible HCBS services pursuant to ARP Section 9817.

# Appendix C: Initiatives Enhancing Medicaid HCBS – Spending (Updated 04/2023)

Appendix C reflects actual expenditures for approved spend plan initiatives through March 31, 2023, as well as projected expenditures in future quarters. Nebraska began to spend a portion of the increased FMAP for conditionally approved spend plan initiatives beginning with the FFY2022 Q3 and spend will continue to ramp up in future quarters for approved spend plan activities. The chart has been updated to clarify for CMS that the portion labeled "GF" is in effect the amount of funds available to Nebraska as a result of the enhanced HCBS FMAP under Section 9817 of the American Rescue Plan. One new spend plan submission was also added to the spend plan with this submission and is reflected on this appendix.

## Calculation of Supplemental Funding from 10% FMAP Increase
## ARPA Sec. 9817; eff. 4/1/21 to 3/31/22

| 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 |
| **ASSUMPTIONS** | | | | | |
| **Qualifying Baseline Total Costs** (Populate blue shaded cells with projections) | | | | | |
| Home and Community Based Services | $ 143,935,041 | $ 146,656,526 | $ 138,290,061 | $ 142,960,543 | $ 571,842,171 |
| Case Management Services | $ 8,490,671 | $ 9,349,242 | $ 10,187,922 | $ 9,342,612 | $ 37,370,447 |
| Rehabilitation Services | $ 46,629,236 | $ 49,046,636 | $ 50,537,462 | $ 53,834,967 | $ 200,048,301 |
| Other | $ - | $ - | $ - | $ - | $ - |
| Subtotal: Baseline | $ 201,851,290 | $ 207,388,150 | $ 200,934,991 | $ 203,391,477 | $ 813,565,908 |
| **IMPACT TO FUNDING** | | | | | |
| **Current Funding** | | | | | |
| State Match (-10% of cost) | $ (19,520,963) | $ (20,048,069) | $ (19,388,656) | $ (19,599,898) | $ (78,557,586) |
| Federal Match (+10% of cost) | $ 19,520,963 | $ 20,048,069 | $ 19,388,656 | $ 19,599,898 | $ 78,557,586 |
| Subtotal: Current Funding | $ - | $ - | $ - | $ - | $ - |

Iniatives Enhancing Medicaid HCBS

| Proposal Number | Title | Type | FFP% Estimated | Total Estimated Cost | Funding | Actual/Estimated Spend Plan (by Activity and by Period) | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Total | 2021 | 2022 | | | | 2023 | | | | 2024 | | | | 2025 | |
| | | | | | | | QE 9/21* | QE 12/21* | QE 3/22* | QE 6/22* | QE 9/22* | QE 12/22* | QE 3/23* | QE 6/23 | QE 9/23 | QE 12/23 | QE 3/24 | QE 6/24 | QE 9/24 | QE 12/24 | QE 3/24 |
| 1 | Grants to agencies to purchase telehealth equipment | Provider | 0% | 5,750,000 | GF | 5,750,000 | - | - | - | - | - | - | 32,003 | 500,000 | 750,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 467,997 | - |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Convert or renovate facilities for other purposes or enhance purpose. | Provider | 0% | 20,750,004 | GF | 20,750,004 | - | - | - | - | - | - | 313,835 | 500,000 | 1,000,000 | 2,000,000 | 3,000,000 | 4,000,000 | 5,000,000 | 4,936,169 | |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Funding of non-federal share for Administration on Community Lifing grants for State Unit on Aging | IDS | 0% | 528,000 | GF | 528,000 | - | - | - | - | 89 | 37,224 | 52,659 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 63,028 | - | - |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Procure a fiscal intermediary and change the rate methodology for personal assistance services and chore services | IDS | 50% | 5,000,000 | GF | 2,500,000 | - | - | - | - | 24,533 | 29,850 | 28,215 | 300,000 | 500,000 | 750,000 | 500,000 | 367,402 | - | - | - |
| | | | | | FFP | 2,500,000 | - | - | - | - | 24,533 | 29,850 | 28,215 | 300,000 | 500,000 | 750,000 | 500,000 | 367,402 | - | - | - |
| 5 | Temporary Provider Rate increases for HCBS Waiver Services | Provider | 57.80% | 36,684,004 | GF | 15,480,650 | - | - | - | - | - | 13,725,566 | - | 1,755,084 | - | - | - | - | - | - | - |
| | | | | | FFP | 21,203,354 | - | - | - | - | - | 19,427,975 | - | 1,775,379 | - | - | - | - | - | - | - |
| 6 | Home Health Services Provider Relief Payments | Provider | 0% | 10,000,000 | GF | 10,000,000 | - | - | - | - | - | - | - | 5,000,000 | 5,000,000 | - | - | | | | |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| 7 | PACE Provider Relief Payments | Provider | 0% | 100,000 | GF | 100,000 | - | - | - | - | - | - | 100,000 | - | - | - | - | | | | |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| 8 | Personal Assistance Services Provider Rate Increase (updated 4/2023) | Provider | 0% | 6,381,819 | GF | 2,600,000 | - | - | - | - | - | - | - | - | 275,000 | 275,000 | 275,000 | 275,000 | 500,000 | 500,000 | 500,000 |
| | | | | | FFP | 3,781,819 | - | - | - | - | - | - | - | - | 400,000 | 400,000 | 400,000 | 400,000 | 727,273 | 727,273 | 727,273 |
| 9 | ~~Fund the Planning and Implementation of an 1115 Demonstration Waiver for SMI and SED Treatment~~ | IDS | 50% | - | GF | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Fund Americans with Disability Act (ADA) consulting | IDS | 50% | 900,000 | GF | 618,933 | - | - | - | - | - | 66,168 | 552,765 | - | - | - | - | - | - | - | - |
| | | | | | FFP | 618,933 | - | - | - | - | - | 66,168 | 552,765 | - | - | - | - | - | - | - | - |
| 11 | Fund consultant to provide recommendations to reduce reliance on congregate care in support of independent living for DD clients | IDS | 50% | 655,200 | GF | 327,600 | - | - | - | - | - | | | 54,600 | 54,600 | 54,600 | 54,600 | 54,600 | 54,600 | - | - |
| | | | | | FFP | 327,000 | - | - | - | - | - | | | 54,600 | 54,600 | 54,600 | 54,600 | 54,000 | 54,600 | - | - |
| 12 | Targeted Case Management Option Provider Relief Payments | Provider | 0% | 3,700,000 | GF | 3,700,000 | - | - | - | - | - | 3,700,000 | - | - | - | - | - | - | - | - | - |
| | | | | | FFP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Fund Evaluation of Nebraska's Developmental Disability System and Supports (LB376) | IDS | 50% | 500,000 | GF | 250,000 | - | - | - | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - |
| | | | | | FFP | 250,000 | - | - | - | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - |
| 14 | Community-based Behavioral Health System Enhancements | IDS and Provider | 50% | 1,950,000 | GF | 975,000 | - | - | - | - | - | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 175,000 | - | - | - |
| | | | | | FFP | 975,000 | - | - | - | - | - | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 175,000 | - | - | - |
| 15 | Family Support Waiver (New 4/2023) | Provider | Blended (Aid and Admin) | 19,700,487 | GF | 8,500,002 | | | | | | | | - | 1,214,286 | 1,214,286 | 1,214,286 | 1,214,286 | 1,214,286 | 1,214,286 | 1,214,286 |
| | | | | | FFP | 11,200,485 | | | | | | | | - | - | - | 2,240,097 | 2,240,097 | 2,240,097 | 2,240,097 | 2,240,097 |
| | | | **TOTAL** | **112,599,514** | **GF** | **72,080,189** | **-** | **-** | **-** | **-** | **24,622** | **17,558,808** | **1,079,477** | **8,434,684** | **9,118,886** | **5,618,886** | **6,368,886** | **7,211,288** | **7,831,914** | **7,118,452** | **1,714,286** |
| | | | | | **FFP** | **40,856,591** | **-** | **-** | **-** | **-** | **24,533** | **19,523,993** | **580,980** | **2,379,979** | **1,204,600** | **1,454,600** | **3,444,697** | **3,286,499** | **3,021,970** | **2,967,370** | **2,967,370** |

| | | |
|---|---|---|
| Available Funds due to Increased FMAP -----> | **GF Available** | **78,557,586** |
| | **GF Allocated** | **72,080,189** |
| | **GF Unallocated** | **6,477,397** |

| Key |
|---|
| * Actual expenditure |