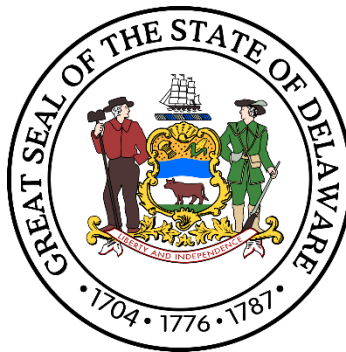




**DELAWARE HEALTH AND SOCIAL SERVICES**  
Division of Medicaid & Medical Assistance

# Section 9817 Home and Community-Based Services Federal Match Increase Quarterly Update to the Spending Plan

State of Delaware



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

January 25, 2022

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## Letter from the Delaware State Medicaid Director

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

Dear Deputy Administrator Tsai:

On behalf of the State of Delaware, thank you for the partial approval issued for the Quarterly Home and Community-Based Services (HCBS) Spending Plan issued on December 8, 2021. Please find the next Quarterly HCBS Spending Plan that outlines the intended use of funding available under the American Rescue Plan Act of 2021 (ARP), Section 9817. Updates from the October 2021 Quarterly Spending Plan Update include a commitment to four new initiatives that will enhance, expand, or strengthen HCBS, with a request for funding and the status of the initiatives previously approved.

Delaware makes the following assurances:

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

Once approved, I will ensure Quarterly Spending Plans continue to be provided along with any associated reporting. Please contact me at (302) 255-9663 or [Stephen.Groff@delaware.gov](mailto:Stephen.Groff@delaware.gov) with any additional questions.

Sincerely,

DocuSigned by:

*Stephen M. Groff*

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Stephen Groff  
State Medicaid Director

## Executive Summary

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

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

- **Diamond State Health Plan (DSHP) Plus 1115 Waiver Program** is a component of Delaware's comprehensive Medicaid DSHP 1115 Waiver. DSHP Plus is Delaware's Medicaid managed long-term services and supports (MLTSS) program for: (1) individuals receiving care at nursing facilities (NF) other than intermediate care facilities for individuals with intellectual disabilities (ICF/IID); (2) children in pediatric nursing facilities; (3) individuals who receive benefits from both Medicaid and Medicare (dual eligibles); (4) workers with disabilities who buy-in for coverage; (5) individuals who would previously have been enrolled through the 1915(c) HCBS waiver program for the Elderly and Disabled (including those receiving services under the Money Follows the Person demonstration); (6) individuals who would previously have been enrolled through the 1915(c) HCBS waiver for Individuals with Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome (HIV/AIDS) related diseases; (7) individuals residing in NFs who no longer meet the current medical necessity criteria for NF services; and (8) adults and children with incomes below 250% of the Supplemental Security Income Federal Benefit Rate who are at risk for institutionalization. DSHP Plus is administered by DMMA through Medicaid managed care organizations (MCOs).
- **Lifespan 1915(c) Waiver Program** is for individuals ages 12 and over with intellectual or developmental disabilities (IDD). The Lifespan Waiver is administered by DDDS through a fee-for-service (FFS) delivery system.
- **Pathways to Employment 1915(i) State Plan Program** offers services to support competitive integrated employment for people with IDD. The Pathways Program is administered by DDDS and DSAAPD through an FFS delivery system.
- **Promoting Optimal Mental Health for Individuals through Supports and Empowerment (PROMISE) 1115 Waiver Program** is a component of Delaware's comprehensive DSHP 1115 Waiver and provides 1915(i)-like services. PROMISE enrollees include Medicaid beneficiaries who have a severe and persistent mental illness (SPMI) and/or a substance use disorder (SUD) and require HCBS to live and work in integrated settings. The PROMISE Program is administered by DSAMH through an FFS delivery system.
- **Program for All-inclusive Care for the Elderly (PACE)** The State contracts with one PACE provider who operates two PACE sites.
- **State Plan HCBS for children and adults** including targeted case management, home health, private duty nursing services, and rehabilitation services (including rehabilitative services for children covered under Delaware's early and periodic screening, diagnosis and treatment

section of the State Plan). These services are provided through both managed care (DSHP MCOs) and FFS delivery systems.

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

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

These amounts will become part of the Medicaid and DDDS base expenditures in future spending. Additionally, Delaware is preparing for an expansion of our PACE program, adding a new PACE provider and site with expected operation up and running by March 1, 2022. None of these three initiatives (PDN rate increase, DDDS DSP rate increase, or PACE expansion) will be added as an activity to the Spending Plan.

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

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

## Stakeholder Input

### Quarterly Update for January 2022

Since the submission of the quarterly update of the Spending Plan in October 2021, DMMA has held one additional stakeholder session on January 11, 2022. The session was used to provide updates on the activities committed to in the Spending Plan and on CMS's response and partial approval. Stakeholders provided the following feedback:

- Stakeholders generally support the direction of the HCBS Spending Plan and appreciate the State's willingness and commitment to engaging in ongoing stakeholder sessions.
- Stakeholders are invested in the idea of an ongoing DSP rate study to support stability and quality in the workforce; many had questions about how this would be implemented.
- Stakeholders are eager for new benefits such as respite to support families caring for children with special needs and expressed concern in the delays with getting this benefit implemented.

### Quarterly Update for October 2021

Since the submission of the Initial Spending Plan in July, DMMA has hosted three additional public input sessions on August 19, August 20, and August 25, 2021 to request and discuss ideas for enhancements to be funded by the increased FMAP dollars. DMMA also continues to receive additional feedback through a monitored email box, where interested stakeholders or state associations can send recommendations in writing.

From the feedback received, several themes emerged, and these themes have been incorporated into DMMA's Quarterly Update as priority activities to be funded by the enhanced FMAP dollars. These activities include support for recruitment and retention of the HCBS direct care workforce and additional support for family caregivers through an expansion of respite care.

DMMA continues to meet with partner divisions to discuss priority activities that enhance, expand, and strengthen HCBS. Additionally, DMMA has regularly scheduled meetings with the Ability Network of Delaware, with the Spending Plan initiatives as a standing item on the agenda. Finally, DMMA has scheduled future meetings with other external stakeholders, such as the Delaware Association for Home and Community Care, to discuss how their priorities align with identified priorities and activities in the Spending Plan. DMMA continues to review all suggested activities and commit to those that meet the guiding principles outlined above.

### Initial Spending Plan

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

## State's Response to Request for Additional Information

### Quarterly Update for January 2022

The State received the following question from CMS, with available responses provided:

- CMS question: The revised initial plan indicates that Delaware plans to use the state funds equivalent to the increase in FMAP to increase rates for private duty nursing services. Please clarify in the State's revised spending plan (submitted with the next quarterly report) that the rate increase would only be for private duty nursing services provided in a beneficiary's own home.
  - Delaware response: The State does not intend to fund the PDN rate increases with the state funds garnered from the increased FMAP. This rate increase has been funded with appropriations from the SFY 2022 budget, as per Section 184 of House Bill 250<sup>1</sup>. Any references to the rate increase for PDN is made as a demonstration of the State's ongoing commitment to supporting HCBS.

### Quarterly Update for October 2021

The State received a number of questions from CMS as part of the Request for Additional Information issued on August 24, 2021. As noted in the State's response on August 28, 2021, the Initial Spending Plan was completed with a list of examples of activities that the State had collected as part of the robust stakeholder engagement process. The Initial Spending Plan as submitted did not represent any activities that the State had fully committed to nor for which the State requested funding. Following additional discussion and planning meetings, the State presents several activities in this Quarterly Update that are priority areas for the State, are supported by the guiding principles, have stakeholder buy-in, and expand, enhance, or strengthen HCBS. As of this Quarterly Update, the State respectfully requests CMS to review the descriptions of these activities to determine approval of using the enhanced FMAP dollars to fund them.

The State agrees to notify CMS as soon as possible if:

- The State's activities to expand, enhance, or strengthen HCBS under ARP section 9817 are focused on services other than those listed in Appendix B or that could be listed in Appendix B. If this occurs, the State will clearly explain how the activities will expand, enhance, or strengthen HCBS under Medicaid;
- The State's activities include room and board; and/or
- The State's activities include activities other than those listed in Appendices C and D of the State Medicaid Director Letter dated May 13, 2021.

The State also understands that CMS is not approving any payment for room and board under the proposed activity to "Partner with Delaware State Housing Authority and other housing agencies to provide rental assistance." This item remains under consideration but has not yet been included as an activity to be funded through the Spending Plan.

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<sup>1</sup> Delaware House of Representatives 151<sup>st</sup> General Assembly. *House Bill No. 250*. Signed by Governor John Carney on June 30, 2021. Bill text available here: <https://legis.delaware.gov/BillDetail?LegislationId=78941>

## Spending Plan Projection

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

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

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

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

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

\*\*The SFY 2022 budget included a State appropriation for rate increases for DDDS DSPs and Medicaid PDN services. These amounts have not yet been allocated to specific programs or delivery systems.



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

### Quarterly Update for January 2022

Delaware is committed to reinvesting all of the estimated \$53 million in increased federal funding on activities that enhance, expand or strengthen HCBS. DMMA notes that the proposed end date of this funding March 31, 2024 occurs in the middle of a managed care rating period. With a large part of HCBS provided within a managed care delivery system in Delaware, DMMA advises CMS that an extension of that end date will be requested through the end of that calendar year to coincide with the end of the rating period. DMMA understands that an exemption request will need to be submitted and looks forward to receiving this guidance from CMS.

Activity	Status of Activity	Total Computable Costs	State Share Funded Through the Spending Plan	Amount Spent through 9/30/21	Amount Spent through 12/31/21	Total Amount Spent
New Activity in January 2022 Quarterly Update: No Wrong Door Information Technology Upgrade	New Activity under CMS review	\$250,000	\$125,000	N/A	\$0	\$0.00
New Activity in January 2022 Quarterly Update: Support for Local Contact Agencies	New Activity under CMS review	\$400,000	\$400,000	N/A	\$0	\$0.00
New Activity in January 2022 Quarterly Update: Education, Marketing and Outreach on HCBS services and Delaware's No Wrong Door System	New Activity under CMS review	\$200,000	\$200,000	N/A	\$0	\$0.00
New Activity in January 2022 Quarterly Update: DSP Recruitment and Retention Payments in DSHP, DSHP Plus, and DSAAPD	New Activity under CMS review	\$7,417,500	\$2,676,234	N/A	\$0	\$0.00
DSP Recruitment and Retention Payments – DDDS	Partial Approval on 12/8/21	\$4,600,000	\$1,659,680	\$0	\$0	\$0.00
Provider rate study for DSPs who provide services under DSHP and DSHP Plus benefits and state-funded services through DSAAPD	Partial Approval on 12/8/21	\$400,000	\$200,000	\$0	\$0	\$0.00
Update of Critical Incident Management Processes	Partial Approval on 12/8/21	\$140,000	\$14,000	\$0	\$0	\$0.00

<b>Activity</b>	<b>Status of Activity</b>	<b>Total Computable Costs</b>	<b>State Share Funded Through the Spending Plan</b>	<b>Amount Spent through 9/30/21</b>	<b>Amount Spent through 12/31/21</b>	<b>Total Amount Spent</b>
LTSS Strategic Planning Study	Remains under CMS review	under development	under development	\$0	\$0	\$0.00
Addition of a Respite Service for Children with Medical Complexity and Children with SED, MH, and MH/IDD needs	Remains under CMS review	under development	under development	\$0	\$0	\$0.00
Development of Process for More Effectively Coordinating the Care for Children and Adults with Complex Needs and Multi-System Involvement	Remains under CMS review	under development	under development	\$0	\$0	\$0.00

The total State share for the seven initiatives for which DMMA requests funding through the Spending Plan is \$5,274,914. This leaves an estimated \$47,725,086 of Spending Plan funds remaining to be spent through March 31, 2024.

## Spending Plan Narrative

### **Quarterly Update for January 2022**

DMMA proposes four additional activities to be funded by the enhanced FMAP dollars available. The activities are described below, with the estimate of funding required for each activity.

#### ***New Activity in January 2022 Quarterly Update: No Wrong Door Information Technology Upgrade***

The Delaware Division of Services for Aging and Adults with Physical Disabilities (DSAAPD) is currently engaging in an initiative to strengthen their network of Aging and Disability Resource Centers (ADRC). Nationally, strong ADRCs are person-centered, accessible, and empower and connect people served with the right private and public services that help to maintain dignity, improve quality of life, and optimize independence. Core ADRC services include streamlined access to information and resources, options counseling, short-term case management, and benefits enrollment support across the spectrum of long-term services and supports (LTSS).

In support of this activity, DSAAPD plans enhancements to its ADRC to create a No Wrong Door (NWD) Information Technology (IT) infrastructure. The transition to NWD will require enhanced IT adaptations to properly support all key functions. DSAAPD will fund enhancements to the IT infrastructure that focus on interoperability with DMMA and other health/human services programs, improved case management functionality, and better data tracking and analysis capacity. DSAAPD intends to initiate a procurement for the agency's IT system in the next 12 months. The NWD system will be integrated as a component of the new IT system. Spending Plan funding will only be used for the components/modules of the system directly related to the ADRC/NWD functionality.

The total computable cost of this effort is \$250,000, with the State seeking administrative match, making the State share \$125,000 funded by the Spending Plan. This is a one-time investment in infrastructure and will not require ongoing funding to sustain. The goal of improving the NWD IT is to expand and enhance information sharing regarding HCBS opportunities and to improve access to care.

#### ***New Activity in January 2022 Quarterly Update: Support for Local Contact Agencies***

Under the code of federal regulations 42 CFR 483.20, nursing facilities that participate in the Medicare or Medicaid programs must complete the Minimum Data Set (MDS) assessment for all residents admitted to the facility, including Section Q, which relates to possible transition to a community setting.

Nursing homes are required to make a referral to the designated Local Contact Agency (LCA) for any resident who, in response to the MDS questions, indicates that he/she wishes to talk to someone about returning to the community. Providing residents with information about care options and supports that are available to meet their preferences and needs helps to ensure these residents have access to the least restrictive setting appropriate for them.

Currently, the DHSS has designated the ADRC within the DSAAPD as the LCA for Delaware. DSAAPD proposes to delegate these functions to Delaware's two Centers for Independent Living (CILs). Funding will be used to strengthen operations, hire necessary staff and/or obtain contractual help, and engage in strategic planning to outline the process for CILs to serve as the LCA for MDS options counseling.

The total computable cost for this effort is \$400,000, with no further federal match planned. Once the LCAs are stood up, funding will be sustained through annual Department appropriations. The goal of this activity is to expand and enhance access to HCBS.

***New Activity for January 2022 Quarterly Update: Education, Marketing and Outreach on HCBS and Delaware's No Wrong Door***

Delaware intends to develop a one-time investment in a comprehensive education, marketing, and outreach campaign aimed at educating the general public about HCBS options available throughout the State. This campaign will include the branding and promotion of the State's ADRC as the NWD entry point for HCBS. This initiative will include the development of a comprehensive marketing and communication plan, outreach materials, and website development.

The total computable cost for this effort is \$200,000, with no further federal match planned. The goal of this activity is to expand and enhance access to HCBS.

***New Activity in January 2022 Quarterly Update: DSHP, DSHP Plus, and DSAAPD Support Professionals Recruitment/Retention Payments***

Similar to a proposal already approved by CMS, DMMA is requesting CMS consideration and approval of recruitment and retention payments made to DSPs serving members in DSHP, DSHP Plus, or state only funded services through DSAAPD. These payments would ensure that unhealthy competition would not be introduced across programs serving older adults and people with disabilities that are already struggling with a workforce shortage further exacerbated by the public health emergency. This initiative from DDDS was proposed in the October 2021 Quarterly Update.

The structure of the payments would be identical to those CMS approved for DDDS: each DSP employed prior to April 30, 2021 who works with Medicaid members receiving HCBS more than 25 hours per week on average would be eligible for a one-time retention payment of \$1,000. Each DSP employed on or after May 1, 2021 working with Medicaid members receiving HCBS more than 25 hours per week on average would be considered a "new employee" and would be eligible for a one-time series of recruitment payments totaling \$1,000. The recruitment payments would be paid in three parts: \$500 paid at the completion of initial training and 90 days on the job; \$250 paid at the completion of six months on the job; and \$250 paid at the completion of one year on the job.

DMMA has also included in the estimate a fee of 15% for provider agencies' responsible for pushing these payments to the DSPs, to cover other employment costs such as FICA. This fee will ensure that the full payment can be pushed through to the DSP without additional financial burden to the provider.

DMMA has met twice with the State's two Medicaid MCOs responsible for pushing the payments out to the provider agencies employing DSPs serving members enrolled in DSHP or DSHP-Plus. These discussions focused on the MCOs' role in making the payments to provider agencies, who would then provide the payments to the DSPs in their employ. This process would require the MCOs to communicate and coordinate with each other, DMMA, and other sister divisions to ensure that a DSP only received one type of payment. The MCOs have recommended developing and implementing a training session for agency providers to apprise them of which DSPs are eligible for payments and of the process for making the actual payments. Because of this recommendation and the need for CMS approval, payments will likely start in the quarter ending March 31, 2022.

Once the activity has been approved through the Spending Plan, DMMA will submit a Disaster Relief 1115 amendment to secure immediate or retroactive Medicaid authority for these payments, with a permanent 1115 amendment, contract amendment, and rate certification to be submitted shortly thereafter.

The total computable cost of this effort is \$7,417,500, with FFP planned. The total State share is estimated to be \$2,676,234, paid for out of the Spending Plan, as detailed below in the table.

This is intended as a one-time payment for each DSP and will not require a sustainability plan once these funds have been expended. The goal of these payments is to strengthen the HCBS workforce delivering important services to Medicaid beneficiaries.

Type of Payment	# of DSP's estimated	Amount Paid	Estimated Total Computable Costs	Distribution Method	Notes
<b>DMMA DSPs</b>					
Recruitment Payment	1500	\$1,000 per DSP <ul style="list-style-type: none"> <li>First \$500 would be paid after successful completion of all required initial training and successful completion of a minimum of 90 days on the job</li> <li>Remaining \$500 would be paid in two equal payments of \$250: one at six months on the job and the second at one year on the job</li> </ul>	\$1,500,000	<ul style="list-style-type: none"> <li>Provider agencies employing DSPs will submit a monthly invoice to the managed care plans.</li> <li>The plans will provide the recruitment payments monthly to the provider agencies on a non-risk basis.</li> <li>The plans are responsible for coordinating with each other and the various partner Divisions to ensure that no duplicate payments are made to the same DSP.</li> <li>The plans will submit a quarterly invoice to DMMA to be reimbursement for making the payments.</li> <li>Upon the end of the payment period, a post payment review will be completed.</li> </ul>	<ul style="list-style-type: none"> <li>New DSPs are defined as not previously been employed as a DSP by any HCBS service provider within the last six months.</li> <li>New DSPs employed to work a minimum of 25 hours a week on or after May 1, 2021 are eligible for this recruitment payment.</li> </ul>
Retention Payment	4100	\$1,000 per DSP	\$4,100,000	<ul style="list-style-type: none"> <li>Provider agencies employing DSPs will submit a monthly invoice to the managed care plans.</li> <li>The plans will provide the retention payments monthly</li> </ul>	<ul style="list-style-type: none"> <li>Each DSP employed prior to April 30, 2021 who was employed to work a minimum of 25 hours per week would receive a \$1000 retention payment.</li> </ul>

Type of Payment	# of DSP's estimated	Amount Paid	Estimated Total Computable Costs	Distribution Method	Notes
				<p>to the provider agencies on a non-risk basis.</p> <ul style="list-style-type: none"> <li>The plans are responsible for coordinating with each other and the various partner Divisions to ensure that no duplicate payments are made to the same DSP.</li> <li>The plans will submit a quarterly invoice to DMMA to be reimbursement for making the payments.</li> <li>Upon the end of the payment period, a post payment review will be completed.</li> </ul>	
Other Employment Costs	5600	\$150 per DSP (15% of \$1,000)	\$840,000	15% to be added to each payment dispersed	<ul style="list-style-type: none"> <li>Such a fee ensures that the full \$1,000 reaches the DSP.</li> </ul>
<b>DSAAPD DSPs</b>					
Recruitment Payment	100	<p>\$1,000 per DSP</p> <ul style="list-style-type: none"> <li>First \$500 would be paid after successful completion of all required initial training and successful completion of a minimum of 90 days on the job</li> <li>Remaining \$500 would be paid in two equal payments of \$250: one at six months on the job and the second at one year on the job</li> </ul>	\$100,000	<p>DSAAPD HCBS providers will pay their eligible employees the payments and will seek reimbursement from DSAAPD. Providers will submit a monthly invoice including:</p> <ul style="list-style-type: none"> <li>Employee name</li> <li>Employee date of birth</li> <li>Effective date employment</li> <li>Average number of hours worked per week</li> <li>Confirmation that the employee has completed required training</li> </ul>	<ul style="list-style-type: none"> <li>New DSPs are defined as not previously been employed as a DSP by any HCBS service provider within the last six months.</li> <li>New DSPs employed to work a minimum of 25 hours a week on or after May 1, 2021 are eligible for this recruitment payment.</li> </ul>

Type of Payment	# of DSP's estimated	Amount Paid	Estimated Total Computable Costs	Distribution Method	Notes
Retention Payment	750	\$1,000 per DSP	\$750,000	<p>DSAAPD HCBS providers will pay their eligible employees the payment and will seek reimbursement from DSAAPD. Providers will submit a single invoice including:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Employee date of birth</li> <li>• Effective date employment</li> <li>• Average number of hours worked per week</li> </ul>	<ul style="list-style-type: none"> <li>• Each DSP employed prior to April 30, 2021 who was employed to work a minimum of 25 hours per week would receive a \$1000 retention payment.</li> </ul>
Other Employment Costs	850	\$150 per DSP (15% of \$1,000)	\$127,500	15% to be added to each payment dispersed	<ul style="list-style-type: none"> <li>• Such a fee ensures that the full \$1,000 reaches the DSP.</li> </ul>
<b>Total</b>	<b>6450</b>		<b>\$7,417,500</b>		

## **DDDS Direct Support Professionals Recruitment/Retention Payments**

### ***Quarterly Update for January 2022***

The table below has been edited to increase the number of DSPs to be targeted for recruitment efforts to 1,000 to be hired, with the total computable costs and the DDDS has drafted a Memorandum of Understanding (MOU) with the provider agencies in order to operationalize the recruitment and retention payments to DSPs receiving DDDS-funded services. The MOU has been cleared through DDDS' legal department and will be executed, in order to ensure that provider agencies receiving the payment will pass the payments onto the intended DSP.

DDDS has also participated in cross-division meetings to discuss coordination across the divisions and the MCOs as payments are made to DSPs who may serve more than one member, with members receiving services under different programs or divisions, to ensure that each DSP is only receiving one type of payment in total.

DDDS has also included in the estimate a fee of 15% for provider agencies' responsible for pushing these payments to the DSPs, to cover other employment costs such as FICA. This fee will ensure that the full payment can be pushed through to the DSP without additional financial burden to the provider.

DDDS will pursue authority for these payments under the Appendix K. After submission of the Appendix K, DDDS will follow up with a State Plan Amendment to amend rate methodologies in the Pathways Program approved under 1915(i) authority and a 1915(c) waiver amendment to amend the rate methodologies in the Lifespan Waiver.

This is intended as a one-time payment for each DSP, and will not require a sustainability plan once these funds have been expended.



## Quarterly Update for October 2021

The State's top Spending Plan priority is the payment of recruitment and retention payments to DSPs. Delaware will make targeted payments to recruit and retain DSPs who are the critical infrastructure of our human services support system. Investing in the DSP workforce is the first step towards strengthening and expanding our system as a whole.

To promote equity and reduce competition among providers within the delivery system, these investments will be used to support DSPs operating across the entire network of HCBS services. The roll out of these payments will be phased, with payments available to DSPs supporting Delawareans with IDD first and payments to DSPs supporting DSHP and DSHP Plus members later.

DDDS will target recruitment and retention payments to DSPs who provide day and residential habilitation services.

Type of Payment	# of DSP's estimated	Amount Paid	Estimated Total Computable Costs	Distribution Method	Notes
Recruitment Payment	1000	\$1,000 per DSP <ul style="list-style-type: none"> <li>First \$500 would be paid after successful completion of all required initial training and successful completion of a minimum of 90 days on the job</li> <li>Remaining \$500 would be paid in two equal payments of \$250: one at six months on the job and the second at one year on the job</li> </ul>	\$1,000,000	DDDS HCBS providers will pay their eligible employees the payments and will seek reimbursement from DDDS. Providers will submit a monthly invoice including: <ul style="list-style-type: none"> <li>Employee name</li> <li>Employee date of birth</li> <li>Effective date employment</li> <li>Average number of hours worked per week</li> <li>Confirmation that the employee has completed required training</li> </ul>	<ul style="list-style-type: none"> <li>New DSPs are defined as not previously been employed as a DSP by any DDDS HCBS service provider within the last six months.</li> <li>New DSPs employed to work a minimum of 25 hours a week on or after May 1, 2021 are eligible for this recruitment payment.</li> </ul>
Retention Payment	3000	\$1,000 per DSP	\$3,000,000	DDDS HCBS providers will pay their eligible employees the payment and will seek reimbursement from DDDS. Providers will submit a single invoice including: <ul style="list-style-type: none"> <li>Employee name</li> <li>Employee date of birth</li> </ul>	<ul style="list-style-type: none"> <li>Each DSP employed prior to April 30, 2021 who was employed to work a minimum of 25 hours per week would receive a \$1000 retention payment.</li> </ul>

Type of Payment	# of DSP's estimated	Amount Paid	Estimated Total Computable Costs	Distribution Method	Notes
				<ul style="list-style-type: none"> <li>Effective date employment</li> <li>Average number of hours worked per week</li> </ul>	
Other Employment Costs	4000	\$150 per DSP (15% of \$1,000)	\$600,000	15% to be added to each payment dispersed	<ul style="list-style-type: none"> <li>Such a fee ensures that the full \$1,000 reaches the DSP.</li> </ul>
<b>Total</b>	<b>4000</b>		<b>\$4,600,000</b>		

While the estimated total computable costs for this initiative equals \$4.6 million, the State share funded through the enhanced FMAP is estimated to be approximately \$1.7 million, as of the January 2022 Quarterly Update.

DMMA is currently in the process of planning for recruitment and retention payments for DSPs who support DSHP and DSHP Plus members, as well as members supported through state-funded DSAAPD services. DMMA issued a survey this week to providers to gather critical information that will help develop DMMA's process. It is anticipated that DMMA will make payments to DSPs who provide the following services: attendant care, chore, companion, homemaker, home health aide, respite (in-home), community-based residential alternatives that include assisted living facilities, adult day services and day habitation. DMMA plans to make recruitment and retention payments in the same amount as DDDS, implemented through a non-risk arrangement with the MCOs. Additional details as well as budget amounts for this phase of the initiative will be included in the January Spending Plan Update.

Individuals are only eligible to be paid a \$1000 payment one time and are not eligible for additional recruitment payments (of any denomination) resulting from employment with multiple providers or as a result of terminating employment with one provider and obtaining new employment with a different provider. DDDS and DMMA will implement review processes within and between the partner divisions to assure that DSPs only receive one recruitment/ retention payment.

The goal of this approach to targeting the payments is to prevent unhealthy competition within the entirety of the LTSS delivery system, whether it be state-funded only or state- and federally funded through Medicaid.

In order to make these payments to providers as expeditiously and efficiently as possible, the State will pursue a Disaster Relief State Plan Amendment (SPA).

## **Rate Study for DSPs**

### ***Quarterly Update for January 2022***

As of the submission of this Quarterly Update to the Spending Plan, no action has been taken on the DSP rate study, with \$0 spent in quarter ending December 31, 2021.

### ***Quarterly Update for October 2021***

DMMA recognizes the vital role played by DSPs in supporting members in their ability to remain in their homes and communities. DMMA is committed to ensuring that this safety net remains in place and is adequately supported. The McNesby Act of 2018 mandates a rate study every three years to assess the adequacy of payment rates for DSPs supporting the IDD population. However, a comparable mandate does not exist for DSPs supporting non-IDD populations, including those supporting DSHP or DSHP Plus members and members receiving state-funded services through DSAAPD. Funding will be used to conduct a rate study of DSPs providing services to non-IDD populations to assess the adequacy of the current reimbursement rates. It is important that there is parity in DSP rates across the delivery system to avoid competition between State programs. The rate study will include the following components:

- Inventory of the approaches to rate-setting for HCBS as well as the methodologies in the current system;
- Review of relevant regulations, legislation, and policy;
- Identification of appropriate service codes;
- Review of service requirements;
- Review of service utilization;
- Analysis of data from provider agencies and from other market sources;
- Feedback from key stakeholders on current system, including providers, provider organizations such as the Delaware Association for Home and Community Care, members, families, advocacy organizations such as Family Voices, and the general public;
- Provider survey to assess information such as wage and benefit cost, productivity, transportation expenses; and
- Analysis of additional independent data sources such as:
  - Wage data and cost of health insurance data from the Bureau of Labor Statistics;
  - Wage growth data from the Bureau of Economic Analysis;
  - U.S. Census Bureau data; and
  - Workers' Compensation Insurance Rating Bureau data.

## **Critical Incident Management System Upgrade**

### ***Quarterly Update for January 2022***

DMMA has held one meeting with the partner divisions — DSAMH, DSAAPD, and DDDS — to determine each Division's needs and goals for a critical incident management system. The goal of this discussion was to begin the necessary cross-agency collaboration to ensure the processes for managing critical incidents are strategically simplified and made consistent. Future meetings will include discussions to promote consensus around definitions for critical incidents across divisions; updating any necessary training materials for state staff, investigators, and providers; and identifying possible IT solutions to help with identifying, tracking, investigating, and monitoring critical incidents and their resolution.

This activity is intended as a one-time use of funds.

***Quarterly Update for October 2021***

This multi-phase project will begin with a review and update of DMMA's existing policies and procedures to align with practices and processes by DMMA partner agencies as well as national best practices. DMMA will work with a consultant to review existing regulations, policies, procedures, MCO contract language, and the 1115 waiver and will make updates as needed. DMMA will work with its partner agencies in clarifying roles and responsibilities in regard to investigations. This work will form the basis of business requirements for an integrated Incident Management IT System that will be procured in the next phase of this work. It is DMMA's intent to request enhanced match for the planning and design, development and implementation phases of this work through the Planning Advanced Planning Document (P-APD) and Implementation Advanced Planning Document (I-APD) process.

**Under Development: Delaware Long-Term Services and Supports Strategic Planning Study*****Quarterly Update for January 2022***

This activity remains under development. The estimated cost of the study is being determined by DMMA and will be updated in the April 2022 Spending Plan Update.

***Quarterly Update for October 2021***

In 2010, Delaware performed a comprehensive study titled "Promoting Community-Based Alternatives for Medicaid LTSS for the Elderly and Individuals with Disabilities." The recommendations from this report led to Delaware's DSHP Plus 1115 Waiver Program, which included MLTSS, an enhanced set of HCBS benefits, a renewed focus on dual eligible and individuals "at risk" for meeting an institutional level of care, and additional self-directed care options. In 2022 DMMA will conduct a new study to refresh this assessment of the current LTSS system in Delaware and assess the best options for Medicaid beneficiaries, families and providers in light of the stakeholder feedback received on DMMA's Spending Plan. This study will consider issues such as:

- How well is DMMA meeting the needs of individuals with Traumatic Brain Injury or Acquired Brain Injury (TBI/ABI) and should Delaware enhance its current HCBS for TBI/ABI model?
- How well are the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefits and the Lifespan 1915(c) Waiver meeting the needs of children with medical complexity and should DMMA develop a pediatric HCBS option?
- What role is Assisted Living playing in the continuum of LTSS options in Delaware Medicaid and should DMMA take steps to strengthen this role?
- Are there other "supported housing" options DMMA should consider adding to its 1115 HCBS array such as adult foster homes or other shared living arrangements?
- How is Medicare affecting Delaware's LTSS program and what opportunities should DMMA consider to better serve dual eligibles, including those dual eligibles not yet at an institutional level of care?
- How well is the current service array supporting members with Alzheimer's disease or other types of dementia and their families to enable them to remain in their homes and/or communities?
- The recommendations from this study will also be used to inform the LTSS initiatives to be included in the DSHP 1115 Waiver extension. The current DSHP 1115 Waiver expires December 31, 2023.

The estimated cost of the study is being determined by DMMA and will be updated in the January 2022 Spending Plan Update.

## **Under Development: Respite for Caregivers of Children**

### ***Quarterly Update for January 2022***

This activity remains under development. A definition of respite has been drafted and is currently being reviewed to ensure that it is actionable. Feedback will be obtained from staff of the Department of Services for Children, Youth and their Families and a DMMA stakeholder group of families with children who might be served with such a respite benefit. This feedback is essential to determine the appropriate benefit design to ensure that the needs of these children and their families are met. Future meetings will occur to discuss potential operationalization of such a benefit.

This activity requires an amendment to the DSHP Section 1115 Waiver; this amendment will be submitted by July 1, 2022. The target date for implementation of this respite benefit is January 1, 2023. More information, including financial estimates, will be provided in the April 2022 Quarterly Update.

### ***Quarterly Update for October 2021***

Children and families in Delaware face a myriad of challenges on a daily basis. Families with children with complex medical conditions (CMC), severe emotional disorders and dual diagnoses of MH/IDD face specific challenges in supporting their child within the family unit. Addressing parental and/or other caregiver needs is essential to helping to support these families. In response to feedback from a cross section of stakeholders, Delaware will develop a Medicaid funded respite service for caregivers of children with CMC, severe emotional disorders and dual diagnoses of MH/IDD. The service will be flexible enough to address the myriad of needs of this diverse population.

Spending Plan funds will be used for the initial development and implementation of the service and will be integrated into the Medicaid baseline budget in order to sustain the service over time. The intent is that respite is the first step within larger initiatives targeted toward children on Medicaid with these needs. The State will work with its partner state agencies as well as families and other stakeholders in the development of this service. Additional details, including the service definitions, provider qualifications and budget will be included in the January Spending Plan submission.

## **Under Development: Children and Adults with Complex Needs**

### ***Quarterly Update for January 2022***

This activity remains under development. Additional detail will be provided once the activity has been defined and a cost estimated.

### ***Quarterly Update for October 2021***

Like many states, Delaware faces challenges with the coordination and care for children and adults with complex needs who often have involvement with multiple systems of care. Under this initiative, the State will develop a cross-division and interdepartmental team to review, analyze, and determine the course of possible action for complex cases. This initiative will fund the support of a consultant to help develop the team charter, team structure, and review process. Additionally, the consultant will complete a needs assessment to help inform the need for permanent infrastructure changes to the delivery system to help support these individuals. The needs assessment will include a review and analysis of available data, an inventory of current services available, a gap analysis as well as an environmental scan of best practices. The needs assessment will result in recommendations for the State's consideration.

***Summary of Activity Updates***

DMMA continues to review and discuss ideas and proposals for activities that expand, enhance or strengthen HCBS. The next Quarterly Update will include a commitment of funding for any additional activities for which DMMA requests funding.

## Appendix A

### Initial Spending Plan: Proposals under Review by DMMA

Based on stakeholder feedback and legislative direction, DMMA continues to review proposals that fall into the themes described below. **At the time of submission of this Quarterly Update, DMMA continues to review, discuss, and evaluate these concepts.**

This table represents the full list of activities provided in the Initial Spending Plan and the status of these activities. Each activity is described as: included in this January 2022 Quarterly Update, included in the October 2021 Quarterly Update, to be included in a future Quarterly Update once additional details are operationalized, and remains under consideration but not yet ready for inclusion in a Quarterly Update.

Please note that in future Quarterly Updates, this table will be modified to reflect only the initiatives that DMMA has determined will be pursued with Spending Plan funds, to eliminate extraneous detail and to focus attention on State priorities.

Activity	Activity Included in January 2022 Update	Activity Included in October 2021 Update	Activity to be Included in Future Quarterly Update	Remains Under Consideration
<b>Improve Workforce Development and Retention</b>				
Increase PDN and DDDS DSP provider rates, as directed in the SFY 2022 budget				✓
Conduct a market rate study for HCBS DSPs in the DSHP and DSHP Plus Program who are not included in the McNesby Act, to help evaluate and ensure parity in the HCBS DSP workforce wages		✓		
Enhance DSPs through sign-on or retention payments	✓ (for DSPs in DSHP, DSHP Plus and DSAAPD)	✓ (for DDDS)		
Strengthen the DSP career path by providing additional training and developing workforce certification through the National Alliance of Direct Support Professionals				✓
Create a nursing incentive campaign, specifically to offer service retention payments for nurses providing home care				✓
Develop a nursing services pilot program to address and enhance back-up and on-call staffing for members receiving HCBS				✓
Work with nursing programs to include home care rotations				✓

Activity	Activity Included in January 2022 Update	Activity Included in October 2021 Update	Activity to be Included in Future Quarterly Update	Remains Under Consideration
Provide tuition assistance for nurses seeking to further their education who provide home care services				✓
Develop a program for people with disabilities to train as DSPs serving others with disabilities				✓
Provide funding for specialized training to build capacity in the areas of mental health, SUD, dementia, complex medical conditions, cultural, and disability competency				✓
Reimburse providers for unexpected costs during the public health emergency, including staff time and personal protective equipment				✓
<b>Promote Housing Supports</b>				
Implement tenancy supports for qualified tenants, including support for housing search, move-in expenses, and other wraparound services				✓
LTSS Strategic Planning Study to determine how supported housing models, including assisted living, adult foster care, and/or shared living might be strengthened in Delaware		✓		
<b>Increase Support for Family Caregivers</b>				
Fund supports for families during periods where a family member is “at risk,” either pre-Medicaid eligible or while Medicaid eligibility is being determined, to decrease waiting time for service initiation				✓
Provide enhanced assistance to families tasked with transitioning young adults to adult services at age 21				✓
Increase funding for respite and simplify process for families to request respite services		✓		
Increase supports to families and other individuals for completing Medicaid long-term care applications				✓
<b>Expand or Enhance Services</b>				
Expand PACE				✓



Activity	Activity Included in January 2022 Update	Activity Included in October 2021 Update	Activity to be Included in Future Quarterly Update	Remains Under Consideration
Increase investments in adaptive and assistive equipment and devices for use in the home and home modifications such as ramps, grab bars, stair lifts and stationary overhead lifts, door widening and bathroom modifications				✓
Increase the availability of both medical and non-medical transportation				✓
Implementing remote monitoring services, which would also strengthen the DSP workforce for those who could be safely managed without in-person support				✓
Provide computer tablets to participants who are homebound to support community integration and ability to access telehealth				✓
Make permanent the increase in home-delivered meals offered through the public health emergency disaster authority; provide a second home-delivered meal to participants with this need identified in their person-centered service plan				✓
Increase input and support from registered dieticians on the menus developed for home-delivered meals				✓
LTSS Strategic Planning Study, to determine if there is a need to increase supports for individuals impacted by brain injury		✓		
<b>Enhance the HCBS Continuum of Care</b>				
Review and update reimbursement strategies to support community-based settings (rate study for DSPs as described above)		✓		
Provide education and increase communication to Certified Nursing Assistants on positions available in assisted living facilities				✓
Improve medication administration training and make it consistent throughout the State				✓
Expand and enhance person-centered planning practices for individuals who direct their own care through the use of micro-boards and self-directed support corporations				✓
Enhance behavioral health provider capacity for special populations				✓

Activity	Activity Included in January 2022 Update	Activity Included in October 2021 Update	Activity to be Included in Future Quarterly Update	Remains Under Consideration
Develop a Mobile Response Incentive Program				✓
<b>Information Technology Infrastructure Investments</b>				
Invest in data matching and cross-sector data sharing to improve health outcomes for participants				✓
Invest in improvements and upgrades to Delaware’s critical incident management information technology system		✓	✓	

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

## Appendix B

### Glossary of Terms

- **Aging and Disability Resource Center (ADRC):** ADRCs serve as single points of entry into the long-term services and supports (LTSS) system for older adults, people with disabilities, caregivers, veterans and families. Some states refer to ADRCs as “access points” or “no wrong door” systems.
  - Source: [Aging and Disability Resource Centers Program/No Wrong Door System | ACL Administration for Community Living](#)
- **Centers for Independent Living (CIL):** CILs are designed and operated by individuals with disabilities and provide independent living services for people with all types of disabilities. CILs are at the core of the Administration for Community Living’s (ACL) independent living programs, which work to support community living and independence for people with disabilities across the nation based on the belief that all people can live with dignity, make their own choices, and participate fully in society. These programs provide tools, resources, and supports for integrating people with disabilities fully into their communities to promote equal opportunities, self-determination, and respect.
  - Source: [Centers for Independent Living | ACL Administration for Community Living](#)
- **Direct Service Professionals (DSP):** Individuals employed by an agency who provide supervision, training, and/or hands-on assistance with activities of daily living and or instrumental activities of daily living within the context of the following services: adult day services, attendant care, chore services, community-based residential settings that include assisted living facilities, companion services, day habilitation, homemaker services, home health aides, personal care, residential habilitation and respite (in-home).
- **Local Contact Agency (LCA):** A Local Contact Agency is a local community organization responsible for providing counseling to nursing facility residents on community support options. Long-term care facilities must make referrals to the LCA whenever a resident would like more information about community living or alternative living situations to the facility.
- **No Wrong Door (NWD):** An approach to service organization that provides individuals with or links them to appropriate service interventions regardless of where they enter the system of care. This principle commits all service agencies to respond to the individual’s stated and assessed needs with appropriate treatment or supportive linkage with programs capable of meeting the consumer’s needs.
  - Source: [No wrong door Definition | Law Insider](#)