

**DATE:** MARCH 16, 2022

**SUBJECT:** State Fiscal Year (SFY) 2022 American Rescue Plan Act (ARPA) Home and Community Based Services (HCBS) Directed Payment

AHCCCS intends to make time-limited directed payments through its AHCCCS Complete Care (ACC), Arizona Long Term Care Elderly and Physical Disabilities (ALTCS-EPD), Arizona Long Term Care Developmental Disabilities (ALTCS-DD), DCS/Comprehensive Health Plan (CHP), and Regional Behavioral Health Authority (RBHA) Managed Care Organizations (MCOs) to eligible providers of Home and Community Based Services (HCBS) and Rehabilitation services.

These payments are authorized by Laws 2022, Second Regular Session, Chapter 2 and the Centers for Medicare and Medicaid Services (CMS) through 438.6(c). To the extent that CMS requires changes to the payment methodology and/or process, this guidance may be updated.

These state fiscal year (SFY) 2022 payments outlined below are one-time payments for HCBS and Rehabilitation providers. AHCCCS does not intend to continue this level of funding permanently, but anticipates additional one-time payments will be made in SFYs 2023 and 2024. Providers should note that AHCCCS is allocating greater funds to this SFY 2022 payment than in subsequent years due to the immediate needs of the workforce.

The guidance below is for all lines of business, except ALTCS-DD. The Department of Economic Security-Division of Developmental Disabilities issued its own guidance and requirements for ALTCS-DD providers, which can be found on the [DDD ARPA web page](#).

Payments for providers reimbursed through the FFS program will be made at a future date and will come directly from AHCCCS.

More information about how payments to providers are calculated, eligible provider types, and applicable categories of service is posted on the [AHCCCS Provider Payment web page](#).

### **Financial Accountability for Eligible Non ALTCS-DD Providers**

Eligible providers are required to distribute at least **80%** of the directed payment amount to Direct Service Provider staff in the form of a temporary increase in salary, wages, bonuses, hiring/retention incentives, and/or stipends, including employee related expense costs.

The remaining **20%** of the directed payment amount may be expended on costs associated with enhancing, expanding, and/or strengthening HCBS such as recruitment of Direct Service Provider staff.

Funds shall be used for expenditures that occur from January 1, 2022 to December 31, 2022. Directed payment funds must be used to supplement and not supplant existing funding.

Please note: If funds are not spent by December 31, 2022, the funds are subject to recoupment.

All eligible providers must submit an HCBS ARPA attestation at the Tax Identification Number (TIN) level to receive payments. Payments to providers who do not complete an attestation may be subject to recoupment. The attestation can be found at the following link: [AHCCCS ARPA Provider Attestation](#)

The Provider will attest to the following:

- I agree to the following and attest that the information provided herein is true and accurate to the best of my knowledge:
- I understand that directed payments are subject to recoupment if an audit determines that services reimbursed from October 1, 2020 through March 31, 2021, which formed the basis for the directed payment calculation, were not provided in the specified utilization periods, if billing or payment was improper, or duplicate payments for services occurred.
- I attest that this provider will spend by December 31, 2022 at least **80%** of the directed payment for Direct Service Provider staff expenses, including increases to salary, wages, bonuses, hiring/retention incentives, stipends, over-time, and/or employee related expense costs associated with Direct Service Provider staff expense. (See below for definition of Direct Service Provider staff.)
- I attest that this provider will spend by December 31, 2022 no more than **20%** of the directed payment for other expenses that enhance, expand, and/or strengthen HCBS. (See below for examples.)
- I attest that the funds will be used for expenditures that occurred from January 1, 2022 to December 31, 2022 and the funds will be used to supplement and not supplant existing funding.
- I understand that if this provider violates this agreement or spends this payment in a manner that does not comply with these guidelines, the payment may be recouped and further action may be taken.
- I acknowledge that this funding is a one-time payment.
- I acknowledge that additional one-time payments may be made for two additional years, but will be reduced in value, subject to funding availability and legislative and CMS approval.

AHCCCS reserves the right to audit providers who receive this directed payment to ensure funds were spent in the manner outlined above. If funds are not spent in the manner outlined above, AHCCCS may recoup the directed payment from the provider.

Providers must maintain all necessary documentation and records regarding the use of these funds for auditing purposes.

### Timeline

March 16	Directed Payment Guidance (this document) and HCBS ARPA Attestation and list of eligible providers posted to the AHCCCS website
April 10	Due date for providers to submit attestations via link
May 31	Deadline for eligible providers to receive directed payments from MCOs (not including FFS payments)

### Questions:

Additional information about AHCCCS' ARPA plans is posted on the [ARPA web page](#).

Frequently Asked Questions: [AHCCCS ARPA Provider Payment Resources](#)

Provider questions about directed payments can be emailed to [AHCCCSARPADirectedPayments@mslc.com](mailto:AHCCCSARPADirectedPayments@mslc.com) (Corrected E-mail address)

### Additional Information:

#### Direct Service Provider Staff Definition

For the purposes of this directed payment, AHCCCS uses the term Direct Service Provider staff to describe a vocationally diverse workforce of licensed and unlicensed personnel who provide a wide range of covered health care services directly to AHCCCS members in their home or community based settings. The HCBS covered services that are delivered by Direct Service Providers include services such as attendant, personal care and homemaker services; home health, habilitation and rehabilitation; and behavioral health services that support mental health and substance use treatment.

Under these broad service designations, job titles of staff of the Direct Service Providers vary by employer or population served. For example:

- Home health aides provide non-skilled services under the direction and supervision of an RN and include monitoring of a member's medical condition, health maintenance or continued treatment services, and activities of daily living.
- Intermittent Nursing Services are provided by RNs or LPNs under the supervision of an RN or physician. LPNs may only provide Intermittent Nursing Services if they are employed by a Home Health Agency.

- Direct Care Workers, providing direct service assistance to people with intellectual and developmental disabilities are called direct support professionals while their counterparts serving people with physical disabilities or age related support needs, are generally called direct care workers or caregivers when serving individuals in assisted living settings.
- Personnel who serve members with behavioral health needs may be employed as licensed behavioral health professionals (BHPs) providing direct service to members, in roles such as: social worker, nurse, or behavioral analyst. BHP's also provide clinical oversight or supervision to unlicensed behavioral health technicians (BHTs) or behavioral health paraprofessionals (BHPPs). Unlicensed BHTs and BHPPs are employed in jobs such as: case manager, rehabilitation specialist, job developer or peer support specialist.

**Activities that enhance, expand, or strengthen HCBS services:**

Examples of activities that enhance, expand, and/or strengthen HCBS services include, but are not limited to, the following:

- Mileage reimbursement,
- Reimbursement for tuition or continuing education,
- Reimbursement for childcare and/or enhanced insurance coverage,
- Recruitment costs (job ads/marketing),
- Staff recognition and appreciation events,
- Training,
- Expanding use of technology, and
- Expanding capacity.