

Steve Sisolak  
Governor

Richard Whitley, MS  
Director



DEPARTMENT OF  
HEALTH AND HUMAN SERVICES  
Division of Health Care Financing and Policy  
*Helping people. It's who we are and what we do.*



Suzanne Bierman, JD, MPH  
Administrator

July 13, 2021

Via email: Dan Tsai, Director  
Center for Medicaid and CHIP Services (CMCS)  
Centers for Medicare and Medicaid Services (CMS)  
[HCBSincreasedFMAP@cms.hhs.gov](mailto:HCBSincreasedFMAP@cms.hhs.gov)

Dear Mr. Tsai,

This letter serves as the Nevada Division of Health Care Financing and Policy's submission of the Initial American Rescue Plan Act (ARPA) Spending Plan and Narrative for Home and Community Based Services as requested in the State Medicaid Director Letter (SMDL) # 21-003.

Nevada appreciates the opportunities afforded through the ARPA and formally assures CMS that any:

- Use of federal funds related to the increased FMAP will supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;
- Federal funds resulting from the increased FMAP will be used to enhance, expand, or strengthen HCBS programs within Nevada Medicaid;
- Nevada Medicaid will not impose stricter eligibility standards, methodologies, or procedures for HCBS programs in place as of April 1, 2021;
- The amount, duration, and scope of HCBS services in Nevada effective April 1, 2021 will not be altered; and
- HCBS provider payments will be maintained at rates in effect as of April 1, 2021.

The State's primary point of contact for this Initial Spending Plan, and subsequent quarterly plan submissions, will be Nevada's Deputy Administrator of Fiscal Services, Phillip Burrell [pburrell@dhcfp.nv.gov](mailto:pburrell@dhcfp.nv.gov).

Sincerely,

***Suzanne Bierman***

Suzanne Bierman (Jul 15, 2021 11:04 PDT)

Suzanne Bierman, JD, MPH  
Administrator

Cc: Richard Whitley, Director, Nevada Department of Health and Human Services  
Phillip Burrell, Deputy Administrator of Fiscal Services  
Cody Phinney, Deputy Administrator  
Dr. Antonia Capurro, Deputy Administrator of Medical Programs  
Kirsten Coulombe, Social Services Chief III of Long Term Services and Supports

## Executive Summary

Ensuring that Nevadans have access to health care has always been a priority for Nevada. Since the Affordable Care Act granted the opportunity to expand Medicaid coverage to newly eligible adults, enrollment in Nevada Medicaid increased 109% from 2013 to 2020. With the economic downturn associated with the COVID-19 pandemic, Nevada's economy suffered tremendously, and the Medicaid caseload has significantly increased over the past year. As of April 2021, the Medicaid caseload was 810,947; one in four Nevadans are now covered by Medicaid.

Nevada's health care system felt the impact of COVID surge and capacity challenges, including in hospitals and long-term care facilities. Prior to the pandemic, Nevada recognized the need to promote and support the development of home and community-based services (HCBS); challenges associated with the pandemic further demonstrated the essential role HCBS plays in the state's health care system and care continuum.

During the 2021 legislative session, Nevada lawmakers solidified the importance of the American Rescue Plan Act (ARPA) efforts by recognizing in Nevada statute the following priorities:

1. Increasing access to health care and community-based services
2. Supporting disadvantaged communities
3. Strengthening Nevada's workforce, supporting small businesses and revitalizing the State's economy
4. Investing in infrastructure
5. Modernizing and enhancing state government services

Nevada's history, as well as present day priorities, serve as the foundation for the Division of Health Care Financing and Policy's mission and strategic plans.

This Initial Spending Plan is in response to the challenges Nevada faced as a result of the unforeseen global pandemic coupled with the long-standing goal to improve HCSB services for Nevadans. The initiatives contained in this spending plan will help Nevada accomplish several of the activities outlined in Section 9817 of the ARPA and are described in more detail throughout this plan.

## HCBS Landscape in Nevada

Like most states, Nevada is not immune to the impacts of the aging tsunami or the need to ensure that persons with disabilities have access to services of their choice in the most integrated setting possible. In addition to strengthening HCBS, over the past several years, Medicaid has increased efforts on addressing the social determinants of health (SDOH) and the initiatives proposed here will further advance those efforts.

While the physical landscape of Nevada is sharply divided in regions of urban versus rural, the shortage of healthcare workers is felt across the state. All 17 counties in Nevada have some type of health care shortage designation. For the workforce that is available in Nevada, the Guinn Center published a report in September 2020 profiling the personal care aide (PCA) workforce in Nevada as women (80%), aged between 45-64 (50%), persons of color (35%) who are also frequently uninsured (20%).

## Stakeholder Input

On June 4<sup>th</sup>, DHCFP held a Public Listening Session to solicit input from recipients, family members, caregivers, providers, direct service workers, advocacy organizations, and other stakeholders regarding priorities and initiatives to improve Nevada's HCBS programs. 91 individuals attended the listening session and offered direct testimony or written recommendations. The following is a compilation of stakeholder recommendations for the Division:

### Caregiver Support

- Offer family caregivers training, education, mental health counseling and legal consultation
- Increase respite services and eliminate waitlists
- Pay providers to train unpaid family caregivers
- Identify at risk family caregivers to prevent burnout

### HCBS Workforce

- Allow spouses or parent of minors to be eligible as a paid caregivers
- Offer one-time hazard payment for front-line workers
- Increase hourly wages directly paid to direct service workforce
- Monetary hiring incentives and retention bonuses for home care workers
- Eliminate out of pocket purchase for Personal Protective Equipment (PPE)

### Medicaid Rates

- Adult Day Care - 50% increase
- Home Health services - 10% increase
- Intellectual and Developmental Disability Services - 19.6% increase
- Adjust rates to align with pending minimum wage increases
- Establish tiered rates for improved PCS quality and rural rate differential to reduce service gaps

### Services for Elderly and Disabled Individuals

- Establish a Program for All Inclusive Care for the Elderly (PACE) in Nevada
- Vehicle modifications and home modifications including medical monitoring technologies
- Increase hours for Adult Day Care and Adult Day Health Care beyond current limitations
- Expand individualized services to reduce congregate settings

The 2021 Legislative priorities and the aforementioned recommendations received from stakeholders served as the foundation for the initiatives prioritized for the increased FMAP opportunity.

## HCBS Initiatives

The enhanced FMAP offered through ARPA is an unprecedented opportunity to strengthen HCBS. As outlined in SMDL# 21-003, there are many HCBS Medicaid authorities available for the temporary increased FMAP. Nevada will be proposing initiatives for the following authorities:

- Home Health Care
- Personal Care Services
- Private Duty Nursing
- Section 1915(c)
- Section 1915(i)
- Program of All-Inclusive Care for the Elderly (PACE)

Stakeholder feedback informed the identification of priorities across and DHCFP has categorized APRA initiatives into four primary areas:

- Strengthening the HCBS Workforce
- Enhancing HCBS Reimbursement Rates
- Expanding HCBS Services
- Providing Infrastructure Support for HCBS Programs

### I. STRENGTHENING THE HCBS WORKFORCE

The proposals outlined in this category align with SMDL# 21-003 activities of

- Specialized Payments
- Workforce Recruitment

#### **Direct Supplemental Payments to Home Care Workers**

The magnitude of COVID is still being felt and most directly to the direct care staff that serve Nevada's vulnerable populations through personal care services and waiver services. One of the overarching responses received from stakeholders was associated with the challenges experienced by workers who contracted COVID themselves, and with the added and unexpected expense of having to pay out of pocket for protective equipment. The quality of healthcare is directly correlated to the quality of the healthcare workforce. Moreover, there would be no Medicaid programs without the workforce to serve Medicaid recipients.

Nevada is grateful for the opportunities afforded through this ARPA funding to positively impact the Medicaid workforce that weathered a pandemic of a lifetime and remains committed to service. This proposal is a one-time supplemental payment of \$500 issued to currently employed home care staff, such as personal care attendants and supportive living arrangement caregivers, and another \$500 retention bonus for remaining as a Medicaid home care worker for an identified six-month period.

*Fiscal Impact:* \$13,755,000

*Enhancement:* One-time

## II. ENHANCEMENTS TO HCBS REIMBURSEMENT RATES

The proposals outlined in this category align with SMDL# 21-003 activity of Payment Rates.

### **Alignment of Rates to Minimum Wage Standards**

Health care is one of the many industries that benefit from a standard minimum wage. The Division has identified certain HCBS services that currently have a Medicaid reimbursement rate below the minimum wage in Nevada. Because of the minimum wage mandate, providers struggle with meeting this requirement due to the reimbursement received by Medicaid, which was compounded by the impact of COVID. This proposal would raise certain rates that are below the minimum standard wage to be equivalent, if not slightly higher.

*Fiscal Impact:* \$35,307,715

*Enhancement:* Temporary. The Division plans to pursue implementation of ongoing costs as a part of the next biennial budget if it fits within the agency's required budget cap.

### **Supplemental Payments to Restore Waiver Provider Cuts**

During the pandemic, Nevada's budget was severely impacted by a drastic reduction in gaming revenue during several months of shutdown. As a result of these budgetary challenges, legislation was passed and approved during the summer of 2020 that reduced many Medicaid reimbursement rates by six percent. Fortunately, economic conditions improved and these rate reductions were subsequently restored during the 2021 Legislative Session. Because cuts were implemented to two of Nevada's 1915(c) HCBS Waivers prior to the restored rates being enacted, HCBS providers for those two waivers received lower reimbursements. This initiative would ensure the HCBS providers are not unduly impacted. This supplemental payment would be specific to HCBS providers impacted by the six percent cut from December 1, 2020 through June 30, 2021.

*Fiscal Impact:* \$628,813

*Enhancement:* One-time

### **Supplemental Payments HCBS Providers**

In addition to supports for home care workers, the other predominate feedback from stakeholders centered around current Medicaid reimbursement rates and the associated challenges for providers to recruit and retain a qualified workforce. Because of the unique opportunity presented through the ARPA FMAP increase and the devastating impact COVID had within the health care industry, this initiative would temporarily provide a bonus payment to the following providers of service by the specified percent increase from the current reimbursement rate:

- Home Health Care (15%)
- Personal Care (15% and a Rural Rate Differential of 14%)
- Adult Day and Adult Day Health Care (15%)
- IDD Waiver Services (26.9%)

*Fiscal Impact:* \$127,961,452

*Enhancement:* One-time

### III. EXPANSION OF HCBS SERVICES

The proposals outlined in this category align with SMDL# 21-003 activities of

- New and/or Additional HCBS
- Assistive Technology and Other Supports for Persons with Disabilities
- Support for Individuals with HCBS Needs and Their Caregivers

#### **Enhancement of Environmental Adaptations Services**

Environmental Adaptations is one service among an array services within Nevada's 1915(c) HCBS Waiver for Persons with Physical Disabilities. As part of the environmental adaptations, a provider will include an assessment cost to determine the supplies and labor of the job. This assessment cost is in addition to the supply and labor costs. Because this service has a maximum limit of \$3,230 per calendar year, the inclusion of the assessment cost reduces the amount of available services for recipients. This proposal would create a separate assessment cost for Environmental Adaptations to ensure HCBS recipients receive maximum services and providers have the ability to properly identify needed adaptations.

*Fiscal Impact:* \$10,000

*Enhancement:* One-time

#### **Establishment of a PACE Program in Nevada**

Nevada has had a long-time interest in establishing a PACE program. In 2009, a legislative bill granted authority to establish a program; however, because of the Great Recession no funding was appropriated to pursue or implement this initiative. Over the years Nevada continued to face challenges in finding dedicated resources to implement PACE. With the onset of COVID and the resulting need for intensive care management for the frail elderly, there has been renewed interest in identifying funding to begin PACE in Nevada. The ARPA enhanced FMAP would provide the opportunity to establish a program.

*Fiscal Impact:* \$12,122,384

*Enhancement:* Temporary. The Division plans to pursue implementation of ongoing costs as a part of the next biennial budget if it fits within the agency's required budget cap.

#### **Expansion of Home Delivered Meals for HCBS Frail Elderly Waiver**

As one of Maslow's hierarchy of needs, a social determinant of health and the high rates of food insecurity among seniors, the impact of COVID has accelerated the need to expand Home Delivered Meals (HDM) to homebound seniors. While there is limited HDM funding through the Older Americans Act, Nevada Medicaid only offers Home Delivered Meals through its 1915(c) HCBS Waiver for Persons with Disabilities. Therefore, this initiative seeks to add Home Delivered Meals as a new waiver service to the 1915(c) HCBS Waiver for Frail Elderly.

*Fiscal Impact:* \$2,989,857

*Enhancement:* Temporary. The Division plans to pursue implementation of ongoing costs as a part of the next biennial budget if it fits within the agency's required budget cap.

## **Expansion of In-Home COVID Vaccinations**

Nevada has undertaken a variety of measures to prevent the spread of COVID. In working with the Division of Public and Behavioral Health's (DPBH) immunization program, the Division is working to identify the number of Medicaid recipients who have been vaccinated. In comparing to the total population in Nevada, Medicaid recipients were 24% lower than the total population for initiating vaccination. This initiative would model New Mexico's Homebound COVID-19 vaccination efforts by using care coordinators for appointments and distribution by community paramedicine or emergency medical services programs.

*Fiscal Impact: \$1,000,000*

*Enhancement: One-time*

## **Expansion of Medicaid Dental Benefits for Adults Diagnosed with Intellectual and Developmental Disabilities (ID/DD)**

Oral health has a direct impact on a patient's overall health and quality of life. Individuals with an Intellectual or Developmental Disability (ID/DD) often have specific challenges during treatment such as the need for behavioral modifications. Additionally, many dental providers lack the training necessary to comfortably treat adult patients with special healthcare needs. This initiative would create a dental capitation plan for adults with ID/DD including education, oral health promotion, and innovative outreach.

*Fiscal Impact: \$10,802,625*

*Enhancement: One-time*

## **IV. INFRASTRUCTURE SUPPORT FOR HCBS PROGRAMS**

The proposals outlined in this category align with SMDL# 21-003 activities of

- Quality Improvement Activities
- Developing Cross-System Partnerships
- Expanding Provider Capacity

### **Creation of a Senior Policy Advisor for Aging Services**

By 2040, there will be more than one in five Nevadans who will be a senior. Within Medicaid the Dual Eligible population represents almost 10 percent of the Medicaid population. The services targeted to seniors are varied and span across several divisions within the Department of Health and Human Services. This initiative would establish a Senior Policy Advisor to coordinate programs across the divisions. Additionally, this position would focus on efforts to improve HCBS program including quality assurance and collaboration with DHCFP on the implementation of PACE.

*Fiscal Impact: \$286,977*

*Enhancement: Temporary.* The Division plans to pursue implementation of ongoing costs as a part of the next biennial budget if it fits within the agency's required budget cap.

### **MMIS Enhancements for County Match Program**

Nevada has a county and state partnership for county residents who meet certain income thresholds and need Home and Community Based services. Depending on the county in which the recipient resides, the county pays

the non-federal share of medical expenditures that would otherwise be paid entirely by a county. Currently, the process to reconcile County Match participants is a manual process. This project would create specific aid codes for the County Match program to ensure that counties are billed appropriately for their residents.

*Fiscal Impact:* \$540,000

*Enhancement:* One-time

### **Procurement of HCBS Incident Management System**

Almost equally important to the rendering of HCBS programs is quality assurance oversight and management of serious occurrences involving the HCBS population, who are often among the state's most vulnerable populations. As required by 1915 HCBS program, Nevada has measures in place to monitor the assurances and sub-assurances of Waiver and State Plan options; however, improvements can always be made to strengthen prevention efforts for serious incidents. The initiative proposes a new technological system to manage serious occurrence incidents of HCBS participants.

*Fiscal Impact:* \$1,025,000

*Enhancement:* One-time

### **Study to Improve Care Delivery for Aged, Blind and Disabled Populations**

The Aged, Blind and Disabled (ABD) population represents 13% of Nevada Medicaid recipients. As with the Dual Eligible population, recipients within the ABD category are often among the highest utilizers of services. Nevada has previously evaluated whether the ABD population would benefit from being in a managed care model. Most recently Nevada had an 1115 Demonstration waiver offering case management targeted to high-cost, high-need recipients. With the continued increase in this population, Nevada would like to utilize the enhanced FMAP to conduct a study to assess various service delivery options for the ABD population.

*Fiscal Impact:* \$500,000

*Enhancement:* One-time

### **Studies to Evaluate HCBS Rates and Methodology**

The majority of HCBS rate methodologies stem from an extensive 2002 rate study. Within the last two years, a comprehensive rate study was conducted for Nevada's 1915(c) HCBS Waiver for Intellectual and Developmental Disability Services. The study reviewed service definitions, billing requirements, conducted provider surveys, researched benchmark data to support rate models and developed proposed rate models. Because of the success of this study, and the long overdue need, this initiative would conduct a similar rate study for the 1915(c) HCBS Waivers for Frail Elderly and Persons with Physical Disabilities as well as for the 1915(i) HCBS State Plan option.

*Fiscal Impact:* \$600,000

*Enhancement:* One-time

### **Study on Development of Value Based Payment Model for HCBS**

One of Nevada's goals is to support recipients in the most integrated setting while ensuring that quality of care is still met. Quality of care can be derived from a variety of mechanisms which are not inherent in a fee-for-service delivery model. With long term services being one of the drivers of spending in the Medicaid budget,



and the recommendations from the Millbank Memorial Fund report on “Bundling, Benchmarking, and Beyond: Paying for Value in Home-and Community-Based Services”, Nevada would like to conduct a study to assess the feasibility of developing and implementing value-based payment LTSS models.

*Fiscal Impact:* \$300,000

*Enhancement:* One-time

### **Support for ARPA Implementation**

Due to the added complexities of the ARPA FMAP funding and the immediate need for implementation, this proposal seeks to hire three contractual management analyst positions to support the operations of the multiple supplemental payments to HCBS Providers and applicable reporting requirements.

*Fiscal Impact:* \$1,165,384

*Enhancement:* One-time

### **Support for Implementation of Self-Directed Program**

In June 2021, Nevada was authorized by the legislature to expand self-direction services for Attendant Care services within the 1915(c) HCBS Waiver for Persons with Physical Disabilities. The expansion is specific to the implementation of a Financial Management Service (FMS) in order to offer budget authority self-direction to eligible recipients. This request is to obtain contractual staff to assist in the procurement of the FMS, amending the waiver application, updating policy and oversight of MMIS system requirements.

*Fiscal Impact:* \$159,461

*Enhancement:* One-time

### **Technical Guidance on Making Evidence-Based Medical and Drug Policy Decisions**

Nevada recognizes the benefits to being part of collaboratives that specifically focus on evidence-based policy and outcomes. To improve Medicaid policy decision-making, Nevada is interested in joining the Medicaid Evidence-Based Decisions Project, the Drug Effectiveness Review Project and the State Medicaid Alternative Reimbursement and Purchasing Test for high cost drugs.

*Fiscal Impact:* \$501,000

*Enhancement:* One-time

### **Technology System for Katie Beckett Eligibility Option**

Under the 1982 Tax Equity and Fiscal Responsibility Act, Nevada enacted the Katie Beckett Eligibility Option targeted to disabled children under the age of 19 who qualify for an institutional level of care but who, with HCBS supports, can remain in a community setting. Effective January 1, 2022, the DHCFP will implement a cost sharing method to allow a premium collection under the Katie Beckett program to maintain cost neutrality. The premium collection efforts will require a procurement of a unique billing system.

*Fiscal Impact:* \$260,000

*Enhancement:* Temporary. The Division plans to pursue implementation of ongoing costs as a part of the next biennial budget if it fits within the agency’s required budget cap.

## Summary of Nevada Division of Health Care Financing and Policy APRA Initiatives

Initiative	Total Computable	Non-Federal Share	Frequency
<b>I. Strengthening HCBS Workforce</b>			
Direct Supplemental Payments to Home Care Workers	\$13,755,000	\$13,755,000	One-time
<i>Subtotal</i>	<i>\$13,755,000</i>	<i>\$13,755,000</i>	
<b>II. Enhancements to HCBS Reimbursement Rates</b>			
Alignment of Rates to Minimum Wage Standards	\$35,307,715	\$11,579,791	Temporary*
Supplemental Payments - HCBS Providers	\$127,961,452	\$44,569,185	One-time
Supplemental Payments - Restore Waiver Provider Cuts	\$628,813	\$191,788	One-time
<i>Subtotal</i>	<i>\$163,897,980</i>	<i>\$56,340,764</i>	
<b>III. Expansion of HCBS Services</b>			
Enhancement of Environmental Adaptations Services	\$10,000	\$10,000	One-time
Establishment of a PACE Program	\$12,122,384	\$4,529,484	Temporary*
Expansion of Home Delivered Meals Frail Elderly Waiver	\$2,989,857	\$1,080,001	Temporary*
Expansion of In-Home COVID Vaccinations	\$1,000,000	\$1,000,000	One-time
Expansion of Dental Benefits - Adults with ID/DD	\$10,802,625	\$3,989,525	One-time
<i>Subtotal</i>	<i>\$26,924,866</i>	<i>\$10,609,009</i>	
<b>IV. Infrastructure Support for HCBS Programs</b>			
HCBS Senior Policy Advisor	\$286,977	\$286,977	Temporary*
MMIS Enhancement for County Match Program	\$540,000	\$270,000	One-time
Procurement of HCBS Incident Management System	\$1,025,000	\$1,025,000	One-time
Studies to Evaluate HCBS Rates and Methodology	\$600,000	\$300,000	One-time
Study on Development of Value Based Payment Model for HCBS	\$300,000	\$150,000	One-time
Study to Improve Care for ABD Populations	\$500,000	\$250,000	One-time
Support for ARPA Implementation	\$1,165,384	\$915,731	One-time
Support for Implementation of Self-Directed Program	\$159,461	\$79,731	One-time
Technical Assistance on Evidence-Based Medical/Drug Policy	\$501,000	\$250,500	One-time
Technology System for Katie Beckett Eligibility Option	\$260,000	\$130,000	Temporary*
<i>Subtotal</i>	<i>\$5,337,822</i>	<i>\$3,657,939</i>	
<b>TOTAL</b>	<b>\$209,915,667</b>	<b>\$84,362,712</b>	

\* The Division plans to pursue implementation of ongoing costs as a part of the next biennial budget if it fits within the agency's required budget cap.