

DATE: February 6, 2023

SUBJECT: CYE 2023 American Rescue Plan (ARP) Act Home and Community Based Services and Behavioral Health Outpatient Services Directed Payment

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AHCCCS intends to continue their time-limited ARP directed payments through its AHCCCS Complete Care (ACC), Arizona Long Term Care Elderly and Physically Disabled (ALTCS-EPD), Arizona Long Term Care Developmental Disabilities (ALTCS-DD), Comprehensive Health Plan (CHP), and AHCCCS Complete Care Regional Behavioral Health Agreements (ACC-RBHA) Health Plans to providers of Home and Community Based Services (HCBS), Behavioral Outpatient Services (BHOP), and Rehabilitative services. AHCCCS also intends to continue their time-limited ARP payments through FFS providers. Guidance for FFS providers will be provided at a later date.

These payments will be made similar to payments made in CYE 2022 and are contingent upon approval by the Centers for Medicare and Medicaid Services (CMS) 438.6(c) preprints and the Arizona State Legislature. To the extent that CMS may require changes to the payment methodology and/or process as a condition of approval, this guidance may change and be updated.

These payments outlined below are meant to be a one-time payment for HCBS and Rehabilitation providers. AHCCCS does not intend to continue this level of funding permanently. In addition to this directed payment, AHCCCS intends to make one additional round of directed payments to the providers outlined in this guidance for CYE 2024.

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 at the following link: [DDD ARP web page](#)

### **Non ALTCS-DD Lines of Business Directed Payment**

A directed payment uniform percent increase equivalent to 11% for select provider types and select procedure codes will be applied to actual utilization for March 1, 2022, through August 31, 2022. The increase is applicable to specific provider types and categories of service outlined in Attachments A and B.

The increase is applicable to all members, both dual and non-dual, in all lines of business except ALTCS-DD. See below for information regarding ALTCS-DD directed payments. AHCCCS will compute the directed payment amount based on claims and encounter data in the AHCCCS database for the period of March 1, 2022, through August 31, 2022, to determine the directed payment amount for each provider. Only approved and adjudicated AHCCCS encounters as of February 2, 2023, will be utilized in determining providers that meet these criteria. AHCCCS will not consider any other data when determining which providers qualify for the directed payment. Additionally, AHCCCS will only make payments to entities with eligible utilization during March 1, 2022, to August 31, 2022, that are still

eligible providers at the time of payment. AHCCCS will not approve payments to providers that purchase an entity eligible for directed payments anytime during or after the identified utilization period (March 1, 2022, to August 31, 2022). Payments will be only paid to active providers in good standing.

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

Eligible providers are required to distribute at least **80%** of the directed payment amount to direct care staff in the form of a temporary increase in salary, wages, 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 services such as recruitment of direct care workers.

Funds need to be used for expenditures that occur from January 1, 2023, to February 29, 2024. This date will not be further extended. Directed payment funds must be used to supplement and not supplant existing funding.

Please note: If funds are not spent by February 29, 2024, the funds are subject to recoupment.

To receive payments, providers must complete the HCBS ARP attestation. Providers who do not submit a completed ARP attestation will not receive payments. The online portal can be found at the following link: [AHCCCS ARP Provider Attestation 2023](#)

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 March 1, 2022, through August 31, 2022, 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 at least 80% of the amount of the directed payment by February 29, 2024, for Direct Service Provider staff expenses, including temporary increases to salary, wages, bonuses, hiring/retention incentives, stipends, over-time, and/or employee related expense costs (like coverage of medical, dental, and vision insurance and retirement plans) associated with Direct Service Provider staff expense. (See below for definition.)
- I attest that this provider will spend by February 29, 2024, no more than 20% of the Directed Payment for other expenses that enhance, expand, and/or strengthen HCBS. Examples of such distributions include, but are not limited to mileage reimbursement, tuition or continuing education reimbursement, childcare and/or enhanced insurance coverage reimbursement, recruitment costs, staff recognition and appreciation events, training, technology expansions or

expanded capacity.

- I attest that the funds will be used for expenditures that occurred from January 1, 2023, to February 29, 2024, 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 and I understand that AHCCCS does not intend to continue this level of funding permanently.
- I acknowledge that additional one-time payments may be made for one (1) additional year, but may be reduced in value, subject to funding availability and legislative and CMS approval.
- I acknowledge that the following expenses are not allowed: Cash and gift card distributions and distributions to owners or their spouses.

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 or the provider cannot demonstrate compliance with this agreement through appropriate documentation, AHCCCS may recoup the Directed Payment from the provider.

Providers shall maintain all necessary documentation and records regarding the use of these funds for auditing purposes for a period of seven (7) years.

### **Provider Payments - Health Plans**

**No later than April 21, 2023**, AHCCCS will provide lists to each of the Health Plans showing the directed payment amounts to be paid for providers eligible for this directed payment via SFTP server. AHCCCS requires that the Health Plans make payments to providers **by Wednesday, May 31, 2023**.

### **Timeline**

February 6th	Directed Payment Guidance (this document) and HCBS ARP Attestation posted to the AHCCCS website
February 28th	Deadline for Providers to submit attestations via the AHCCCS website
April 21st	AHCCCS to send payment amounts by provider to the Health Plans

May 31st	Deadline for Health Plans to pay providers
June 30th	Deadline for Health Plans to submit report confirming provider payments

Additional information regarding ARP can be found at the following webpage:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/index.html>.

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

If a provider has questions and/or concerns regarding the directed payment, please use the following email address: [AHCCCSARPADIRECTEDPAYMENTS@mslc.com](mailto:AHCCCSARPADIRECTEDPAYMENTS@mslc.com).

### **Additional Information:**

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. BHPs also provide clinical oversight or supervision to unlicensed personnel. Likewise, unlicensed personnel serve members with behavioral health needs as 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.
- Direct Supervisor who works directly with members, is primarily responsible for the supervision of the daily activities completed by Direct Service Provider staff and has oversight for the proper delivery of

services to members and can act as a Direct Service Provider staff when needed. Please Note: distributions to owners or spouses of owners and executive staff are unallowed.

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

Examples of activities that enhance, expand, 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.

**ATTACHMENT A**  
**PROVIDER TYPES ELIGIBLE FOR DIRECTED PAYMENT**

<b>Provider Types Eligible- AHCCCS (Non-DDD)</b>	
23	Home Health Agency
27	Adult Day Health
36	Assisted Living Home
39	Habilitation Provider
40	Attendant Care
49	Assisted Living Center
50	Adult Foster Care
70	Home Delivered Meals
77	Behavioral Health Outpatient Clinic
81	EPD HCBS
95	Non-Medicare Certified Home Health Agencies
A3	Community Service Agency
A5	Behavioral health Therapeutic Home
A6	Rural Substance Abuse Transitional Agency
BC	Board Certified Behavior Analyst
B5	Subacute Facility (1-16 beds)

<b>Provider Types Eligible- AHCCCS (Non-DDD)</b>	
F1	Fiscal Intermediaries (Self-Directed workers only)
IC	Integrated Clinics

**ATTACHMENT B**  
CATEGORIES OF SERVICE ELIGIBLE FOR THE DIRECTED PAYMENT

<b>Category of Service</b>
Attendant Care
Assisted Living
Mental Health - Case Management
Mental Health - BH Counseling and Therapy
Mental Health - Skills Training, Education, Self Help
Mental Health - Assessment/Screens
Mental Health - Assorted
Mental Health - Alcohol and/or Drug Services
Mental Health - Crisis Intervention
Respite Care Services
Home Health Nurse Service
Adult Foster Care
Home Delivered Meals
Personal Care Services
Physical Therapy
Homemaker Service
Adult Day Health Service
Specialized Services



Habilitation
Occupational Therapy
Home Health Aid Service
Speech/Hearing Therapy