April 23, 2021

Stephen Smith  
Director of TennCare  
Tennessee Department of Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243

Dear Director Smith:

The Tennessee Association for Home Care (TAHC) and the Partnership for Medicaid Home-Based Care (PMHC) would like to take this opportunity to express strong support for the one year, temporary 10 point federal medical assistance percentage (FMAP) increase for Medicaid home and community-based services (HCBS) included in the American Rescue Plan Act of 2021 (ARPA).\(^1\)

The legislation provides for flexibility on how state Medicaid programs participate and where to use the additional federal HCBS funding. The 10 percentage point increase in FMAP for Medicaid HCBS from April 1, 2021 through March 31, 2022 is in addition to the state’s existing Medicaid FMAP and the 6.2 percentage point increase in effect during the COVID-19 public health emergency as provided for under the Families First Coronavirus Response Act.

TAHC and PMHC strongly encourages TennCare to work with HCBS stakeholders, including providers, to identify the areas of greatest need for these important resources.

In Tennessee there are over 27,000 home care workers delivering high-quality, cost-effective Medicaid HCBS services to seniors and individuals with disabilities.\(^2\) Throughout the COVID-19 pandemic, home care workers continue to reduce the risk of COVID-19 infection by providing essential health sustaining long-term services and supports to at-risk Americans safely in their homes.

Home care workers in Tennessee are predominately female (87%), 37% are people of color, and 24% are over the age of 55. Over fifty percent live in low-income households.\(^3\)

To be eligible for the increased FMAP for HCBS, the ARPA requires that states:

- Use the increased FMAP to supplement, and not supplant, the level of state funds expended for HCBS for eligible individuals\(^4\) through programs in effect as of April 1, 2021; and
- Implement, or supplement the implementation of, one or more activities to enhance, expand, or strengthen Medicaid HCBS program.

On March 25, 2021, TAHC and PMHC participated in the HCBS stakeholder listening session with the Center for Medicaid and CHIP Services’ Disabled & Elderly Health Programs Group and understand CMS guidance for state Medicaid agencies is forthcoming.

\(^1\) Section 9817  
\(^2\) PHI, Workforce Data Center, Direct Care Worker Employment, 2009 to 2019.  
\(^3\) Ibid.  
\(^4\) Eligible individual is defined as an individual who is eligible for and enrolled for medical assistance under a State Medicaid program and includes an individual who becomes eligible for medical assistance under a State Medicaid program when removed from a waiting list.
TAHC and PMHC will provide further comments once the federal guidance is released, but in the interim, provide the following examples of possible activities that states may take to enhance, expand, or strengthen HCBS may include:

- Increasing rates for providers that increase direct care worker compensation;
- Providing incentives for recruitment and training of additional direct care workers;
- Providing hazard pay, overtime pay, and shift differential pay;
- Purchasing PPE for workers and assistive technologies for clients they are supporting;
- Providing benefits such as paid family leave or sick leave;
- Providing retention payments;
- Providing services to eligible individuals to reduce waiting list; and
- Supporting transition cost from institutional settings to an individual home.

Thank you for your leadership during this unprecedented time in our nation’s history. TAHC and PMHC welcome the opportunity to serve as a resource and stand ready to assist in developing policy proposals that will increase access to home and community-based services that can simultaneously benefit the dedicated home care workforce through higher wages.

If you have any additional questions, please contact Maegan Carr Martin at (615) 913-6923 maegan@tnhomecare.org or Stacey Smith at (202) 742-5274 or ssmith@medicaidpartners.org.

Sincerely,

Maegan Carr Martin, JD
Executive Director
Tennessee Association for Home Care

David J. Totaro
Chairman
Partnership for Medicaid Home-Based Care

Attachment

CC: Patti Killingsworth, Assistant Commissioner and Chief of Long-Term Services and Supports

The Tennessee Association for Home Care (TAHC) is the only professional trade association serving all sectors of the home care industry currently operating in Tennessee. Including home health agencies, hospice organizations, professional support agencies and personal support services. We are a unified voice and industry resource for all home care providers in Tennessee, providing effective advocacy, issue expertise, regulatory support and quality education.

The Partnership for Medicaid Home-Based Care (PMHC) was established to advance the delivery of high-quality and cost-effective Medicaid home-based care and services. Our members represent home care agencies, state home care associations, managed care organizations and other payers, and business affiliates who have come together to improve the quality and integrity of Medicaid funded home and community-based services (HCBS). Recognizing the integral role of HCBS, PMHC is dedicated to advancing and supporting public policies that strengthen the Medicaid program.
On March 13, 2021, President Joe Biden signed into law H.R. 1319, the American Rescue Plan Act of 2021 (ARPA), which provides additional federal funding to address the COVID-19 pandemic. Section 9817 of the legislation increases the Federal Medical Assistance Percentage (FMAP) for Medicaid HCBS by 10 percentage points to cover expenditures made during the program improvement period beginning on April 1, 2021 and ending on March 31, 2022.

The 10 percentage point increase for Medicaid HCBS is in addition to the state’s existing Medicaid FMAP and the 6.2 percentage point increase in effect during the COVID-19 public health emergency as provided for under the Families First Coronavirus Response Act.

On March 25, 2021, the Center for Medicaid and CHIP Services’ Disabled & Elderly Health Programs Group held a listening session with HCBS stakeholders. CMS guidance for state Medicaid agencies related to the ARPA Section 9817 should be released within the coming weeks.

To be eligible for the increased FMAP for HCBS, the bill requires that states:

- Use the increased FMAP to supplement, and not supplant, the level of state funds expended for HCBS for eligible individuals through programs in effect as of April 1, 2021; and
- Implement, or supplement the implementation of, one or more activities to enhance, expand, or strengthen Medicaid HCBS program.

Possible examples of activities that states may take to enhance, expand, or strengthen HCBS may include:

- Increasing rates for providers that increase direct care worker compensation;
- Providing incentives for recruitment and training of additional direct care workers;
- Providing hazard pay, overtime pay, and shift differential pay;
- Purchasing PPE for workers and assistive technologies for clients they are supporting;
- Providing benefits such as paid family leave or sick leave;
- Providing retention payments;
- Providing services to eligible individuals to reduce waiting list; and
- Supporting transition cost from institutional settings to an individual home.

The bill defines home and community-based services as follows:

- **Home health care services** authorized under paragraph (7) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).
- **Personal care services** authorized under paragraph (24) of such section.
- **PACE services** authorized under paragraph (26) of such section.
- **Home and community-based services** authorized under subsections (b), (c), (i), (j), and (k) of section 1915 of such Act (42 U.S.C. 1315), and such services through coverage authorized under section 1937 of such Act (42 U.S.C. 1396u-7).
- **Case management services** authorized under section 1905(a)(19) of the Social Security Act (42 U.S.C. 1396d(a)(19)) and section 1915(g) of such Act (42 U.S.C. 1396n(g)).
- **Rehabilitative services**, including those related to behavioral health, described in section 1905(a)(13) of such Act (42 U.S.C. 1396d(a)(13)).
- **Such other services specified by the Secretary of Health and Human Services.**

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1 Eligible individual is defined as an individual who is eligible for and enrolled for medical assistance under a State Medicaid program and includes an individual who becomes eligible for medical assistance under a State Medicaid program when removed from a waiting list.