



Maryland Strategy for Supporting Home and Community-Based Services using American Rescue Plan (ARP) Funding

American Rescue Plan: Home and Community-Based, and Behavioral Health Services

On March 11, 2021, President Biden signed into law the American Rescue Plan.

A portion of American Rescue Plan (Section 9817) provides additional support for Medicaid home and community-based services (HCBS) during the COVID-19 emergency by providing a 10% enhanced federal medical assistance percentage (FMAP) for a one-year period from April 1, 2021 to March 31, 2022.

The Centers for Medicare and Medicaid Services (CMS) have not yet provided details on how the funding will be distributed or the allowable criteria. While there are many outstanding questions, the Maryland Department of Health Medicaid Program (the Department) wanted to share the following:

- This is an exciting opportunity to further support HCBS and the Department will work to access as much federal funding as possible.
- The enhanced federal funding is time-limited and non-recurring. Enhanced funding will not be provided beyond March 2022.
- Although the funding period starts on April 1st, this is not the date by which states must implement a plan. States will not lose money if plans are not implemented April 1st.
- All states are awaiting further guidance from CMS before finalizing or implementing plans.

The Department further notes that the General Assembly has set certain parameters regarding use of these funds in Maryland:

- At least 75% of federal funds attained through the enhanced FMAP to be used to provide a one-time rate increase to community providers.
- Any remaining funds may be expended *only* on waiver slot expansion and other efforts to ensure the enhancement, strengthening, and expansion of Medicaid home and community-based services.

It is important to note that Section 9817 is only one aspect of the American Rescue Plan that may impact programs and services for older adults and individuals with disabilities. The Department is awaiting clarification and guidance from other federal agencies in addition to CMS, such as the Administration for Community Living, which may provide an even greater opportunity to strengthen HCBS programs overall.