

Summary of ARPA and Other Funds Related to Disability Community

The Arc of Massachusetts

January 24, 2022



Questions from individuals with intellectual and developmental disabilities (IDD) and autism, families, and stakeholders have been raised regarding the distribution of the American Rescue Plan Act (ARPA) funds and this summary attempts to provide an overview and an analysis of the five-point Department of Developmental Services (DDS) Finance and Rate Update released on January 3rd.

Keep in mind that the ARPA funds have been in a discussion stage for several months since passage of the federal bill. The legislature and the Executive Office of Health and Human Services (EOHHS) have held hearings and meetings regarding its distribution. ARPA funds required legislative approval and an additional supplemental budget was passed in December 2021. The legislation included an establishment of the Home and Community-Based Services (HCBS) Federal Investment Fund and the Behavioral Health Trust Fund. The Arc previously released a [statement on that budget](#).

ARPA funds distribution

ARPA funds affect all the DDS community programs and MassHealth Office of Long-Term Supports and Services (HCBS). Behavioral Health services will also benefit from additional resources, which should address the 'boarding' dilemma faced by many of our constituents. "Boarding" is when individuals end up in hospitals or other institutional type settings due to a lack of adequate in-home, educational, or residential service options.

Emergency rate increases were finalized in October 2021 by EOHHS reflecting 10% increases in reimbursement or rates for a six-month period from July 1 through December 31, 2021. However, not all funds could be released at that time (legislature approval came in December 2021.) After the October rate change, certain programs did begin to receive additional dollars effective July 1, 2021, for example:

- DDS Day and employment and family support services began to receive an additional 10% onto their billing
- MassHealth day habilitation and other services such as Personal Care Attendant (PCA) and Adult Foster Care (AFC) programs began to receive an additional 10%

The 10% **was and is welcome news** for these services. BUT *due to low attendance, the 10% being received is below the additional funding received over the past year.* Day billing (DDS and MassHealth) is at or below 60% due to workforce shortage, transportation staff shortage and certain individuals' reluctance to return to congregate settings. Specifics are explained below.

Community agencies providing DDS residential services will experience a greater impact through the 10% increase because most homes are at full capacity. The providers, **as of January 24, have NOT received ARPA or additional money.** The state recently approved a 5.25% increase for 6 months for daytime service in those homes in addition to the 10%. The [DDS memo states that stage 1](#) funding of residential ARPA funds will cover from July 1 through October 31. But residential providers have NOT received any additional funds as of this date.

Program review of financial changes, ARPA and otherwise:

1. DDS Day and Employment Services (see [DDS day memo here](#))
 - 6 months of 10% increase ARPA bump (from Jul. 1, 2021-June 30, 2022)

- Rate increase ongoing (established DSP benchmark at approx. \$16.79 per hour and some other modest rate enhancements)
- Termination of increased accommodation billing that on average allowed for 25% higher billing
- Remote billing will continue but by normal billing standards vs. half-day or full-day reimbursement
- Additional funds for day hab. paid by DDS continue only if service provided in day setting, individual or family home

Individuals receive rate determinations based on need for support and these rates are determined by letters with lower letters reflecting higher funding. (A-D most commonly used). During the COVID-19 public health emergency, DDS allowed providers to bill at a letter level above the individual's rate determination. For example, John Smith- usually reimbursed at letter D (\$4.60/hr) could now be billed at letter C (\$5.46/hr). This reflected an 18% bump. In other cases, the bump could be higher (C to B or B to C). This accommodation will no longer be there, and it is replaced by the first 2 bullets, one of which will expire on June 30, 2022. **These changes are a net loss for day services and employment providers.**

2. MassHealth Day Habilitation – these additions are based on attendance*

- 12 months of 10% ARPA bump
- 25% rate enhancement from July 1-Dec 31, 2021; 15% enhancement from Jan 1-June 30, 2022. (see [Day Hab MassHealth](#) memo)
- Rates being reviewed this year (the most recent rate adjustment was 2.34% despite the shortage.)
- Remote billing continues with half-day and full-day billing allowed but only if a plan is written to assist member on his/her return to the service setting (plan reviewed monthly, etc.)

*Average daily attendance is at best 50%. The inability to hire staff is preventing those from complex medical or behavioral conditions to attend as staff are needed to keep persons at a distance.

3. Family Stabilization (Resource centers)

Resource centers also received additional Workforce Initiative funds during FY'20 and FY'21. The FY22 additional payment is equal to 1.45% of the providers' FY18 state funding for applicable services. This is not a significant additional payment.

4. DDS Residential

- 12 months of 10% ARPA bump
- 6 months of 5.25% recognizing that residences have been providing day services

Some residential programs already have invested funding in bonuses, raises and other initiatives based on the promise of additional resources. Others cannot afford to do so. These funds will offset those expenses (July 1, 2021-Dec 31, 2022.) Programs also have experienced additional day costs with individuals not able to attend day services. These expenses vary and providers have stated that the 5.25% add-on is inadequate.

The overall impact varies, and attached diagram provides a sense of COVID impact on day settings, individuals served and funding. The system serves an estimated 16,000 individuals (duplicate count is 19,000), and our example describes impact on a site with 50 people. We believe workforce salaries need to approach \$20/hour to deal with this crisis for those in formal programs and receiving in-home assistance as month 24 of the COVID pandemic approaches.

This year the following rates are being reviewed for 2023 implementation – ALTR (Residential), Day habilitation, Shared Living, In Home Supports and Corporate Rep. Payee.