



Frequently Asked Questions

Additional Support for Medicaid Home and Community-Based Services during the COVID-19 Emergency

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, allows for states to receive increased funding for their Medicaid home and community-based services (HCBS) programs if they enhance or expand these programs in some way between April 1, 2021 and March 31, 2024. In a [State Medicaid Director letter issued on May 13](#), the Centers for Medicare and Medicaid Services (CMS) offered guidance on how states can apply for and use these enhanced funds.

How much is the increased funding for?

States can receive a 10 percentage point increase to their current federal medical assistance percentage (FMAP) for any increase in services they provide between April 1, 2021 and March 31, 2024. This increase is on top of the increases already provided in the Families First Coronavirus Response Act (which provides a 6.2 percentage point increase for state Medicaid programs for the duration of the public health emergency) as well as on top of the enhanced FMAP states already receive if they chose to expand their Medicaid programs. However, a state's total increased FMAP cannot be more than 95 percent.

What would the actual dollar amount of these enhanced funds be for my state?

Check out this breakdown from the Kaiser Family Foundation [here](#).

What can the increased funding be used for?

The funding can be used to supplement the implementation of one or more activities to enhance, expand or strengthen HCBS. States cannot use the funds to supplant their current HCBS spending, and must use the funds to increase access to services and care, rather than on administrative expenses. States also cannot decrease funding for or access to HCBS, or impose stricter eligibility requirements. A complete list of the types of services states can expand or enhance and receive additional funding for as a result are on [Appendix B](#) of the guidance. **Advocates should look at the options in Appendix B and advocate for the types of services that make the most sense for their state.**

How can states apply?

States must submit an initial spending plan and narrative by July 11, 2021 to HCBSIncreasedFMAP@cms.hhs.gov. More details on what the spending plan and narrative needs to entail are available beginning on [page 5](#) of the guidance (Section D). CMS is encouraging states to seek stakeholder input on the spending.

Why is this important?

HCBS are a critical Medicaid benefit for older adults, people with disabilities and those with complex health needs. They allow people to receive care in the most integrated setting appropriate to their needs, which all individuals with disabilities have a right to receive under federal law. However, because HCBS are an optional Medicaid benefit, rather than mandatory, not all those who may be eligible for needed HCBS may be receiving it in your state. Therefore, increased funding and support for HCBS made possible through ARPA may encourage and help states develop new ways to increase access to HCBS for all of their Medicaid enrollees who need it.