

Tony Evers  
Governor



**DIVISION OF MEDICAID SERVICES**

1 WEST WILSON STREET  
PO BOX 309  
MADISON WI 53701-0309

Karen E. Timberlake  
Secretary

**State of Wisconsin**  
Department of Health Services

Telephone: 608-266-8922  
Fax: 608-266-1096  
TTY: 711

Date: January 9, 2022  
To: MCO Leadership  
From: Grant Cummings, Director, Bureau of Rate Setting *Grant Cummings*  
Re: American Rescue Plan Act (ARPA) 5% Increase

The ARPA includes a provision which provides states a 10% federal medical assistance percentage (FMAP) increase for home and community-based services (HCBS) expenditures claimed between April, 2021 and March, 2022. ARPA requires states to reinvest the additional FMAP to support and strengthen HCBS. A component of Wisconsin's comprehensive HCBS investment plan includes a 5% rate increase for HCBS effective January 1, 2022.

The 5% rate increase for eligible services is required for dates of service beginning January 1, 2022. The 5% rate increase on covered services equates to a unit rate increase of 4.13% when calculated on covered and non-covered services for residential providers. The Department of Health Services (DHS) Family Care, Family Care Partnership, and PACE contracts require MCOs to complete adjusting rates to providers accordingly by April 1, 2022. MCOs are required to have all provider contracts related to this increase updated by July 1, 2022. The Calendar Year (CY) 2022 capitation rates include funding for these rate increases.

HCBS increased under ARPA (hereafter "eligible services") in the Family Care, Family Care Partnership, and PACE programs include<sup>1</sup>:

- adult day care services,
- alcohol and other drug abuse (AODA) services,
- AODA day treatment,
- assistive technology and communication aids,
- consultative clinical and therapeutic services for caregivers,
- consumer directed supports (self-directed supports) broker,
- consumer education and training,
- counseling and therapeutic,
- financial management services,
- habilitation services (daily living skills training and day habilitation resources),

---

<sup>1</sup> See the attached for a list of procedure codes and eligible services. MCOs are responsible for providing the 5% increase for all eligible services even if they contract with providers using different procedure codes than those on the attached list.

- home delivered meals,
- home health services,
- housing counseling,
- mental health day treatment,
- mental health services,
- nursing provided in the home,
- occupational therapy provided in the home,
- personal care,
- physical therapy provided in the home,
- prevocational services,
- residential care,
- respiratory care,
- respite,
- self-directed personal care,
- skilled nursing services (RN/LPN),
- speech and language pathology services provided in the home,
- supported employment - individual employment support,
- supported employment - small group employment support,
- supportive home care (SHC),
- training services for unpaid caregivers,
- transportation as defined in Wis. Admin. Code DHS § 107.23, excluding ambulance,
- transportation (specialized transportation) - community transportation,
- transportation (specialized transportation) - other transportation, and
- vocational futures planning and support (VFPS).

Services not listed above are not eligible. Examples of ineligible services include but are not limited to retail services, nursing home services, the community support program, and common carrier transportation services.

### **Medicaid State Plan Services**

DHS will increase the Medicaid fee-for-service (FFS) maximum allowable fee schedule for eligible Medicaid state plan services by 5% effective for dates of service beginning January 1, 2022. MCOs must provide the rate increases for dates of service January 1, 2022 onward regardless of when DHS updates the FFS maximum allowable fee schedule for state plan services.

MCOs are required to provide the increases for all eligible services regardless of whether the MCO contracted at rates above or below the FFS maximum allowable fee schedule prior to January 1, 2022. MCOs with agreements to pay the FFS maximum allowable fee for a service or a percentage of the maximum allowable fee do not need to apply additional increases to meet the

contract requirement for the 5% increase as DHS will adjust the FFS maximum allowable fee schedule.

**Services Authorized under a Federal 1915(c) Waiver**

For 1915(c) waiver services, MCOs will need to identify the amount of the unit rate increase in their contracts with providers as a separate line item from other components of the MCO's contracted rate with the provider. This line item will be labeled "2022 American Rescue Plan Act Rate Increase" and contracts with the provider must include a line item for this same per unit amount. MCOs may not modify the amount of the American Rescue Plan Act Rate Increase line item.