

## **DDA Budget Allocation Recommendations through the American Rescue Plan Act of 2021**

As we know, the American Rescue Plan Act of 2021 was recently signed by President Biden and includes a 10% FMAP increase (Federal Medicaid matching funds for HCBS-home and community-based services). The increase is intended to assist states with recovery related to the pandemic and must be used by March 31, 2022. The Maryland Senate Budget Sub-Committee presented a plan for the use of the increased HCBS funding on Friday, March 19, 2021 in its decisions meeting. While this plan must still have full approval by the Maryland Senate and House, the subcommittee is recommending that the increase in funds received by the state for HCBS provided through DDA shall remain in DDA and shall be allocated in the following manner (*credit to [MACS](#) for the elaboration/explanation of the budget language below*):

- At least 75% to provide a one-time retroactive rate increase to community providers that are licensed, certified, or approved under §7 of the Health General Article including CCSs. This would not be a rate increase built into the base, but rather a retroactive rate increase that would provide an infusion of one-time-only funding to help providers with financial losses, workforce crisis, reopening expenses, and other costs. DDA would be required to apply the rate increase retroactively to all services provided in the first two quarters of fiscal 2020, and pay community providers the rate increase in at least two payments -- the first payment no later than October 7, 2021 and the final payment no later than April 7, 2022;
- A commensurate one-time rate increase applied to services provided in the first two quarters of fiscal 2020 for individuals enrolled in self-directed services as of October 1, 2021;



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- Grants to community providers and nonprofit organizations for the development of resources and infrastructure to enhance independence and inclusive opportunities, which would include and not be limited to development of models to provide independent affordable housing, expanded use of technology, and technical assistance from subject matter experts, for individuals who receive DDA-funded services; and
- Certain allowable administrative costs.

Additionally, no more than 5% of federal funds attained by DDA resulting from any enhancement to the FMAP authorized in the American Rescue Plan Act of 2021 can be expended for DDA administrative costs, restricted to expenses to expedite new placements in DDA-funded home and community-based services and to improve the processing of person-centered plans.

To read all of the recommendations, please go to [pages 43-48 of the document here](#).