

# Community Engagement and Equity in ARPA HCBS Spending Plans: A Literature Review

## Background

Section 9817 of the American Rescue Plan Act (ARPA) provides states with a temporary ten percentage point increase to the federal medical assistance percentage (FMAP), amounting to a total of \$12.7 billion in spending increases available.<sup>1</sup> As a result of the increased FMAP, states are taking direct action to address HCBS access and quality issues. State HCBS priorities are varied, with 24 states expanding caregiver supports, 28 states increasing provider rates, 13 states adding waiver slots, 12 states providing additional housing supports, and 23 states pursuing behavioral health initiatives.<sup>2</sup> <sup>3</sup> In response to stakeholder feedback, many states are prioritizing initiatives that strengthen the direct care workforce, a list that includes Colorado, Iowa, Illinois, Indiana, Massachusetts, Minnesota, Nevada, New Jersey, Tennessee, Washington State, and Wisconsin. These initiatives include rate and pay increases, improved training curriculums, and paying family members as caregivers.<sup>4</sup> The state of Michigan will add 1,000 spots to the MI Health Choice waiver,<sup>5</sup> while New York will improve and expand the availability of adult day centers, which was deeply impacted by the COVID-19 pandemic.<sup>6</sup>

States have now gotten approval for and published their initial spending plans,<sup>7</sup> which provide important insights into each state's process in engaging community input and articulating their equity goals. Beyond the specific HCBS policy initiatives of each state plan, this analysis will investigate two aspects of the spending plan development and implementation process: community engagement and equity. While initial spending plans are not an exhaustive representation of all states efforts regarding equity and community representation in HCBS spending, they are important to identify within the parameters of the ARPA spending opportunity. The nature of community

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<sup>1</sup> FACT SHEET: Biden-Harris Report: "Advancing Equity Through the American Rescue Plan." The White House. May 2022. Available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/24/fact-sheet-biden-harris-report-advancing-equity-through-the-american-rescue-plan/>

<sup>2</sup> ADvancing States Analysis of State HCBS Spending Plans. September 2021. Available at: <http://www.advancingstates.org/sites/nasvad/files/u34008/ADvancing%20States%20Analysis%20of%20State%20ARPA%20Plans%20-%209.15.21.pdf>

<sup>3</sup> See above footnote

<sup>4</sup> Hannah Ward, Matthew Ralls, Courtney Roman, and Diana Crumley. Strengthening the Direct Care Workforce:

Scan of State Strategies. Center for Health Care Strategies. December 2021. Available at: <https://www.chcs.org/media/Strengthening-the-Direct-Care-Workforce-Scan-of-State-Strategies.pdf>

<sup>5</sup> <https://www.medicaid.gov/media/file/mi-mdhhs-hcbs-spending-plan.pdf>

<sup>6</sup> <https://www.medicaid.gov/media/file/ny-partial-approval-response-arpa-hcbs-fmap.pdf>

<sup>7</sup> ARP Section 9817 State Spending Plans and Narratives and CMS Approval Letters Available at: <https://www.medicaid.gov/medicaid/home-community-based-services/guidance/arp-section-9817-state-spending-plans-and-narratives-and-cms-approval-letters/index.html>

involvement and engagement in the development and continued implementation of these spending plans is a critical influence to the actual spending priorities.

## Community Engagement

The existing academic research on ARPA implementation indicates community stakeholder engagement is the critical piece to implementation. Research found the topic was not clearly defined and operationalized in initial spending plans, and would continue to be a challenge to effective HCBS spending strategy. One study examined state adoption of the Community First Choice (CFC) benefit as a comparative case study analysis, and found that “consulting with the Centers for Medicare and Medicaid Services (CMS) facilitated implementation while existing programs, insufficient engagement with stakeholders, aggressive timelines, and limited staff resources presented challenges.”<sup>8</sup> Additional research came to similar conclusions, pointing to close collaboration with community stakeholders as the critical aspect of success. Despite the importance of engaging with a diverse array of stakeholders, the researchers recognized that states will be extremely challenged to do sufficient engagement while meeting federal timelines. In particular, they observe that states with no or few staffers dedicated to LTSS strategic planning will be the most challenged, and this lack of prioritization “may also create biases in favor of states that already have specific champions for LTSS in place and resources available for pursuing new LTSS initiatives.”<sup>9</sup>

Other literature provides additional context for the challenges of community engagement in ARPA spending implementation, despite its critical importance. In the case of rate or pay increases for direct care workers, states received pushback from disability advocates for not prioritizing the issue sufficiently in their spending plans. States that directly engaged with these concerns and involved disability stakeholders in all stages of implementation were able to build support for their proposed spending plan.<sup>10</sup> Community input can and should influence ARPA spending decisions, but only when states directly engage with and solicit feedback from community members.

Researchers at the Urban Institute found that even in municipalities with existing channels for community engagement, as well as clearly defined equity principles, didn’t always succeed in reflecting community priorities in their spending plans. In Memphis, Tennessee, three community

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<sup>8</sup> Beauregard, L. K., & Miller, E. A. (2022). A Comparative Analysis of State Implementation of the Community First Choice Program. *Journal of applied gerontology : the official journal of the Southern Gerontological Society*, 47(10), 2140–2147. <https://doi.org/10.1177/07334648221107073>

<sup>9</sup> Miller, E. A., & Beauregard, L. K. (2022). Enhancing Federal Revenue under the American Rescue Plan Act: An Opportunity to Bolster State Medicaid Home and Community-Based Services Programs. *Journal of aging & social policy*, 1–15. Advance online publication. <https://doi.org/10.1080/08959420.2021.2022952>

<sup>10</sup> State Implementation of American Rescue Plan Act Initiatives to Increase Wages and Expand Career Opportunities for Direct Service Workers: Summary of a State Affinity Group. Advancing States. August 2022. Available at: <http://www.advancingstates.org/sites/nasvad/files/u34188/ADS%20ARPA%20DSW%20Affinity%20Group%20Report%20August%202022%20-%20202.pdf>

engagement initiatives gave a useful foundation for incorporating community feedback: The Memphis 3.0 Plan, the Moral Budget Proposal, and Equity in Action (2019). The community priorities articulated in these initiatives were not adequately reflected in the city and county's ARPA allocation plan, and the priority initiatives that were included represented a small percentage of the overall budget.<sup>11</sup> Even in areas with existing channels for community engagement, policymakers must take the next step and align spending with the priorities articulated in the engagement process.

Research finds a gap in the types of community members being engaged to provide input on spending priorities. In the PolicyLink and Institute on Race, Power and Political Economy study, almost all cities had some form of community engagement, such as listening sessions, public comments, virtual public meetings, phone calls, emails, and surveys. Despite this, fewer cities reported any sort of targeted outreach to communities most impacted by spending priorities.<sup>12</sup> The existence of community engagement channels is insufficient to collecting feedback from a diverse array of impacted stakeholders – targeted outreach from state officials is also needed to engage communities that are often not approached, consulted, or included in the decision-making that disproportionately affects them.

### **Community Engagement Best Practices**

At the municipal, county, and state level, local governments are leading the way in innovative community engagement strategies that can easily be replicated by other states looking to more meaningfully engage with its constituents on ARPA HCBS spending plans. Cleveland, Ohio's mayor implemented a citizen input tool that received more than 1600 responses and a total of 2,275 ideas. Importantly, about half of the comments came from people of color and about a third came from those with incomes below \$25,000.<sup>13</sup> Saint Louis, Missouri convened a Stimulus Advisory Board made up of 25 community stakeholders that consulted on its initial spending plan and included HCBS advocates.<sup>14</sup> Denver, Colorado launched a campaign called RISE Together Denver that “sent 25,000 mailers to traditionally underserved neighborhoods, set up pop-up events, put up flyers at local libraries, and launched e-blasts through county offices and social media campaigns.”<sup>15</sup>

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<sup>11</sup> Aligning the Use of Recovery Funds with Community Goals in Memphis, TN. The Urban Institute. August 2022. Available at: <https://www.urban.org/research/publication/aligning-use-recovery-funds-community-goals-memphis-tn>

<sup>12</sup> Will ARPA's Local Fiscal Recovery Funds Advance Racial Equity? PolicyLink and the Institute on Race, Power and Political Economy at The New School. July 2022. Available at: <https://www.policylink.org/ARPA-equity>

<sup>13</sup> Maximizing federal COVID-19 recovery investments for resilience and equity: Examples from across the nation. Georgia Health Policy Center. February 2022. Available at: <https://ghpc.gsu.edu/download/maximizing-federal-covid-19-recovery-investments-for-resilience-and-equity-examples-from-across-the-nation/>

<sup>14</sup> Iris Hinh. Public Engagement and Transparency Is Key to States and Localities Using Federal Aid to Advance Racial Equity. Center for Budget and Policy Priorities. July 2022. Available at: <https://www.cbpp.org/blog/public-engagement-and-transparency-is-key-to-states-and-localities-using-federal-aid-to>

<sup>15</sup> See footnote 14

States that have already built robust community engagement mechanisms were able to more effectively design spending plans that were reflective of key stakeholders. Michigan's ARPA spending on improving the direct care workforce was greatly informed by the Direct Care Worker Advisory Committee that is convened by ACLS Bureau. This committee was initiated in the beginning of the COVID-19 pandemic, and provides the state a direct channel of feedback that can help develop effective an effective ARPA spending strategy.<sup>16</sup> Connecticut utilized its Medicaid Long-Term Services and Supports Rebalancing Initiatives Steering Committee to inform its spending plan, which is a 23-member committee that includes older adults and people with disabilities as stakeholders.<sup>17</sup> Other examples of this include Idaho's existing HCBS Coronavirus Workgroup and Montana's HCBS provider workgroups.

### **Summary of State Performance on Community Engagement in ARPA HCBS Implementation**

The attached comparison chart provides a detailed look at state approaches to community engagement and equity in ARPA HCBS spending. In addition to the goals for equity and community engagement articulated in the initial approved spending plans, the comparison chart breaks down state approaches to community enagement, including proactive outreach to community members, public comment, community meetings, and surveys. The comparison chart also tracks state descriptions of how they ensured community input was reflected in their spending plan. Based on this data, a few themes can be identified:

**Community engagement was present but limited.** Generally speaking, many states had opportunities for stakeholders to weigh in, but those opportunities manifested as a few public meetings, a public comment period, or a survey. Due to the tight implementation timeline, states reported difficulty with building a more robust community engagement strategy.

**Proactive community engagement was scarce.** While states had some feedback opportunities for stakeholders to opt into, there was very limited evidence of direct outreach to community members most impacted by decision-making, particularly beneficiaries, direct care workers, and local organizations. This limited the overall equity of spending plans, as many diverse communities were under engaged or not engaged with at all.

**States did not always report on how community engagement influenced their spending strategy.** While states articulated how they engaged with communities in their reporting, they often did not indicate how that feedback affected the state's approach to spending, especially in follow-up reporting after the initial spending plan.

An important caveat to this research is that it was gathered from what was available on state websites. While some states partnered with other organizations, such as advocacy nonprofits and

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<sup>16</sup> Courtney Roman and Diana Crumley. Forging a Path Forward to Strengthen Michigan's Direct Care Workforce. Center for Health Strategies. December 2021. Available at: <https://www.chcs.org/media/Forging-a-Path-Forward-to-Strengthen-Michigans-Direct-Care-Workforce.pdf>

<sup>17</sup> <https://www.medicaid.gov/media/file/ct-9817-spending-plan.pdf>

foundations, they were evaluated based on what information was reported by state government sources. There may indeed be other stakeholder engagement initiatives, but those efforts were not publically reported on state websites.

## Equity

While policymakers often speak favorably about an equity focus, translating equity to implementation is less common. A joint analysis from PolicyLink and the Institute on Race, Power and Political Economy at The New School found that while most municipalities identified equity as a priority in their recovery spending, there was very limited detailed information about how equity would inform implementation. Compared to 90% of studied cities that named equity as a priority, only 48% named how specific racial groups were impacted by the COVID-19 pandemic and 24% identified existing city policy responses to systemic racism. Additionally, only 33% of cities had dedicated staff for equity issues, and 27% of cities used equity principles to inform their spending plans.<sup>18</sup>

Even municipalities with clearly defined equity plans don't fully reflect those priorities in their fiscal strategy. An Urban Institute analysis of the city of Rochester, New York looked at how the city's pre-pandemic equity initiatives influenced their recovery spending. The multiple initiatives already taking place, including the [Rochester34 Comprehensive Plan](#), the Commission on Racial and Structural Equity [report](#), and the [Rochester-Monroe Anti-Poverty Initiative](#), all provided a strong equity framework for the city's COVID-19 response. These initiatives informed the city's [Strategic Equity and Recovery Plan](#), but not all equity recommendations were implemented in the plan. Importantly, missing from the plan was equity accountability boards and resources/technical assistance for neighborhood organizations serving under engaged populations.<sup>19</sup> Even in governments that have a clear equity vision, full follow-through in the implementation process is not guaranteed.

The lack of intentionality in equity has already resulted in disparities in what communities benefit from ARPA funding. A 2022 National Council of Urban Indian Health report found that only two out of 22 states, Minnesota and Colorado, are sharing any of their ARPA section 9815 financial savings with Urban Indian Organizations.<sup>20</sup> This lack of engagement means an already underfunded health system will experience even greater disparities in outcomes for American Indian and Alaska Native communities.

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<sup>18</sup> See footnote 12

<sup>19</sup> Christina Plerhoples Stacy, Rebecca Dedert, and Wilton Oliver. *Aligning the Use of Recovery Funds with Community Goals in Rochester, New York*. The Urban Institute. December 2021. Available at: <https://www.urban.org/research/publication/aligning-use-recovery-funds-community-goals-rochester-new-york>

<sup>20</sup> Andrew Kalweit, Chandos Cullen, and Isaiah O'Rear. *Recent Trends in Third-Party Billing at Urban Indian Organizations: Impact of the American Rescue Plan Act and 100% FMAP Provisions*. National Council for Urban Indian Health. September 2022. Available at: <https://ncuih.org/wp-content/uploads/ARPA-Draft-2022-09-28.pdf>

## Equity Best Practices

There are a variety of equity models available to provide a strong framework for an equity approach to ARPA HCBS spending. The Funders Forum on Accountable Health produced a racial equity impact assessment framework for ARPA spending that is rooted a focus on structural racism and is informed by the accountable communities for health (ACH) model. This model is anchored by five principles: inclusive decision-making process, meaningful community engagement and participation, implementation of funding decisions, broadening the pool of eligible recipient organizations, and government collaboration across agencies and with community.<sup>21</sup> The Six Principles for Equitable and Inclusive Civic Engagement takes a principles-based approach and are informed by the experiences of community organizers in a diversity of communities across the country. This model responds to community experiences of injustice that diminish trust and willingness to engage civically.<sup>22</sup>

Additionally, the For Love of Country: A Path for the Federal Government to Advance Racial Equity toolkit provides the first comprehensive racial equity toolkit for federal agencies, in response to the Biden Administration's executive order on racial equity. This includes a "starter tool for conducting and refining an initial equity assessment" and a "tool for agencies to develop a strategic vision and action plan to advance equity, and guidance on how to launch this journey".<sup>23</sup> Finally, the Center for Community Engagement in Health Innovation's toolkit for consumer engagement can be a tool for public programs to design their approach to community engagement. This toolkit provides guiding principles for engagement, and includes a framework for what meaningful engagement looks like.<sup>24</sup>

Harris County, Texas, provides a strong example of what a county-wide ARPA equity framework can look like. Its commissioner's court adopted a [framework](#) that centers those most impacted by the impact and provides clear equity strategies, including the disaggregation of data by race and ethnicity, including representatives of disproportionately impacted communities, and targeted resources and strategies. This framework also goes beyond spending priorities and project selection, and includes program evaluation and accountability. It includes "equity reflections" that must be completed throughout the course of the project timeline, as well as an equity assessment

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<sup>21</sup> Jeffrey Levi et al. A Framework for Assessing the Racial Equity Impact of the American Rescue Plan Act. Department of Health Policy and Management at the George Washington University Milken Institute School of Public Health. October 2021. Available at: <https://www.alignforhealth.org/resource/a-framework-for-assessing-the-racial-equity-impact-of-the-american-rescue-plan-act/>

<sup>22</sup> Six Principles for Equitable and Inclusive Civic Engagement. The Kirwan Institute for Study of Race and Ethnicity. Available at: <https://organizingengagement.org/models/six-principles-for-equitable-and-inclusive-civic-engagement/>

<sup>23</sup> For Love of Country: A Path for the Federal Government to Advance Racial Equity. PolicyLink. July 2021. Available at: [https://www.policylink.org/resources-tools/for\\_the\\_love\\_of\\_country](https://www.policylink.org/resources-tools/for_the_love_of_country)

<sup>24</sup> Meaningful Consumer Engagement: A Toolkit for Plans, Provider Groups and Communities. Available at: <https://www.healthinnovation.org/resources/toolkits/meaningful-consumer-engagement>



tool.<sup>25</sup> As local governments aim to take an equity approach, a framework that encompasses all stages of the implementation process is critical.

Other counties have taken similar equity approaches. King County, Washington was one of the first metro areas to take on an equity focus with its [Equity and Social Justice Strategic Plan](#), which has informed all county policy approaches for more than a decade. Los Angeles County's ARPA spending is guided by their own [equity principles](#), and Cook County, Illinois is structuring their ARPA policy approaches through their [Equitable Distribution Model](#) and components of The Racial Equity 2030 scoring model. As the PolicyLink analysis indicates, "Municipalities that are in the process of prioritizing equity have put in place structures and tools — chief equity officers (CEOs), equity principles, ordinances, strategic plans, budget tools, equity indicators, impact assessments, offices, and more — that help them normalize and operationalize equity."<sup>26</sup> These municipalities and counties are better-equipped to equitably spending federal funding, and can better respond to the tight timelines of funding opportunities such as ARPA.

### **Summary of State Performance on Equity in ARPA HCBS Implementation**

The attached comparison chart provides a detailed look at state approaches to community engagement and equity in ARPA HCBS spending. As stated above, an important caveat to this research is that it was gathered from what was publically accessible on state websites or in spending plans. While some states have pursued equity initiatives outside of their ARPA HCBS spending plan, this analysis evaluated HCBS spending plans specifically.

**The majority of states did not explicitly name or discuss equity in their plan.** While states described the impact of increased HCBS spending on beneficiaries, the equity intersections of this work frequently went unmentioned. Specific health disparities and disproportionate impacts of particular policies were not named.

**A limited number of states listed equity as a guiding principle of their plan.** States such as Wisconsin, Indiana, Colorado, and Oregon listed equity as one of the guiding values of their spending plan. These were often based on existing equity work happening in the states.

**States explained how equity was implemented throughout their spending plan with varying degrees of depth.** While some states' only mention of equity was in their description of guiding values, other states described in detail how equity would be implemented throughout their spending plan. Wisconsin, for example, explicitly acknowledged race-based health disparities and made a commitment to "tapping into expertise of community based organizations advocating on behalf of and servicing Black Indigenous and People of Color (BIPOC), people with varying abilities, people living in extremely rural areas and other historically underserved and disadvantaged

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<sup>25</sup> Advancing Equity and Alignment During Implementation of the American Rescue Plan Act. Funders Forum on Accountable Health. June 2021. Available at: <https://www.alignforhealth.org/resource/advancing-equity-and-alignment-during-implementation-of-the-american-rescue-plan-act/>

<sup>26</sup> See footnote 12

communities.” In Vermont, each initiative proposed in the initial spending plan has an “Impact on Equity and/or SDOH” criteria.

## **Discussion**

It is important to acknowledge some of the structural constraints that prevented states from doing sufficient community engagement and equity work. ARPA funding is unique in that was designed to provide immediate aid in a very short window of time, compared to other funding streams that are slower-moving and longer-term. State officials had a very short window of time to solicit community input, and were motivated to get funding to state programs as quickly as possible to address the short-term crisis the COVID-19 pandemic created. Some states, such as Vermont, explicitly acknowledged this limitation in their spending plan. This situation provides further evidence for building a strong foundation for community engagement and equity – states that had already developed these processes were able to utilize existing process to determine their ARPA HCBS spending.

States’ follow-up to their initial spending plan will be a telling demonstration of their ability to follow through on their community engagement and equity goals. Since states are not required to report on community engagement in their quarterly reports, it will be up to individual states to follow through on reporting out community engagement activities.

While there are strong examples of community engagement and equity work in ARPA HCBS enhanced FMAP spending, these principles are not universally applied, and could go further in states that are engaging in this work. There are strong leaders in this space that represent a diversity of geography, demographics, and political landscapes that provide robust examples to build upon. The next step forward is to build upon existing state efforts towards community engagement and equity, and propose more comprehensive, inclusive, and just approaches to move towards.