

## Home and Community Based Services

### One-time Direct Care Retention Payment

### Frequently Asked Questions (FAQ)

#### **1. What is this initiative and how do direct care workers benefit?**

A: The American Rescue Plan Act of 2021 (ARPA) provides funding to enhance, expand or strengthen home and community based services (HCBS) beyond what was available under states' Medicaid programs as of April 1, 2021. The South Carolina Department of Health and Human Services' (SCDHHS) ongoing evaluation of HCBS demonstrates that additional support is warranted to maintain an adequate direct care provider network. Nationally, health care providers are experiencing a shortage of direct care workers and this shortage is impacting each of South Carolina's Medicaid HCBS programs. In response, SCDHHS has implemented a one-time supplemental payment under section 9817 of the ARPA for direct care service providers to incentivize staff retention. The payment must be used to support the retention and growth of direct care workers who deliver HCBS waiver services.

#### **2. Who are considered direct care workers?**

A: A direct care worker is an individual employed by an in-home service, case management, or adult day services provider who provides services and supports directly to HCBS waiver participants on a routine basis. Services and supports include case management, direct assistance with activities of daily living or instrumental activities of daily living, or direct treatment or care.

#### **3. What provider types are eligible to receive the one-time retention payment?**

A: Qualified providers of in-home services (e.g., personal care, attendant care, companion, and nursing), case management, or adult day services who are enrolled to provide services in one of the following waivers: Community Choices (CC), Community Supports (CS), Head and Spinal Cord Injury (HASCI), HIV/AIDS (HIV), Intellectual Disability/Related Disability (ID/RD), Mechanical Ventilator Dependent (VENT), Medically Complex Children (MCC) and Palmetto Coordinated

System of Care for children (PCSC) are eligible to receive the one-time retention payment. For purposes of this initiative, self-directed providers are not included.

**4. How and when will the money be distributed?**

A: Payments were issued to providers on Jan. 20 and Feb. 3. Final award amounts were distributed in the same form and manner in which the provider currently receives payments from SCDHHS.

**5. When are providers expected to expend the funds?**

A: There is no specific timeframe outlined in the application for when providers must expend the funds. But providers are expected to direct the funds only toward activities described in the application. Providers are reminded that in accepting this one-time workforce retention payment, they have agreed to submit to an audit by SCDHHS to verify the funds were used consistent with their attestation. The funds may be recouped if providers fail to abide by the requirements included in their attestation.

**6. Are the one-time payments taxable and will providers receive a 1099?**

A: Yes, the provider's standard tax status should apply to these payments and will be included.

**7. How did SCDHHS calculate the amount of my provider agency's payment?**

A: Workforce retention payments were based on the individual provider's average service units for State Fiscal Year (SFY) 2019 – 2022. Each individual provider's average service units from SFY 2019 – 2022 were divided by the total average service units from all eligible providers (providers that applied and were eligible to receive a one-time payment). This produced a percentage of the total available workforce retention funding issued to the provider agency.

**8. Can you provide clarification on the following statement? "Have agreed to continue providing services and maintain their agency until the end of the ARPA period (upon expenditure of the total ARPA HCBS funding but no later than March 31, 2025) unless written consent from SCDHHS is obtained."**

A: The one-time direct care retention payments are intended to maintain a pool of qualified staff available to direct care providers and ensure continuity of care for existing and future HCBS program participants. Therefore, providers must agree to continue providing services and maintain their agency until the end of the ARPA period. The end of the ARPA period is upon expenditure of the total ARPA HCBS funding by SCDHHS but no later than March 31, 2025, unless written consent from SCDHHS is obtained.

**9. Can these funds only be used for Direct Support Employees? What about the House Managers, Consumer Funds Specialists, Billing Coordinators, HR Specialists?**

A: The funds can be used to support the growth and retention of direct care workers who deliver services to HCBS waiver participants. Direct care workers are individuals who provide services and support directly to HCBS waiver participants on a routine basis.

**10. Can you provide clarification on the following statement? “Have incurred expenditures for services provided to waiver participants for SFYs 2019-SFY2022?”**

A: Qualified providers must have had paid fee-for-service (FFS) claims for services through an HCBS waiver for dates of services during the SFY 2019 - SFY 2022 (July 1, 2018, through June 30, 2022).

**11. I missed the original deadline. Can I still submit an application to be considered for the one-time retention payment?**

A: The application period has closed. Any application received after the deadline of Dec. 1, 2022, was not considered for the one-time retention period.

**12. Will providers still receive the one-time retention payment since there was an overall rate increase in January 2023?**

A: Yes, one-time retention payments have been issued to providers who met the eligibility requirements.

**13. Can a provider return the one-time retention payment?**

A: Participation in the one-time retention payment initiative is voluntary and based on application for payment. SCDHHS encourages providers to fully utilize the funding to enhance, expand, or strengthen their direct care workforce. In the event a provider does not utilize the full payment, the provider must notify SCDHHS by emailing [MedicaidWaiver@scdhhs.gov](mailto:MedicaidWaiver@scdhhs.gov).

**14. Are there guidelines regarding the appropriate use of the one-time retention payment?**

A: The one-time retention payment must be used to support the retention and growth of direct care workers who deliver HCBS waiver services. Providers have the flexibility to determine how the funds will be used but are required to attest and, upon request, demonstrate that funds received under this initiative were used or will be used to fund direct care worker retention. Examples of appropriate uses include but are not limited to bonuses, hazard pay, and enhancements to existing benefits such as paid family or sick leave, etc.

**15. What are the reporting requirements?**

A: SCDHHS has not established specific reporting requirements, timeframes, or frequencies. However, providers must be able to attest and, upon request, demonstrate that the funds received under this initiative were used to fund direct care worker retention. Providers must

have sufficient recordkeeping to verify the activities for which the funding was used in the event of an audit.

**16. How can a provider tell how much money has been awarded to their agency?**

A: Notification letters were sent via electronic mail to each provider approved to receive the one-time retention payment. This letter detailed the amount awarded to each provider.

**17. How will I be notified if my agency does not meet the qualifications for the one-time retention payment?**

A: Notification letters will be sent via electronic mail to those providers who do not meet the qualifications to receive the one-time retention payment. This notice will provide a reason(s) as to why the application was denied.

FAQ Change Log

<b>Version</b>	<b>Revision Date</b>	<b>Change Location</b>	<b>Description of Changes</b>
1.0	2.1.2023	N/A	Initial FAQ