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TO: Home and Community-Based Providers delivering MassHealth Services

FROM: Amanda Cassel-Kraft, Acting Assistant Secretary for MassHealth

RE: Home and Community-Based Service Enhanced Rate Add-Ons using American Rescue Plan Act (ARPA) Funding

DATE: July 20, 2021

Introduction

The Executive Office of Health and Human Services (EOHHS) recognizes that a strong direct care and support workforce is essential to any effort to strengthen, enhance, and expand HCBS. Accordingly, as part of its implementation of increased funding available pursuant to Section 9817 of the American Rescue Plan Act (ARPA), EOHHS is providing immediate time-limited rate enhancements from July through December 2021 to support HCBS workforce development. This investment is aimed at strengthening and stabilizing the state's HCBS workforce in response to the COVID-19 public health emergency.

This communication provides provider agencies with information regarding the allowable use of this enhanced funding. As discussed in further detail below, providers and provider agencies will be required to use at least 90% of enhanced funds for compensation for their direct care workforce, which could include, among other things, hiring and retention bonuses.

As a condition of receipt of these additional funds, eligible provider agencies must complete an attestation assuring EOHHS that they will use at least 90% of the funds for HCBS workforce development, which could include hiring and retention bonuses and other categories of worker compensation. Additionally, provider agencies that receive enhanced funds are required to submit a spending report to EOHHS that accounts for how the enhanced funds were used. Attestations and reporting will be aggregated

across all lines of payment (i.e., MassHealth fee-for-service, MassHealth managed care, PACE organization, and state agencies) such that a provider agency should only submit one attestation and will aggregate payments in the required spending reports.

EOHHS will post documents and information related to the implementation on Mass.Gov, which can be accessed here: <https://www.mass.gov/info-details/strengthening-home-and-community-based-services-and-behavioral-health-services-using-american-rescue-plan-arp-funding>. Providers are encouraged to check this site regularly for updated information.

Providers may submit questions related to the enhanced funding and other questions related to this bulletin to ARPAMEDICAIDHCBS@mass.gov.

Note: Individuals who receive MassHealth or State Agency payment directly rather than through an agency, such as Personal Care Attendants, Independent Nurses, and Shared Living Caregivers, will receive the time-limited rate enhancement without being required to attest or submit a final report.

Eligible Medicaid HCBS Direct Care and Support Staff

Provider agencies must use at least 90% of the enhanced funds to support HCBS direct care and support staff. Eligible HCBS direct care and support staff include, but are not limited to:

- Frontline workers who provide care, services, or support to families and individuals in home and community-based settings. Note:
 - There are a variety of job titles that currently refer to these workers including, but not limited to: certified nursing assistants (CNAs), licensed practical nurses (LPNs), registered nurses (RNs), personal care attendants, companions, respite providers, homemakers, chore providers, home health and home care aides (workers), nurse aides, nursing assistants, social workers, paid caregiver (including shared living caregivers), and direct support professionals
 - Direct care workers also include those employed under consumer-directed model

The following workers are not considered HCBS direct care or support staff and would be considered **ineligible** toward meeting the 90% requirement:

- Executive management, administrators or individuals in positions that do not include the provision of HCBS services or supports directly to the individual and/or their family.

Allowable Uses

Providers may utilize this funding for the specific purposes of recruiting, building, and retaining their direct care and support workforce. Examples of allowable uses include:

- “Recruitment” defined as offering of incentives and/or onboarding/training.
- “Bonuses” defined as added compensation that is over and above an hourly rate of pay, and are not part of an employee’s standard wages. An employee may receive a retention or recruitment bonus.
- “Overtime” defined as compensation for additional hours worked beyond the employer’s standard work week.
- “Shift differential” defined as additional pay beyond the employee’s standard hourly wage for working a specific shift (e.g. nights, weekends, holidays, etc.) or working for special populations (e.g., dementia, autism spectrum disorder, etc.).
- “Hourly wage increase” defined as an increase to the wage the provider agrees to pay an employee per hour worked.
- “Wraparound benefits” defined as employer provided benefits to help the workforce remain employed. Examples include public transportation or shared ride reimbursements, meal vouchers, or small grants for childcare assistance or regular car maintenance. Other examples include paying for testing or certification materials, continuing education credits (CEUs), or exam fees to encourage retention of staff moving up in the career ladder.

Providers are encouraged to choose the most optimal distribution method to benefit their employees. Providers may use enhanced funds to cover costs associated with incentives (e.g., incremental increase in employer payroll tax associated with time-limited rate enhancement) provided to direct care and support staff beginning on, but not before, June 1, 2021. Providers must expend all funds received as a result of this enhanced rate by June 30, 2022.

Provider Spending Report and Attestation

After the distribution of this funding, providers are required to submit a spending report to EOHHS outlining how they used of the funds. EOHHS will create an online spending report tool for providers to submit required information. The tool will be accessible here: <https://www.mass.gov/info-details/strengthening-home-and-community-based-services-and-behavioral-health-services-using-american-rescue-plan-arp-funding>

The spending categories will align with the types of allowable uses defined in this document and will be aggregated across all payors (i.e., MassHealth fee-for-service, MassHealth managed care, PACE organization, and state agency payments).

The spending report tool also includes an attestation form. Providers are required to complete the attestation confirming that they used at least 90% of the funds for HCBS workforce development, which includes hiring and retention bonuses and other categories of worker compensation as described herein. All providers must comply with this requirement, except Individual Provider/Self Directed Workers delivering Independent Nursing, Homemaker and Personal Care, or other self-directed services through the MassHealth program.

All providers receiving enhanced funds must complete and submit the spending report and attestation to MassHealth regardless of whether such funds are paid to the provider through another state agency or a MassHealth managed care plan or PACE organization, and retain a copy of their submission in their records.

Spending reports and attestations will be due July 31, 2022.

Multiple Businesses

EOHHS recognizes that some providers deliver certain HCBS through separate businesses. Providers in this situation must submit one (1) attestation and one (1) spending report per Employer Identification Number (EIN) or Tax Identification Number (TIN).

For example, a provider operates one business for its Homemaker and Personal Care services, and another business for Home Health Aide services. The two businesses have two separate EINs. In this case, the provider must submit two (2) attestations and two (2) spending reports – one attestation and spending report for its Homemaker and Personal Care business, and a second attestation and spending report for its Home Health Aide business.

Failure to Comply with Requirements

Providers that fail to comply with the attestation and spending plan requirement may be subject to sanction.

Billing

Service Provision

All HCBS services receiving enhanced funding must be delivered in accordance with existing program requirements and regulations.

Billing Administrative and Billing Requirements

All Administrative and Billing requirements remain in effect during this period of enhanced funding (July – December 2021). Providers must submit claims according to policies and procedures set forth in the administrative and billing regulations and supporting guidance.