

**SENIOR AND LONG TERM CARE DIVISION  
DIRECT CARE WORKER FUNDING APPLICATION  
Community Services Bureau  
State Fiscal Year 2017**

**EXPLANATION AND INSTRUCTIONS**

**Intent:** The 2015 Montana legislature authorized the Department of Public Health and Human Services (Department) funding under House Bill 2 to allow for wage increases or lump sum payments to workers who provide direct care and ancillary services to Medicaid recipients. Funds in the Direct Care Worker Funding may be used to 1) provide bonus payments (i.e., bonuses, stipend, etc.) to workers who provide Medicaid direct care services and/or 2) raise direct care worker and ancillary worker wages and related benefits. The appropriated funding of \$753,960 will provide for up to a 25 cent hourly increase in combined wages and benefits in fiscal year 2017. The previous funding of \$968,564 and the additional funding of \$1,452,091 in the 2016/2017 biennium equals total available funding of \$2,420,655 for direct care wages in SFY 2017. The wage initiative for direct care workers will go into effect on July 1, 2016. Direct Care Worker funding will be distributed in two distributions, the first between August 2016 and December 2016 and the second between January 2017 and June 2017.

**Direct Care Worker Type Definitions:** A direct care worker for this distribution is defined as: a worker who provides Medicaid agency-based Community First Choice/Personal Assistance services (AB-CFC/PAS), self-direct Community First Choice/Personal Assistance services (SD-CFC/PAS), Home and Community Based/Personal Assistance services (HCBS-PAS), Big Sky Bonanza community supports (BSB), specially trained attendants, homemaker, respite, specialized child care, and senior companion services. The direct care worker service definition does not include program managers, administrative staff, management staff, schedulers, nurse supervisors or case managers.

The FY 17 Direct Care Worker Wage Initiative funding application includes a request for a separate accounting of fund distribution based on worker types. Wage information for worker types must be reported separately for CFC/PAS worker types in Section I and HCBS/Waiver worker types in Section II of this application.

**CFC/PAS worker type definitions:**

**AB CFC/PAS:** Worker who performs agency-based community first choice and/or personal assistance services.

**SD CFC/PAS:** Worker who performs self-directed community first choice and/or personal assistance services.

**HCBS/Waiver worker type definitions:**

**HCBS CFC/PAS:** Worker who performs home and community based waiver self-directed or agency-based extended state plan services.

**HOMEMAKER:** Worker who performs home and community based waiver homemaker service.

**RESPITE:** Worker who performs home and community based waiver respite service.

**SPECIALLY TRAINED ATTENDANT (STA):** Worker who performs home and community based waiver specially trained attendant service.

**BIG SKY BONANZA COMMUNITY SUPPORT (BSB):** Worker who performs self-directed waiver community support services.

**SPECIALIZED CHILDCARE:** Worker who performs HCBS/waiver specialized childcare services

**SENIOR COMPANION:** Worker who performs waiver senior companion services.

**Distribution Methodology:** The Department will pay Medicaid Community First Choice/Personal Assistance and Home and Community Based Service providers who submit an approved application a lump-sum distribution in the form of a gross adjustment. The Department will determine the amount of the lump sum distribution to be paid at 6 month intervals, commencing August 2016, and again January 2017. This amount will be in addition to the negotiated rate that is established for each provider according to ARM 37.40.1027.

Each provider's distribution will be computed by dividing the total appropriation of approximately \$2,420,655 multiplied by the provider's portion of total projected Medicaid direct care services for FY 2017. The provider's annual allocation will be divided in two equal halves and that amount will be distributed in two phases, in August 2016 and January 2017 or in a month thereafter as negotiated with the Department. Each provider will receive information on their total allocation as provided in the enclosed FY 2017 Direct Care Worker Distribution Summary. The amount of the lump sum payment that the Department determines payable to each provider as specified in this paragraph will be final. No adjustments will be made in the lump-sum payment amount to account for subsequent changes or adjustments in utilization data or for any other purpose, except that amounts paid are subject to recovery if the provider fails to maintain the required records or spends the funds in a manner other than specified in the request.

**Request for Funding:** To receive Direct Care Worker Funding, a provider agency must submit the attached application for Department approval. The Direct Care Worker Funding Application form (Word Document), Part A: Bonus Distribution form (Excel Document); Part B: Wage and Benefits Payment form (Excel Document); and Part C: Direct Care Worker Supplemental form (Excel Document). The provider can participate in one or both parts of this distribution (Part A and/or Part B) up to the level of funding provided. Part A, will be completed if the provider plans to distribute bonus funding directly to workers from July 1, 2016 - June 30, 2017. Part B, will be completed if the provider plans to distribute a wage increase. The provider must submit all of the information required in the attached application in order to receive Direct Care Worker Funding. Each provider must sign the Medicaid Provider Certification Agreement located below. **The Provider will complete and submit this application to the Department on or before Friday, July 29, 2016.** If the Department does not approve a request, it will return the request to the provider with a statement of the reason for disapproval. The provider will then have a limited time within which to provide justification for its proposed use of the funds. Regardless of whether the cost of a proposal approved by the Department exceeds the amount of funds payable to that provider, the Department will not be obligated to and will not reimburse the provider any more than the provider's share of the available funding as outlined on the FY 2017 Direct Care Worker Distribution Summary. **If the provider, after receiving approval for their plan, has any substantial changes to their plan, the provider must submit a revised plan to the Department.**

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**Non-Participation:** A provider that does not submit a qualifying application for use of the funds distributed under this program as requested by the Department within the time established by the Department, or a provider that does not wish to participate in this additional funding amount, shall not be entitled to their share of the funds. The Department will not make lump-sum distributions for any nonparticipating or non-qualifying provider.

**Records and Documentation:** A provider that receives funds under this initiative must maintain appropriate records documenting the expenditure of the funds. This documentation must be maintained and made available to authorized governmental entities and their agents to the same extent as other required records and documentation under applicable Medicaid record requirements, including but not limited to ARM 37.40.1027 and 37.85.414. Reports will be requested on a semi-annual basis and as necessary.

**Effective Date:** The Department will consider wage increases and lump-sum payments made to direct care workers occurring after July 1, 2016 as meeting the legislative intent for this direct care worker funding. The Department will consider increases that occurred prior to July 1, 2016 **ONLY** for providers that distributed the FY 2016 distribution in the form of a wage increase. Those agencies will have the opportunity to sustain this direct care wage funding in FY 2017, to the extent that they can provide the supporting documentation that the wages are continued/sustained in FY 2017.

**Reporting Requirements:** To the extent of available appropriations, the Department shall provide documentation that these funds are used solely for lump-sum distributions or wage increases to direct care workers. Providers must report lump-sum payment information to the Department on an annual basis for the period July 1, 2016 - June 30, 2017. The documentation for Part A funds must include the gross and net bonus payments to workers scheduled for FY 2017 and the documentation for Part B must include the initial wage rates and wage rates after the rate increase have been applied.

**Fund Recovery** Recovery will occur if a provider is unable to provide the necessary documentation that the funds were distributed to qualified direct care workers as a lump-sum bonus or wage increase, or for related benefits.

**PROVIDER CERTIFICATION AND AGREEMENT**

Provider Certification and Agreement: By signing this request and in consideration for the payment of funds based upon this application, the Medicaid provider named below ("Provider") represents and agrees as follows:

1. Provider certifies that statements and information included in this agreement are complete, accurate and true to the best of the undersigned program manager's knowledge. The Provider certifies that any funds received on the basis of this request will be used in the manner represented above to provide for Medicaid direct care worker lump-sum payments or wage increase.
2. Provider agrees to the terms and conditions under which this funding is made available, as stated in this form. Provider agrees that it will make, maintain and provide to authorize governmental entities and their agents, records and documentation in accordance with the requirements specified in this agreement.
3. Provider understands that payment of funds based upon this request will be from federal and state funds, and that any false claims, statement, or documents, or concealment of material fact, may be prosecuted under applicable federal or state laws. Provider understands that the payment made based upon this application is final, that no adjustments will be made in the payment amount to account for subsequent changes in utilization, appropriation amounts, or for any other purpose, except that amounts paid are subject to recovery in the same manner as other overpayments if the provider fails to maintain the required records or use the funds other than represented in this request.

**The Direct Care Worker Funding Application must be accompanied by signatures in order to be accepted by the Department.**

Provider Name: \_\_\_\_\_

Signature of Program Manager: \_\_\_\_\_ Date: \_\_\_\_\_, 2016

Program Manager Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_

SENIOR AND LONG TERM CARE DIVISION  
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Agency Application Form

Agency Name: \_\_\_\_\_

Please provide information on the agency's plan to distribute the direct care worker funding, notify employees, and track the funding. The agency must address all three components. **The FY 17 Direct Care Worker Wage Initiative funding application includes a request for a separate accounting of fund distribution based on worker types. Wage information must be reported separately for HCBS and CFC/PAS workers.** Please attach additional pages as needed.

1. **Waiver Direct Care Worker Bonus Distribution:**

Describe how the agency will distribute the bonus to HCBS Waiver Program direct care workers. The plan must clearly describe who will be eligible for the bonus, how the bonus will be calculated, how it will be controlled and distributed, and how the agency will guarantee that all monies will be paid out. **Will the agency be using the same distribution methodology for Phase I and Phase II: Yes or No. (If No, please be sure to include an explanation of the distribution methodology that will be used for each Phase.)**

2. **CFC/PAS Worker Bonus Distribution:**

Describe how the agency will distribute the bonus to CFC/PAS Program direct care workers. The plan must clearly describe who will be eligible for the bonus, how the bonus will be calculated, how it will be controlled and distributed, and how the agency will guarantee that all monies will be paid out. **Will the agency be using the same distribution methodology for Phase I and Phase II: Yes or No. (If No, please be sure to include an explanation of the distribution methodology that will be used for each Phase.)**

3. **Employee Notification:** Describe how the agency plans to notify direct care workers about the plan to distribute the wage initiative funding. Include the language that will be used in the notification (or include a sample notification letter). **The Department will not mediate between agencies and employees regarding this issue.**

4. **Monitoring Plan:** Provide a plan that describes how the lump-sum funding will be tracked to ensure that funding is used to provide a bonus or wage increase to direct care workers.

**Return completed application by July 29, 2016.**

Mail application to: SLTC CSB Direct Care Worker Funding  
PO Box 4210  
Helena, MT 59604-4210