



Department of Public Health and Human Services

Senior and Long Term Care Division ♦ 2030 11th Ave., PO Box 4210 ♦ Helena, MT 59604-4210
(406) 444-4077 ♦ Fax: (406) 444-7743 ♦ www.dphhs.mt.gov

Steve Bullock, Governor

Richard H. Opper, Director

June 9, 2016

TO: Nursing Facility Administrators

FROM: Shaunda Hildebrand, Bureau Chief
Nursing Facility Services

RE: Fiscal Year 2017 Direct Care Worker Wage Initiative

The 2015 Montana Legislature approved funding in House Bill 2 for a wage initiative for direct care and ancillary workers in nursing facilities for state fiscal year 2017. The funding appropriated will provide for up to a 25 cent hourly increase in combined wages and benefits in fiscal year 2017. The previous funding of **\$3,786,386** and the additional funding of **\$2,857,992** in the 2016/2017 biennium equals total funding of **\$6,644,378** for direct care wages in SFY 2017. The wage initiative for direct care and ancillary workers will go into effect on July 1, 2016 and funding is targeted to be distributed in two distributions on or about August 2016 and again in January 2017.

The Department of Public Health and Human Services (DPHHS) has available for nursing facilities **\$6,644,378** in total funding for wage increases or lump sum payments to direct care or ancillary workers. The previous funding amounts to approximately **\$4.11 per Medicaid day** and the additional funding in the 2016/2017 biennium amounts to approximately **\$3.10 per Medicaid day**.

Attached you will find the following documents:

- An application with instructions explaining the process for direct care wage funding.
- Two forms (A&B) for your nursing facility to report how you will distribute these funds to your direct care and ancillary workers.
 - *The facility has the option to use its share of the funding in either or both forms of distribution to its workers.*
 - *Providers that distributed this funding for a wage increase, rather than for a lump sum bonus in the FY 2016 direct care worker wage allocation, will have the opportunity to sustain this direct care wage funding in FY 2017, to the extent they can provide the supporting documentation that the wages are continued/sustained in FY 2017.*
 - *For FY 2017 the new funding of **\$1,428,996** (25 cent hourly increase in combined wages and benefits) may be used for an increase in wages and benefits or to provide bonus or lump sum payments to workers. This increase will need to be documented separately from the ongoing wage distribution, if applicable.*
- A direct care wage supplemental form for FY 2017. This form is used as supporting documentation for Legislative funding requests.
- The direct care wage distribution spreadsheet for FY 2017.

If your nursing facility does not return the application and forms or does not wish to participate in this funding, your facility will not be entitled to their share of the funds available for wage and benefit increases for direct care workers in this fiscal year. Please refer to the attached spreadsheet for the total annual amount of funding and the amount of the two disbursements that your facility will be provided in direct care wage initiative funding for FY 2017.

The attached three (3) page application must be completed and returned with the appropriate signature, along with Forms A & B by the deadline provided in this letter. Please carefully read the applications explanation and instructions for completing the documents provided. Once the application and forms are received, DPHHS will issue the first of two disbursements to the facility in August 2016 followed by a second disbursement in January 2017. The facility is required to implement the wage initiative in a timely manner and provide its workers with funds in the form of wages and benefits and/or lump sum distributions as identified in the application and forms that were submitted.

Please return your completed application and forms by **July 29, 2016**, to the address below.

DPHHS-SLTC – Direct Care Wage Initiative
NURSING FACILITY SERVICES
PO Box 4210
Helena, MT 59604-4210

Please contact me at (406) 444-4209 or Steve Blazina at (406) 444-4129 if you have specific questions concerning the direct care wage initiative or the applicable forms.

C: Rose Hughes
 Bob Olsen
 Kelly Williams
 Steve Blazina