

## **Direct Care Workers Retention Bonus Payments RFA: Response to Questions**

**Background:** Questions from potential applicants received by the specified submission deadline are written in bold text and the District's responses are provided in red. This is drafted regarding [this RFA](#).

**1. Is dentistry (Dental Providers) included in this grant? Are we eligible to apply?**

Dental Providers are not qualifying organizations, as defined in Section III of the RFA.

**2. Must ALL of the incentive monies be disbursed to an eligible worker on or before 12/31/22 or can providers disburse a portion of the retention bonus over a certain period to encourage *continued employment* within the health care sector?**

As stated in Section II of the RFA, all payments must be made to eligible direct care workers by December 31, 2022.

**3. There are hundreds of workers who have been left out of the eligibility criteria. For example, a health care worker who began their employment on October 15, 2021 would receive no bonus payment for what will have been more than one year of work prior to grant submission. What can be done to maintain those current workers who have been employed for less than one year of the required eligibility time frame?**

This initiative is one of a few planned initiatives the District is putting in place to address HCBS workforce issues. The District encourages HCBS providers to review other grant initiatives (i.e. Direct Care Worker Recruitment and Conversion Bonus Payments) for additional funding opportunities for Direct Care Workers who do not qualify for retention payments. Beginning in calendar year 2023, the District is also planning to make supplemental payments to HCBS providers to support increased direct care worker wages under a separate ARPA 9817 initiative, outlined in the FY 2023 Budget Support Act of 2022 as the "Direct Support Professional Payment Rate Amendment Act of 2022."

**4. Increased wages (versus a conditional bonus structure) is the preferred method to compensate workers and increased wages (versus the issuance of a bonus) is the preferred practice within DC governmental policy statements as way to raise economic standards of workers. As a result, many health care providers have increased wages of their staff in order to address the recruitment and retention challenges of the PHE. However, only those employers who used a bonus payment as a means of incentive will be made whole for the expenses they incurred in trying to recruit/retain health care workers. Will DHCF allow employers to calculate and submit for grant consideration the effective bonus implication of an increased hourly wage in order for those employers who opted to increase wages as a means to recruit/retain? For example: If an employer increased wages from \$15.50/hr to \$16.25/hr for a year for a full time (40 hour) employee, the effective increase would be \$.75/hr x 2080 (1 year FTE) of \$1,560.00 – capped at \$1,500 for a continuous year of work during the eligible period. – recognizing that employer also paid the corresponding fringe costs (taxes, insurances, retirement) associated with a higher wage.**

No. Implementation of this initiative of should reflect payment in the form of a bonus to eligible direct care workers. Future initiatives may address costs incurred by providers who have paid increased wages over the duration of the PHE.

**5. What is the plan for the use of any money which remains short of the budgeted \$17,700,000.00 once the grants are issued? Suggestion: a Prospective Recruitment/Retention Initiative involving**

payments every quarter which could be used over the balance of the PHE (plus 6 months) in order to incentivize workers to stay in the health care sector.

The District will quantify any unused funds and work with stakeholders to determine the best use of that funding. The District acknowledges the recommendation that excess funding be used to fund prospective retention initiatives.

6. Will DHCF consider basing tenure eligibility pursuant to this grant on a quarterly basis (rather than annual) so that it is less of an all or nothing allocation to workers and so more workers can take part in grant? Rather than \$1500/yr, will DHCF use \$375 for each quarter. That way longevity could be more fairly and equitably be rewarded.

The District is not proposing additional flexibilities to the 12-month retention requirement for this initiative.

7. Are home health agencies mandated to pay bonuses to their direct care workers? Or only if they receive funding through the grant?

Any grant funds received through this grant award must be spent on retention bonus payments to eligible direct care workers. Choosing to apply for this RFA and to offer retention bonuses are voluntary opportunities.

8. Are nurses included in the classification of onea direct care worker? Or is this more towards home health aides and other similar roles?

Nurses are not eligible direct care workers according to the eligibility information outlined in Section III of the RFA.

9. In Human Resources terms, retention bonuses are targeted, one-time payments or rewards outside of an employee's regular salary that are offered as an incentive to keep an employee on the job. Commonly, retention bonuses are made in installments and include terms such as reimbursement terms if the employee leaves in advance of the agreed upon timeframes for continued employment.

In contrast, DHCF's bonus payments are structured more as a performance bonus for work done in the past since in all instances, the period of performance ended on September 30, 2022, a date that predates the NOFA.

Some workers may be eligible for performance payments of up to \$3,000, an amount that is roughly equivalent to six weeks of pay. All payments must be paid out before December 31, 2022. Given that grant awards likely will not be made until late November, this means that employers will be paying out large lump sums of supplemental payments in December to all eligible employees. However, due to the requirement for 12 months of continuous employment for each bonus, employers will have some employees who will be eligible for the full \$3,000, some will only be eligible for one payment of \$1500, and there will be current employees who will not be eligible for any bonus payments because they were hired after October 1, 2021 (and do not meet the criteria for a recruitment or conversion bonus) or were hired after the end of the performance period.

In speaking with employers, they have raised concerns that the actual structure and timing of these payments (immediately before the Holidays), could hasten the exodus of workers. As our survey shows, employers who experienced high rates of turnover during the performance period will have fewer employees who are eligible for bonus payments and some employers will have no

employees who will be eligible. Given payment differentials, employees are likely to experience these payments as unfair. This could reduce morale, and since employers have no ability to adjust payment amounts or eligibility or use these payments to pay an actual retention bonus that is specifically designed to reduce employee attrition, employees may leave. Second, many employees will be receiving relatively large lump sum payments, but again, payments are not tied to continued employment. Employers are concerned that employees will take the money and leave, and this could happen right in the midst of Holiday season, when staffing levels are already low.

Given these concerns, would DHCF consider:

- a. Alternatively, to ensure staffing through the Holidays and until supplemental payments to support wage increases are disseminated, extending the deadline for making the bonus payments for at least an additional quarter to March 31, 2023, and allow employers to make payments in installments?

HCBS providers are allowed to pay retention bonus funds in installments to direct care workers. The District is not proposing changes to the requirement that funds be disseminated by December 31, 2022.

- b. Allow employees to tie the payment of these performance bonuses to a commitment to remain employed for a specific period of time (this only works if the period for payment is extended).

Nothing in the RFA precludes employers from making this stipulation. The District is not extending the date by which all payments must be made (December 31, 2022).

10. According to the RFA, HCBS provides can include direct care workers who are employed on a part-time basis (less than 32 hours per week) on the basis that DHCF will recognize full-time equivalent (FTEs) in addition to staff who are individually employed on a full-time basis as long as other criteria are met. What exactly does this mean? How should employers calculate FTEs?

Employers need only report the information requested by the RFA in the templates provided. Each part-time worker (less than 32 hours/week) is countable for purposes of this initiative. The District will only reimburse providers \$750 plus a standard calculated employer portion of payroll taxes per eligible part-time worker, per 12-month period they were retained.

11. According to HR specialists, part-time employees are generally classified as either temporary or regular employees. A temporary PT employee is one who is employed on a regularly scheduled basis which is less than full time but equals or exceeds 20 hours per week for a period of not to exceed 90 days. A regular PT employee is employed on a regular schedule basis which is less than 40 hours per workweek but equals or exceeds 20 hours per week for a non-specified period. Part time employees are not the same as On-call employees (OCE). How is DHCF defining a part-time employee? Will OCE employees who do not work a regular schedule be classified as part-time for purposes of this grant? Please be specific.

The District is proposing a simple definition of part-time worker as any direct care worker who works less than 32 hours per week. (1) An employee who is employed on a regularly scheduled basis which is less than full time but equals or exceeds 20 hours per week; (2) an employee on a regularly scheduled basis which is less than 40 hours per workweek but equals or exceeds 20 hours per week; and (3) on-call employees who work less than 32 hours per week are all countable for purposes of this grant, as long as

all other requirements are met. The District reminds applicants that contractual or temporary staff are not countable for purposes of this initiative.

**12. Given the knowledge that many employers experienced high rates of turnover during the PHE, what was DHCF's rationale for requiring 12 months of continuous full-time employment as a condition of eligibility for an employee?**

The goal of this initiative is to fund the costs of retention bonuses to staff who were retained over the duration of the PHE. This initiative is one of a few planned initiatives the District is putting in place to address HCBS workforce issues. The District encourages HCBS providers to review other grant initiatives (i.e. Direct Care Worker Recruitment and Conversion Bonus Payments) for additional funding opportunities for Direct Care Workers who do not qualify for retention payments.

**13. Knowing that the workforce crisis is on-going, what is DHCF's rationale for not extending the performance period to a future date (i.e. March 31, 2024) to help employers retain existing employees?**

This initiative is one of a few planned initiatives the District is putting in place to address HCBS workforce issues. Beginning in calendar year 2023, the District is also planning to make supplemental payments to HCBS providers to support increased direct care worker wages under a separate ARPA 9817 initiative, outlined in the FY 2023 Budget Support Act of 2022 as the "Direct Support Professional Payment Rate Amendment Act of 2022."

The District also welcomes written suggestions on additional initiatives that could address ongoing workforce challenges. Stakeholders should email written suggestions to Eugene Simms at [eugene.simms@dc.gov](mailto:eugene.simms@dc.gov).

**14. Many direct care workers work "on-call" for multiple agencies. According to the RFA, if a worker works for multiple agencies who are applying for the grants, the District will assign the direct care worker to a single agency based upon the hours worked over the months or years in question.**

**a. Could you be more specific about how you intend to do this and when?**

DHCF will look at available information (including reimbursement data) to arrive at an estimate of the agency the direct care worker was primarily employed at during the period in question.

**b. Employers generally do not know when an aide is working for another agency or program. How will the employers be notified and when?**

Employers will be notified upon award of the grant.

**c. Will employers be informed in advance of the application deadline?**

No. Employers will be notified upon award of the grant.

**d. How will employees be notified?**

Employees will not be notified by DHCF. Providers will be responsible for distributing payments.

**e. Has DHCF considered the impact on the employer who is not the "assigned" employer and therefore, is unable to give the employee a bonus?**

In order to allow for administration of grants, employees must be assigned to single employer.

**15. If an employee working in the approved settings is an LPN paid hourly providing direct care to a resident eligible for bonus payments?**

LPNs are not considered Direct Care Workers as part of this RFA. Please review Section III of the RFA.

**16. If an agency has a plan to make bonus payments to eligible employees by November 2022, can they submit their distribution plan as supporting documentation with the application?**

Yes, please include in your Narrative.

**17. Does a provider need to calculate a total minus fringe when calculating bonus payment amounts per employee?**

The amounts specified in the RFA refer to the amount to be paid to the direct care worker in the form of a bonus. The amount paid to the HCBS provider may reflect the amount of the total bonus plus the employer portion of the required payroll taxes. As a formula, (Bonus payment from DHCF = \$1500 bonus to employee + required employer portion of payroll taxes). DHCF will add a standard calculated employer portion of payroll taxes to each grant award.

**18. My agency is a mental health and rehabilitation agency for DBH. We do not have certified peer specialists. Does this make us ineligible for these opportunities?**

Your agency is eligible only if it employs one of the listed eligible direct care workers under the specified provider types as outlined in Section III of the RFA.

**19. Can providers that have a tenure-based wage model for retention purposes, use this to recoup some of the wages paid to DSP's during the time frame. For Example, currently wage is \$16.10 pr hour and we have wages that start at \$17.30 to \$19.80 and many of our employees are long term. So, many wages paid are above the reimbursable wage. In the spirit of true retention, which is why the tenure based wage program exists, can any of those wages be retained by the provider under this RFP?**

No. Implementation of this initiative of should reflect a payment, in the form of a bonus, to employed workers. Future initiatives may address costs incurred by providers who have paid increased wages over the duration of the PHE.

**20. What if DSPs do not have NPI numbers? What Other identifying data would be acceptable?**

We defer to the provider but recommend the DSP's name and anything else that would identify them to the Medicaid program (Social Security Number, Date of Birth, Address, etc.).

**21. The RFA identifies specifics amounts. \$1,500, \$3,000, \$750 or \$1,500 as reimbursable based on FT/PT and tenure; are there provisions to cover the employer's cost of payroll taxes? i.e. if an employee is paid \$1,500 (gross) it would actually cost the employer at least \$1,615 just to cover FICA/Medicare not including W/C, SUI, DCPFML, etc.**

The amounts specified in the RFA refer to the amount to be paid to the direct care worker in the form of a bonus. The amount paid to the HCBS provider may reflect the amount of the total bonus plus the employer portion of the required payroll taxes. As a formula, (Bonus payment from DHCF = \$1500 bonus to employee + required employer portion of payroll taxes). DHCF will add a standard calculated employer portion of payroll taxes to each grant award.

**22. We have several positions at our organization that must complete required training and certifications with DC/DDS to provide Direct Care to the people we support through HCBS Programs. Can we include all positions meeting this eligibility standard (includes Home Coordinators, LPNs, and Direct Support Professionals) or is this funding specifically intended for Direct Support Professionals? DSPs are included LPNs, Home Coordinators are not included.**

Please refer to the eligibility criteria outlined in Section III of the RFA. Direct Support Professionals are included in the definition of direct care worker. LPNs and “Home Coordinators” are not identified as eligible workers.

**23. In the event that you determine one of the workers we submitted does not qualify for this bonus payment (i.e. based on FTE calculation) or will already be receiving this bonus payment from another provider how will you let us know?**

Employers will be notified upon the award of the grant.